

A large, dark blue circular graphic resembling a vinyl record with a musical staff and notes. The staff is composed of concentric lines, and various musical notes and a treble clef are scattered across it. The background is a vibrant orange with a pattern of overlapping, rounded square shapes.

2020

HARBIN BANK CO., LTD.
Environmental, Social and
Governance Report

Stock Code: HK6138

The logo for Harbin Bank, featuring a stylized, interlocking circular design in white and blue.

哈尔滨银行
HarbinBank



2020

HARBIN BANK CO., LTD.
Environmental, Social and
Governance Report

Stock Code: HK6138

TRUST / WARMTH

CONNECTED / COMMITMENT





2014-2020 Environmental, Social and Governance Report

The logo for the year 2020, rendered in a white, stylized, outlined font. The zeros are connected to the twos, creating a continuous, flowing shape.

HARBIN BANK CO., LTD.
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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.

Reporting period: 1 January 2020 to 31 December 2020 (with some content exceeding the above reporting period)

Reporting frequency: Annually

(2) Principle of report compilation

This report is compiled in accordance with the requirements of the Environmental, Social and Governance Reporting Guide of the Hong Kong Stock Exchange, and with reference to the G4.0 Sustainability Reporting Guidelines and Financial Services Sector Supplement of the Global Reporting Initiative ("GRI"), and in accordance with the Opinion on Strengthening Social Responsibility of Banking Financial Institutions of the CBIRC, and the 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

All financial data in this report is taken from the 2020 Annual Financial Report, which was audited by Ernst & Young Public Accountants in Hong Kong and Ernst & Young Hua Ming LLP. The reporting data is mainly based on the year 2020. For data related to previous years and shown in this report, its year is explicitly specified in accordance with disclosure requirements. Monetary amounts shown in this report refer to the currency RMB, unless otherwise specified.

(4) Report assurance method

To ensure accuracy, authenticity and reliability, this report has been submitted to Ernst & Young Hua Ming LLP 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 on corporate social responsibility with an independent assurance report issued.

(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 HKEXnews website of HKEX (URL: <http://www.hkex.com.hk>) and the Bank's official website (URL: <http://www.hrbb.com.cn>).

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Independent Assurance Report



Meaning of the 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 logo was officially announced and used in September 2015. The four petals in the logo respectively represent the deep meaning of Trust, Warmth, Connection and Commitment. The colour theme of the 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 the future.



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Chairman's Statement

In 2020, we and the world suffered the great damage caused by COVID-19. Even now, its impact and uncertainty on the global economy still linger on. We have anticipated that we must have a bottom-line thinking to meet this challenge. We are aware that the more complex and harsher environment we are in, the more we should uphold our strategic determination and confidence in transformation to lay a solid foundation and make progress steadily.

Looking back at 2020, our efforts and attitudes can be sum up as “making every effort to overcome the difficulties together, facing up to the challenges, and keeping in mind the original intention”.

Tiding over the difficulties together and showing love in times of need. When Covid-19 raged on, we had empathy with our customers, especially SMEs and farmers, for the production and life disruptions they experienced, and hence immediately introduced the idea of offering special solutions in special times: Seven Financial Measures of Harbin Bank to Fight COVID-19 Together. As soon as it initiated its epidemic prevention and control campaign, the Bank donated RMB5 million to four key epidemic prevention hospitals in Heilongjiang Province through United Charity Foundation. Just like our brand connotation represented by the petals in the Bank's logo – Trust, Warmth, Connection and Commitment, we chose to do our best to overcome the difficulties together.

In 2020, the Bank followed the national policies and launched a series of measures to help industries, enterprises and individuals greatly affected by the COVID-19 epidemic, including interest rate concessions, flexible extension of loan term, adjustment of instalment repayment plans, reduction and waiver of overdue interest, and provision of special credit facilities. In total, the Bank ceded over RMB900 million of income to the real economy, of which nearly RMB500 million of income and handling fees were waived for small and micro enterprises and entities operating in the service, wholesale and retail, pharmaceutical and healthcare, manufacturing and other industries closely related to national welfare and people's livelihood. The Bank implemented the policy of “Six Stabilities and Six Guarantees” by innovating in products, improving procedures, allocating more resources, and taking special measures to meet the financial service needs of the real economy in the process of resuming work and production. As at the end of 2020, the Bank's total loans amounted to RMB280.6

billion, an increase of RMB17 billion from the end of the previous year; and the balance of inclusive small and micro loans exceeded RMB42 billion. The Bank issued a total of RMB17.5 billion of loans related to maintaining stable business and employment throughout the year, ranking first among financial institutions in Harbin. We also participated in the Top 100 Projects and the campaign of 100-Plus Banks Serving 10,000-Plus Enterprises in Heilongjiang with a total investment of RMB2.8 billion.

By virtue of its digital inclusive financial services, product innovation, and effective measures to help the real economy, especially SMEs, fight COVID-19 and resume work and production during the reporting period, the Bank received the award of “Top Ten Innovative Inclusive Finance Institutions” and the “Anti-Pandemic Special Contribution Award in China's Financial Industry” at the 2020 China Financial Innovation and Development Forum. The Bank also won the award of Stars of China 2020 Best SME Services Bank from “Global Finance” Magazine of the United States.

Taking calibrated and pragmatic measures to win the battle against poverty. The year 2020 is the final year of building a well-off society in an all-round way and getting rid of poverty, and is also the year of closing the 13th Five-Year Plan. The Bank made great efforts to overcome the huge challenges brought by the Covid-19 pandemic, thoroughly implemented the spirit of General Secretary Xi Jinping's important speeches and instructions, firmly promoted the “blood-making” poverty alleviation model, and motivated poor households to get rid of poverty and get rich through “financial + industrial poverty alleviation/consumption poverty alleviation”. In this respect, we united as one and did our utmost to help people overcome difficulties through calibrated, practical and innovative measures.

During the three-year poverty alleviation campaign from 2018 to 2020, Harbin Bank issued a total of RMB478 million of loans for calibrated financial poverty alleviation to help nearly 10,000 households achieve the goal of getting rid of poverty. What is particularly gratifying is that the 84 poor households (134 people) in Shuanglong Village, Liutuan Town, Yanshou County, Heilongjiang Province, where our head office's village-based poverty alleviation team is stationed, had their per capita annual net income more than double from RMB3,068 in 2017 to RMB9,904 in 2020.

It is noteworthy that during the reporting period, 11 of the 32 rural banks initiated by the Bank were established in state-designated poverty-stricken counties. As at the end of 2020, the 11 rural banks served over 210,000 customers and had a loan balance of more than RMB3.2 billion, making important contributions to winning the battle against poverty.

We uphold the business philosophy of Inclusive Finance and Common Prosperity, and resolutely undertake the duty to help win the battle against poverty.

Paying attention to ESG management and seeking quality sustainable development. In 2020, despite the impact of Covid-19 and severe and complicated challenges in the internal and external environment, with the support of governments at all levels, we solved the historical issues regarding shareholders, conducted comprehensive checking and enhancement of risk control and compliance mechanisms, and arranged re-election of senior management in an orderly manner, laying a good foundation for corporate governance for quality sustainable development in the future.

Meanwhile, we paid close attention to the goal announced by General Secretary Xi Jinping at the 75th UN General Assembly that “China will peak carbon dioxide emissions by 2030 and achieve carbon neutrality by 2060”, and the objective of “widely achieving green production and lifestyle” by 2035 specified in the Proposals of the CPC Central Committee for Formulating the 14th Five-Year Plan for National Economic and Social Development and the Long-term Goals for 2035. During the reporting period, the Bank passed a resolution to set up an ESG working group under the Development Strategy Committee of the Board of Directors, which marked that ESG management reached a new level.

Now, at the new starting point in the opening year of China’s “14th Five-Year Plan”, we are more aware of the significance of quality development, better understand the brand connotation of Trust, Warmth, Connection and Commitment, and value more the loyalty, diligence, integrity and accountability of the team. Perhaps in the future, we still need to work hard. Guided by Xi Jinping’s thoughts on socialism with Chinese characteristics in the new era, we will grasp the new development trends, establish new development concepts, actively undertake social responsibilities, and provide financial services with warmth and emotional support for the real economy.



邓新权

President's Statement

Under the extremely severe environment in 2020, we upheld the working principle of focusing on strategy, addressing problems, seeking truth and pragmatism, and enhancing value to constantly improve the efficiency of serving the real economy, SMEs and urban residents' livelihood, while coordinating epidemic prevention and control measures as well as operations and development.

As at the end of 2020, Harbin Bank (Group) had total assets of RMB598.6 billion, an increase of RMB15.5 billion from the end of the previous year; total customer deposits of RMB469.2 billion, an increase of RMB43.6 billion from the end of the previous year; and total loans of RMB280.6 billion, an increase of RMB17 billion from the end of the previous year. The Bank recorded an operating income of RMB14.6 billion. As at the end of the reporting period, the balance of the Bank's microcredit loans accounted for 63.8% of its total loans.

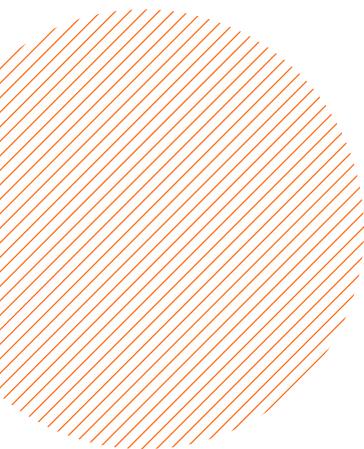
The Bank adopted strict measures to prevent and control COVID-19, and proactively followed relevant policies to address social concerns by offering special solutions in special times. In early 2020, in order to meet the needs of customers for financial services during the COVID-19 outbreak, the Bank promptly launched seven financial measures as special solutions in special times; opened up green channels for COVID-19-related financing of small and micro enterprises and cross-border finance; offered RMB10 billion special funds to support farmers' spring cultivation and production; introduced small anti-epidemic loans, implemented the policy of Six Stabilities and Six Guarantees, and supported the resumption of work and production in the real economy. During the reporting period, the Bank waived more than RMB900 million of receivables and fees due from entities in the real economy by various means.

Soon after the COVID-19 outbreak, the Bank set up a leading group for epidemic prevention and control, formulated the Work Plan of Harbin Bank (Group) for Epidemic Prevention and Control, duly implemented epidemic prevention policies and requirements at all levels, and imposed rigorous, stringent and stern management measures to safeguard the health and safety of employees and customers. The Bank also turned the original offline training sessions and meetings into online ones to meet the needs of employee growth and business development.

The Bank explored key areas, empowered characteristic business with technology, and promoted the transformation and upgrading of financial services with innovation. In 2020, the Bank continued to strengthen the construction of an integrated online and offline financial service system, and constantly improved its digital inclusive financial service capabilities, which timely met the needs under COVID-19 prevention and control. The Bank received the 2020 Hi-Tech Bank Award of the 21st Century Asian Financial Competitiveness List, receiving the commendation: "Needless to say, your products embody your perception and understanding of customer needs, and your services reflect your care for customers". We believe that our original intention will be well-tested after the pandemic.

During the reporting period, the Bank fully launched the Agricultural Flash Loan 2.0 project, and built a comprehensive financial service platform for rural areas in the new era through the combined products and services including "rural and agricultural loans plus wealth management, and rural and agricultural loans plus finance lease", in an effort to implement the national rural revitalisation strategy. In the process of promoting retail transformation, we constantly seek breakthroughs and innovations in brick-and-mortar outlets, and vigorously promote the establishment of sub-branches incorporating community charity features, with a view to blazing a trail of distinctive retail financial services incorporating charity features. As at the end of the reporting period, the Bank had more than 60 such sub-branches.

In 2020, the Bank further consolidated its advantages in Sino-Russia financial services. The Sino-Russia Cross-border E-commerce Online Payment Platform of the Bank received the Exemplary Business Model Innovation Award at the 2020 China International Fair for Trade in Services. After obtaining the qualification as a direct participating bank in the Cross-border Interbank Payment System (CIPS), the Bank is expected to become a hub of cross-border RMB settlement for Russian banks and enterprises, which will help further drive RMB to become a global currency. The Bank also established a Sino-Russia settlement service centre in Harbin New District, which will further facilitate the development of



Heilongjiang Pilot Free Trade Zone. Thanks to such efforts, the Bank was awarded the designation of Small and Medium Bank with the Most Distinctive Features Award of the 3rd Iron-horse Award for Small and Medium-sized Banks by Modern Bankers.

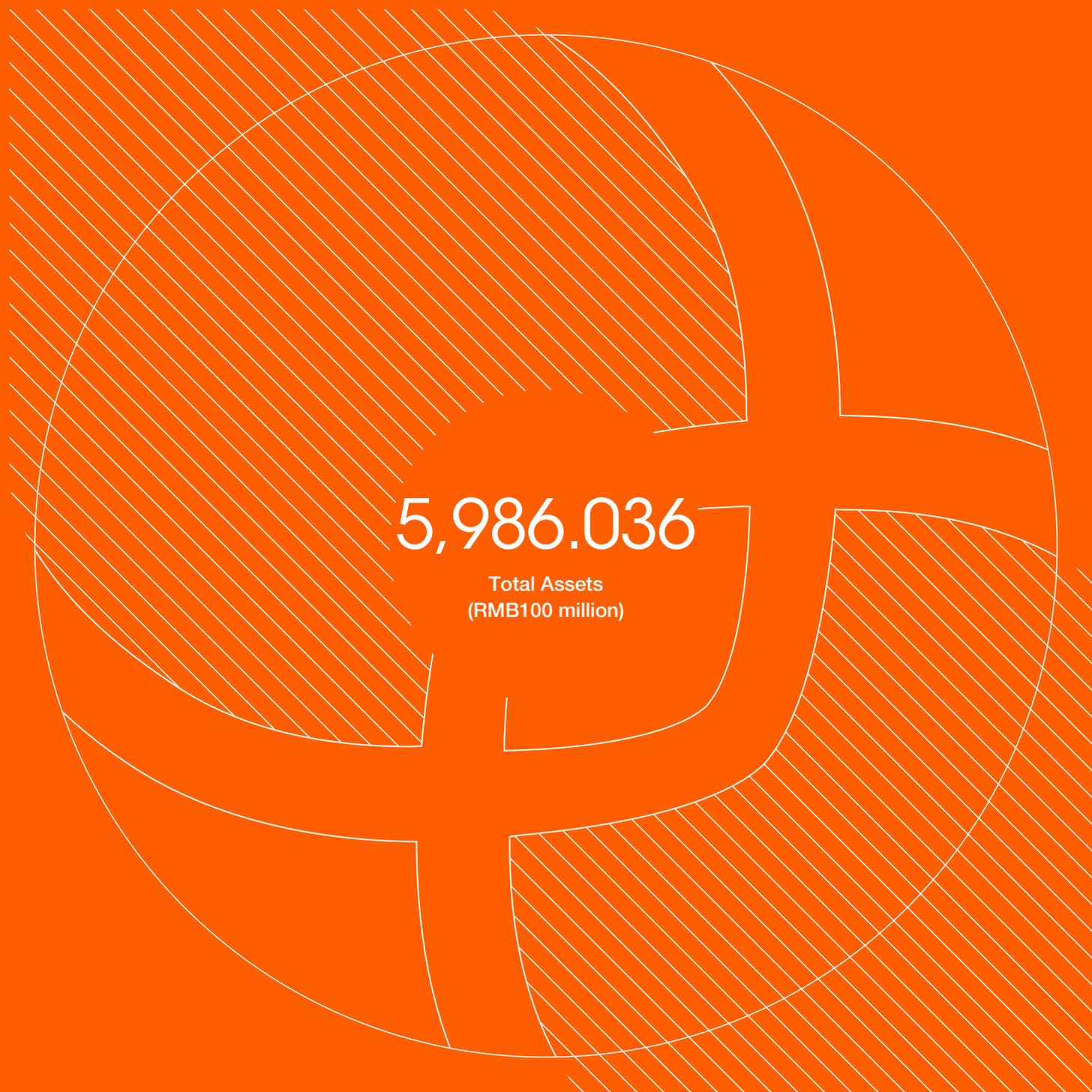
The Bank adhered to the bottom lines in risk control and compliance, and strengthened internal management defences. To further strengthen the unified risk management of the Group and channel resources to build a strong risk control system, in 2020, the Bank applied the achievements of the Basel New Capital Accord, built an intelligent risk control system, and implemented accurate risk management based on big data; promoted the integration of risk management into business R&D, product development and process design; and regularly carried out emergency response drills for information systems to ensure continuous and safe business operations.

The Bank attaches great importance to integrating anti-money laundering into its comprehensive risk management system. For this end, the Bank improved relevant measures, enhanced the monitoring system, and strengthened publicity and training to perform its legal obligations in anti-money laundering and anti-terrorist financing as a financial institution. During the reporting period, in an effort to strengthen the protection of financial consumers' rights and interests, the Bank intensified consumer protection training and risk warning for employees and consumer protection publicity for the public to step up promotion of financial knowledge and help the Bank's customers and all financial consumers enhance the awareness of protecting their legitimate rights and interests.

The year 2021 is the first year of China's 14th Five-Year Plan, and is also a year for the Bank to pursue quality development by promoting strategic transformation and management improvement, preventing and controlling risks, pushing forward two-wheel drive corporate and retail business and building an ecosystem underpinned by corporate finance, retail finance and Sino-Russian finance. We will continue to uphold the business philosophy of Inclusive Finance and Common Prosperity, and get off to a good start for quality development under the new strategic plan, in an effort to provide greater financial support for economic and social development.



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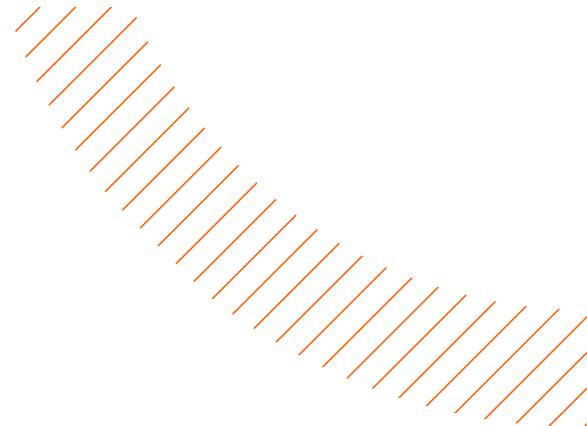


5,986.036

Total Assets
(RMB100 million)



About Harbin Bank



Overview

Harbin Bank¹ was founded in 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: 06138. 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 city commercial bank in Northeast China.

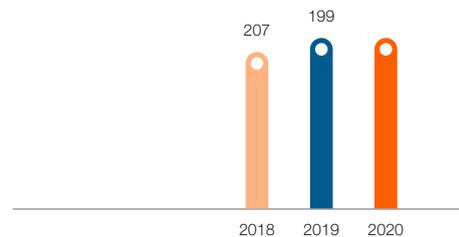
Harbin Bank has established 17 branches in Tianjin, Chongqing, Dalian, Shenyang, Chengdu, Harbin, Daqing, etc., and 32 village and township banks in 14 provinces and municipalities, including Beijing, Guangdong, Jiangsu, Jilin, Heilongjiang, etc. The Bank, as a controlling shareholder, has promoted the establishment of Harbin Bank Financial Leasing Co., Ltd., the first financial leasing company in the northeast region, and Harbin Bank Consumer Finance Co., Ltd, the first consumer finance company in Heilongjiang Province, respectively. During the reporting period, the Group had 389 business outlets with branches and sub-branches across seven administrative regions in China. As at 31 December 2020, the Bank had total assets of RMB598.6036 billion, total loans and advances to customers of RMB280.5672 billion and total customer deposits of RMB469.2800 billion.

In 2020, Harbin Bank was ranked 191st in Brand Finance's Global 500 2020 published by Brand Finance (a famous UK-based branded business valuation consulting firm), 199th in the Top 1000 List of World Banks 2020 according to The Banker of United Kingdom and 31st in the 2019 China Banking Top 100 List of the China Banking Association; and was awarded Stars of China 2020 Best SME Services Bank by Global Finance Magazine of the United States, Small and Medium Bank with the Most Distinctive Features Award of the 3rd Iron-horse Award for Small and Medium-sized Banks by Modern Bankers, 2020 Hi-Tech Bank Award of the 21st Century Asian Financial Competitiveness List; the Sino-Russia Cross-border E-commerce Online Payment Platform of the Bank received the Exemplary Business Model Innovation Award at the 2020 China International Fair for Trade in Services. On the back of its innovation in digital inclusive finance services and products and its practical anti-pandemic efforts to support the development of the real economy, the Bank was named 2020 Top Ten Innovative Inclusive Finance Institutions and received the 2020 Anti-Pandemic Special Contribution Award in China's Financial Industry at the 2020 China Financial Innovation and Development Forum.

The Banker

"Top 1000 World Banks 2020"
according to The Banker of United Kingdom

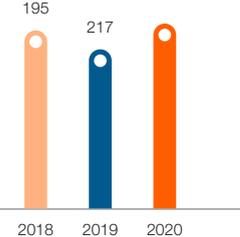
Harbin Bank ranked **199th**



Brand Finance

Brand Finance's Global 500 2020

Harbin Bank ranked **191st**



1. In the report, "Harbin Bank" or the "Company" refers to Harbin Bank Co., Ltd., a joint stock company incorporated in the PRC on 25 July 1997 in accordance with PRC laws; the "Group" or the "Bank" refers to the Company and all of its subsidiaries, branches and sub-branches.

Global Finance

Stars of China 2020 by Global Finance Magazine of the United States

Harbin Bank was awarded

Best SME Services Bank

China Banking Association

2019 China Banking Top 100 List

Harbin Bank ranked

31st

Financial News

2020 Chinese Financial Institutions Gold Medal Awards - Golden Dragon Awards:

Harbin Bank was awarded
Top Ten City Commercial Banks for the Year



Modern Bankers

The 3rd Iron-horse Award for Small and Medium-sized Banks

Harbin Bank was awarded

Small and Medium Bank with the Most Distinctive Features Award

Harbin Bank was awarded
Golden Award of Social Responsibility Report



The 34th World's Best Annual Report Competition of the 2020 ARC Awards



The 21st Century Asian Financial Competitiveness List

Harbin Bank was awarded

2020 Hi-Tech Bank



Key Performance Table

Type of Indicators	Specific indicators	Unit	2020	2019	2018
Economic performance indicators	Total assets	RMB million	598,603.6	583,089.4	615,588.5
	Operating income	RMB million	14,606.3	15,124.4	14,325.4
	Profit before tax	RMB million	1,408.9	4,790.5	7,305.2
	Net profit	RMB million	795.8	3,635.1	5,574.4
	Total tax	RMB million	3,018.02	2,798.49	3,462.11
	Earnings per share	RMB Yuan	0.07	0.32	0.50
	Average return on total assets	%	0.13	0.61	0.94
	Average return on equity	%	1.51	7.41	12.68
	Balance of loans to customers	RMB million	280,567.2	263,604.1	253,762.7
	NPL ratio	%	2.97	1.99	1.73
	Capital adequacy ratio	%	12.59	12.53	12.15
	Provision coverage ratio	%	133.26	152.50	169.88
	Social performance indicators	Total staff	Person	6,992	6,941
Proportion of female staff		%	56.99	57.08	57.30
Proportion of female management staff		%	52.11	50.36	51.11
Clients of village and township banking services		Account	592,863	530,490	446,391
Microcredit balance		RMB million	179,120.6	178,441.7	180,715.1
Balance of agricultural loans		RMB million	32,560	37,975	42,507
Poverty alleviation loans for registered households (distributed during the year)		RMB million	4.78	41.45	90.59
National student loan distributed during the year		RMB million	526	576	596
Total charity donation		RMB'0,000	1,945	2,820	1,517.6
Environmental performance indicators		Green credit balance	RMB million	2,632	2,411
	Replacement rate of business transactions through electronic banking	%	95	93	91

- Notes:
- Total staff, proportions of female staff and female management staff exclude those in village and township banks, Harbin Bank Financial Leasing Co., Ltd. and Harbin Bank Consumer Finance Co., Ltd.
 - The number of clients of village and township banking services represents the total number of depositors and clients for the lending business of village and township banks as at the end of the reporting period.
 - The statistical criterion of the Bank's green credit balance was adjusted in 2019.

The Group's Development Plan

- Branches
- Village and township banks

Harbin Bank Financial Leasing Co., Ltd.

Harbin Bank Consumer Finance Co., Ltd.

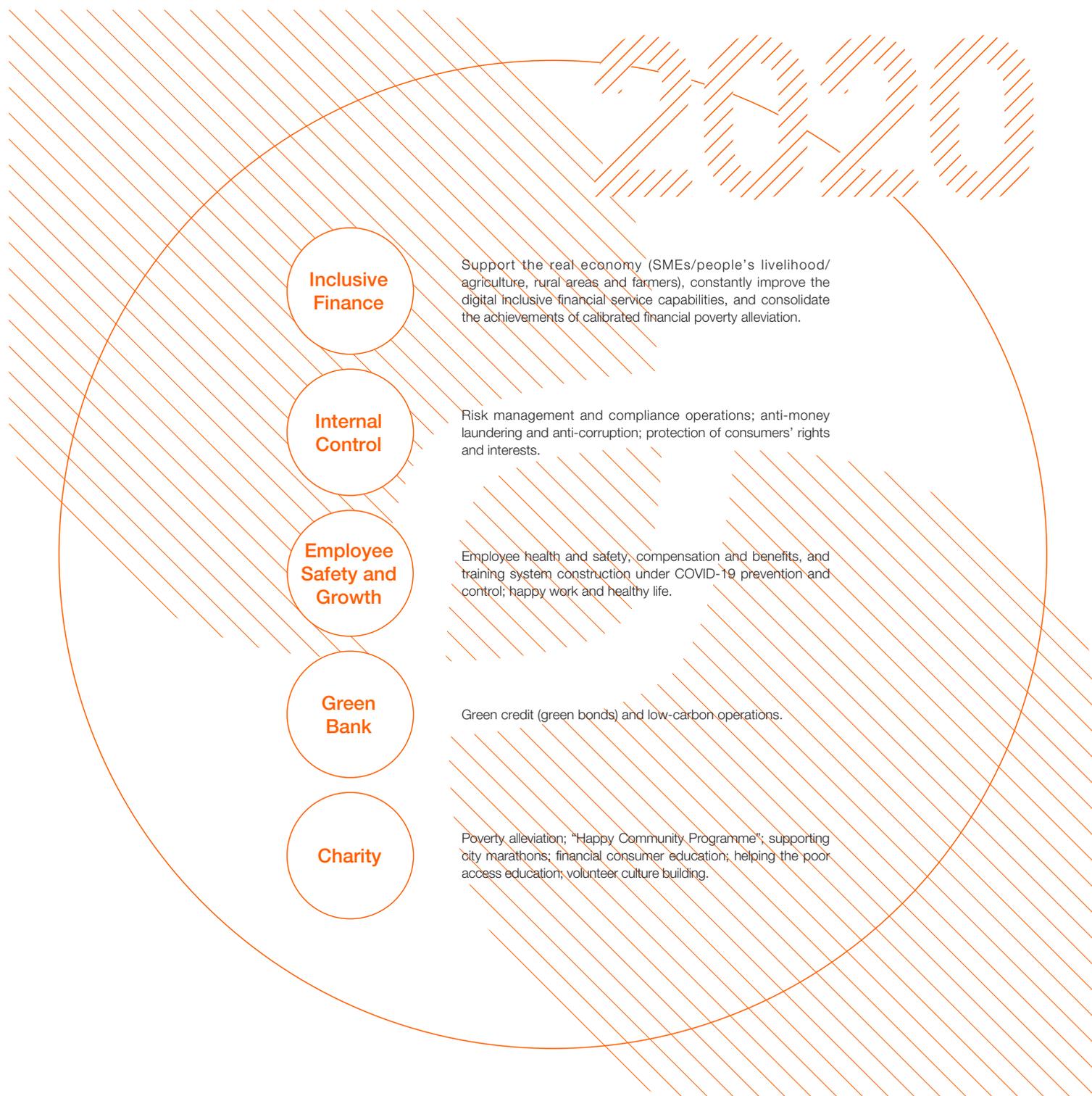


Stakeholders of Harbin Bank

Stakeholder	Expectation and requirements	Communication	Response
Government	To support the implementation of national strategies and healthy development of the regional and real economies.	To properly implement and enforce national financial policies; take part in formulation of relevant policies and in relevant research and discussion; and submit statistics reports.	Consistently implemented the macro-policies of the nation; supported national industry restructuring and transformation in economic development; implemented strategic planning of inclusive finance and green finance, supported development of the real economy including agriculture, rural areas and farmers, the private economy and SMEs; supported implementation of the Belt and Road Initiative and the policy of Entrepreneurship and Innovation by All; assisted in the battle against poverty, and undertook the responsibilities of a state-owned enterprise.
Regulatory authorities	To return to the basics of business; compliant, healthy and stable operation, stronger risk control and better corporate governance.	To properly implement and enforce regulatory policies; submit special reports and statistics reports.	Strict execution of regulatory policies and enforcement of regulatory requirements, compliant and honest operation, strengthening the internal control system; adopting comprehensive risk management; and continuous enhancement of corporate governance mechanisms.
Shareholders	Good operating results and investment return, scientific risk management and control, continuous and stable operation, and timely, accurate and complete information disclosure.	Provision of accurate and timely information disclosure; regular reports; general meetings; results roadshows; and paying and receiving regular visits.	Sufficient protection of the legitimate interests of shareholders and investors and constant improvement on operational and management capabilities for sustainable shareholder value creation; Strengthening communication with the capital market by proper arrangements for investor and analyst visits and response to telephone and online enquiries; Active participation in domestic and overseas investor conferences held by investment banks and securities brokers and proactive arrangement of results announcement presentations and roadshows for investors.
Clients	To protect the legitimate interests of financial consumers; provision of quality financial services to boost client satisfaction.	Online and offline promotion and publicity of policies and knowledge; carrying out customer needs survey through questionnaires and interviews.	Continuous improvement of the mechanisms for protecting the interests of consumers; increased investment in science and technology, accelerated innovation in financial products and services; expanded customer service channels; reinforced customer relations management by inviting customers to our key events; and strengthened customer complaint handling and customer satisfaction survey.

Stakeholder	Expectation and requirements	Communication	Response
Environment	To promote the development of Green Finance, reinforce green indicator management of business operation and the office environment, and assist in achieving the goal of carbon neutrality.	Implementation of the national green finance development plan; strict enforcement of national policies on energy saving and emission reduction; and taking part in green charity activities.	Establishing a better green finance system; implementing green credit guidelines, allocating more resources for green credit to support energy saving and emission reduction; promoting green operation by implementing paperless office and waste classification, etc.
Staff	Ample room for career development, healthy and safe work environment as well as active participation in management by all staff.	Staff representatives' meeting; and proper internal communications mechanisms to gather staff's views and suggestions.	Created better career development paths, established sound incentive and restraint mechanisms, improved performance assessment, paid attention to staff's work environment, cared about their physical and mental health, and protected their legitimate interests to promote the workplace culture of loyalty, diligence, integrity and accountability and an atmosphere for happy work and healthy life.
Partners	To build good cooperation relationship, focus on areas of strategic cooperation and achieve sustainable mutual benefit and win-win.	Strict contractual performance; improving tender procedures; strengthening communication; and paying regular visits.	Fair and just tendering and procurement, and honest and fair cooperation.
Community	To focus on new community relations and the battle against poverty, engage in social responsibility investment, and promote harmony and balance between financial institutions and the community.	To assist in achieving the goal of winning the battle against poverty by stationing poverty alleviation teams in villages or targeted poverty alleviation. To take part in community building activities intensively with United Charity Foundation; increase regular exchange and communication through publicity of financial knowledge; and carry out various charity activities.	Focused on winning the battle against poverty through calibrated financial poverty alleviation; carried out social responsibility investment and promoted community building activities with United Charity Foundation, focusing on the project of Happy Community Programme; promoted public sports development and improved urban cultural quality with the opportunity arising from sponsorship for the city marathon; established sub-branches incorporating community charity features; innovated inclusive finance service model to provide convenience for community life; and participated in charity donation to other types of activities for helping the poor and promoting education.





Issues of Significance in 2020

In early 2020, the sudden COVID-19 outbreak completely disrupted people's work, study and life and dealt a heavy blow to the normal operations of enterprises. Given the severe situation of epidemic prevention and control, the implementation of the Bank's development strategy and the changes in internal and external environment, and considering that customers and the public might have special needs for financial services at the unusual time and the physical and mental health and safety of employees should be taken seriously, the Bank made a special arrangement for the priority ranking of material issues in 2020, which are somewhat different compared with 2019.

The order of priority of material ESG issues in 2020 is as follows: Inclusive Finance, Internal Control, Employee Safety and Growth, Green Bank, and Charity. The rationale behind such order is set out below:

Inclusive Finance ranked first. This is the key to implementing the Bank's core strategy of maintaining its principal business and supporting the real economy (SMEs/people's livelihood/agriculture, rural areas and farmers), and demonstrates the Bank's commitment to the national strategic plan for inclusive finance development. Specifically, the top priority is to continuously improve the digital inclusive financial service capabilities.

Internal Control was upgraded from the third in the previous year to the second in order to comply with the increasingly stringent regulatory requirements and adapt to changes in the external environment. This also facilitated the protection of consumers' rights and interests and the Bank's high-quality development.

Employee Safety and Growth was the third material issue in 2020, ranking higher than in the previous year. The primary content of the issue is to safeguard the health and safety of all employees during the anti-COVID-19 period. On this basis, we paid special attention to the growth needs of employees in extraordinary times.

Based on the anticipated severe impact of COVID-19 on the real economy and its potential impact on the Bank's operations, Green Bank as a material issue in 2020, moved from the second place in the previous year to the fourth place. Nevertheless, the Bank will continue to promote the development of green credit.

Charity remained as one of the Bank's material issues for the year. A key task for this issue during the reporting period was to help win the battle against poverty. The Bank coordinated with United Charity Foundation initiated by the Bank to help fight COVID-19, especially through the Happy Community Programme which can meet the expectations of community residents for watching out for and helping each other in extraordinary times. This reflected the Bank's strong emphasis on building community relations.

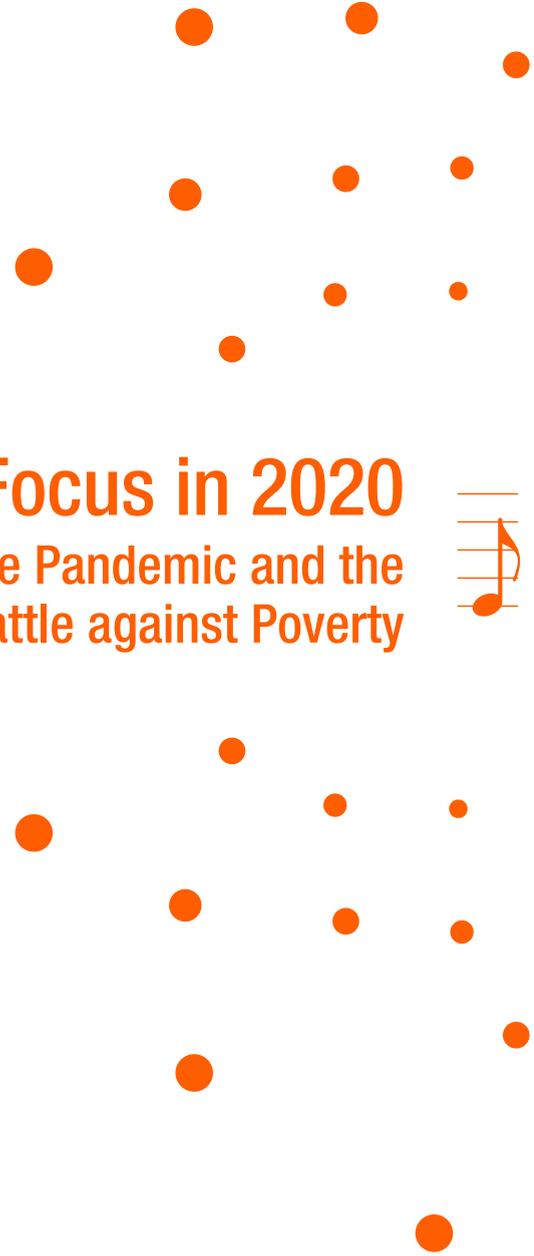






Our Focus in 2020

Fighting against the Pandemic and the
Battle against Poverty



Inclusive Finance in Extraordinary Times: Special Solutions in Special Times, Technology Support and Product Supply

“Needless to say, your products embody your perception and understanding of customer needs, and your services reflect your care for customers”.

In 2020, the sudden COVID-19 outbreak dealt an unprecedented blow to the world, worsening the complex and severe economic environment at home and abroad. In this context, Harbin Bank conducted comprehensive analysis and evaluation on the impact of the COVID-19 pandemic, calmly coped with the challenges related to COVID-19 and business environment, and actively performed its social responsibilities. While strictly implementing epidemic prevention and control measures, the Bank earnestly followed various supporting policies of the state, swiftly adjusted business arrangements, and did its utmost to meet the financial service needs by offering special solutions in special times on the premise of ensuring the overall stability of its operations; and fully leveraged the power of technology to support the resumption of work and production in the real economy and reduce the impact of COVID-19. The image of “Harbin Bank as a bank providing warmth and emotional support” is deeply rooted in the hearts of people.

In terms of fee relief, the Bank followed the national policies and launched a series of measures to help industries, enterprises and individuals greatly affected by the COVID-19 epidemic, including interest rate concessions, flexible extension of loan term, adjustment of instalment repayment plans, reduction and waiver of overdue interest, and provision of special credit facilities. In total, the Bank ceded over RMB900 million of income to the real economy, of which RMB494 million of income and handling fees were waived for SMEs and entities operating in the service, wholesale and retail, pharmaceutical and healthcare, manufacturing and other industries closely related to national welfare and people’s livelihood. The Bank implemented the policy of “Six Stabilities and Six Guarantees” by innovating in products, improving procedures, allocating more resources, and taking special measures to meet the financial service needs of the real economy in the process of resuming work and production. As at 31 December 2020, the balance of inclusive small and micro loans was RMB42.093 billion, an increase of RMB4.726 billion from the beginning of the year. The Bank issued a total of RMB17.5 billion of loans related to maintaining stable business and employment throughout the year, ranking first among financial institutions in Harbin. We also participated in the Top 100 Projects and the campaign of 100-Plus Banks Serving 10,000-Plus Enterprises in Heilongjiang with a total investment of RMB2.8 billion.

In order to increase the support for brick-and-mortar enterprises, the Bank promptly set up an emergency financial service team, innovatively launched the Online Service Plan to Fight COVID-19 and the Seven Financial Measures to Fight COVID-19, insisted on serving the local economy, urban residents and SMEs, and developed an integrated financial service system featuring quick response to customer needs, co-design of service plans and coordinated promotion of financial services. During the reporting period, the Bank fully implemented Heilongjiang Province’s policy of maintaining stable business and employment, and served nearly 50,000 customers in this regard by meeting their needs for account opening and settlement. As at the end of the reporting period, the Bank’s total corporate loans amounted to RMB158,551.8 million, representing an increase of 17,973.5 million from the beginning of the year and accounting for 56.5% of total loans. In terms of small and micro finance, during the COVID-19 epidemic, the Bank deepened product and service innovation, launched anti-epidemic loans for small and micro enterprises, strengthened financial services for special times, and employed a service model featuring professional teams, exclusive solutions, and special channels to constantly improve capabilities in serving small and micro finance customers, thus enhancing its brand influence. As at the end of 2020, the Bank’s loans to small enterprises amounted to RMB58,946.3 million, and loans to small enterprise owners reached RMB36,890 million.



In terms of maintaining stable production, supporting spring cultivation and addressing agricultural needs, the Bank quickly issued a series of supporting policies including the Guiding Opinions of Harbin Bank on Financial Services for Farmers During the COVID-19 Epidemic and the Online Service Plan of Harbin Bank for Loans for Farmers to enhance the priority of granting rural and agricultural loans and increase the supply of special funds for farmers. In particular, we opened a green channel for spring cultivation in Heilongjiang Province. First, we provided home-based online green services to allow for online contactless loan application, thus ensuring the safety of farmers against COVID-19. Second, we provided credit extension and relief services and adopted special policies for farmer customers affected by COVID-19, including avoiding the withdrawal, cut-off and withholding of loans, loan extension, loan renewal, adjustment of repayment and interest payment schedules, and assisting in applying for credit protection, so as to meet farmers' urgent needs. During the reporting period, the Bank allowed for deferred repayment of 6,712 loans, representing a total amount of RMB502 million; and assisted farmers to file 719 credit protection applications, involving a total amount of RMB125 million. Third, we provided efficient credit enhancement services by implementing a series of preferential policies including credit enhancement, loan term extension, flexible repayment and simplified procedures, in an effort to help improve agricultural production capacity through financial services during the COVID-19 epidemic.



Youngsters Hit by COVID-19 (Small Anti-epidemic Loans: Harbin Bank's Helping Hand against Ruthless Virus)

[Immediate Release]

Seven Special Financial Measures
of Harbin Bank to Fight COVID-19
Together
[https://mp.weixin.qq.com/s/
xUbjWjuf9jeOsetcZkxGPA](https://mp.weixin.qq.com/s/xUbjWjuf9jeOsetcZkxGPA)



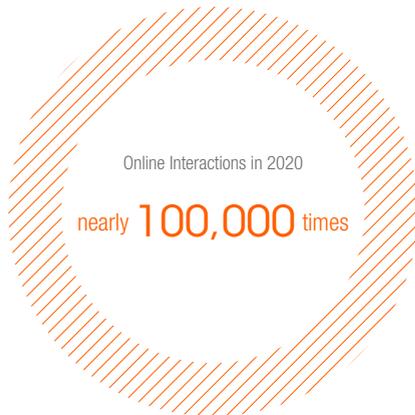
Community Investment in Extraordinary Times: Trust, Warmth, Connection and Commitment



In the early stage of the COVID-19 outbreak in 2020, as soon as it initiated its epidemic prevention and control campaign, Harbin Bank donated RMB5 million to four key epidemic prevention hospitals to help win the fight against COVID-19. The donation was strongly supported by Heilongjiang Province and Harbin's headquarters for COVID-19 prevention and control. The recipient hospitals, namely the Second Affiliated Hospital of Heilongjiang University of Traditional Chinese Medicine, Infectious Disease Hospital of Heilongjiang Province, Harbin Infectious Disease Hospital, and Harbin Chest Hospital, were all designated hospitals for COVID-19 patients in Heilongjiang Province. The move, which occurred at a critical juncture for COVID-19 prevention and control across the nation, received much attention from the public, and Xinhuanet reports on this donation reaped more than 800,000 views.

With years of experience in providing community financial services and promoting the Happy Community Programme, Harbin Bank is well aware that the community is not only the first line of defence for joint epidemic prevention and control, but also the most effective line of defence against import of virus and internal spread of virus. Soon after the anti-COVID-19 campaign was launched in 2020, the Bank, in collaboration with United Charity Foundation, arranged more than 40 implementation agencies of the Happy Community Programme across the country to build a strong community network for epidemic prevention and control.

In the meantime, United Charity Foundation teamed up with Heilongjiang Public Social Service Centre to purchase high-value insurance for 500 community workers at the forefront of the fight against COVID-19 in Harbin with up to RMB1 million of death benefit and hospitalisation benefit per person/household, representing a total insured amount of RMB500 million. This move was part of our concrete actions to undertake our responsibility for and commitment to anti-epidemic charity initiatives.





On 24 March 2020, Huanggu Sub-branch of Shenyang Branch and Lizhou NPO in Shenyang jointly visited and conveyed greetings to the Zhongguang community in Huanggu District.

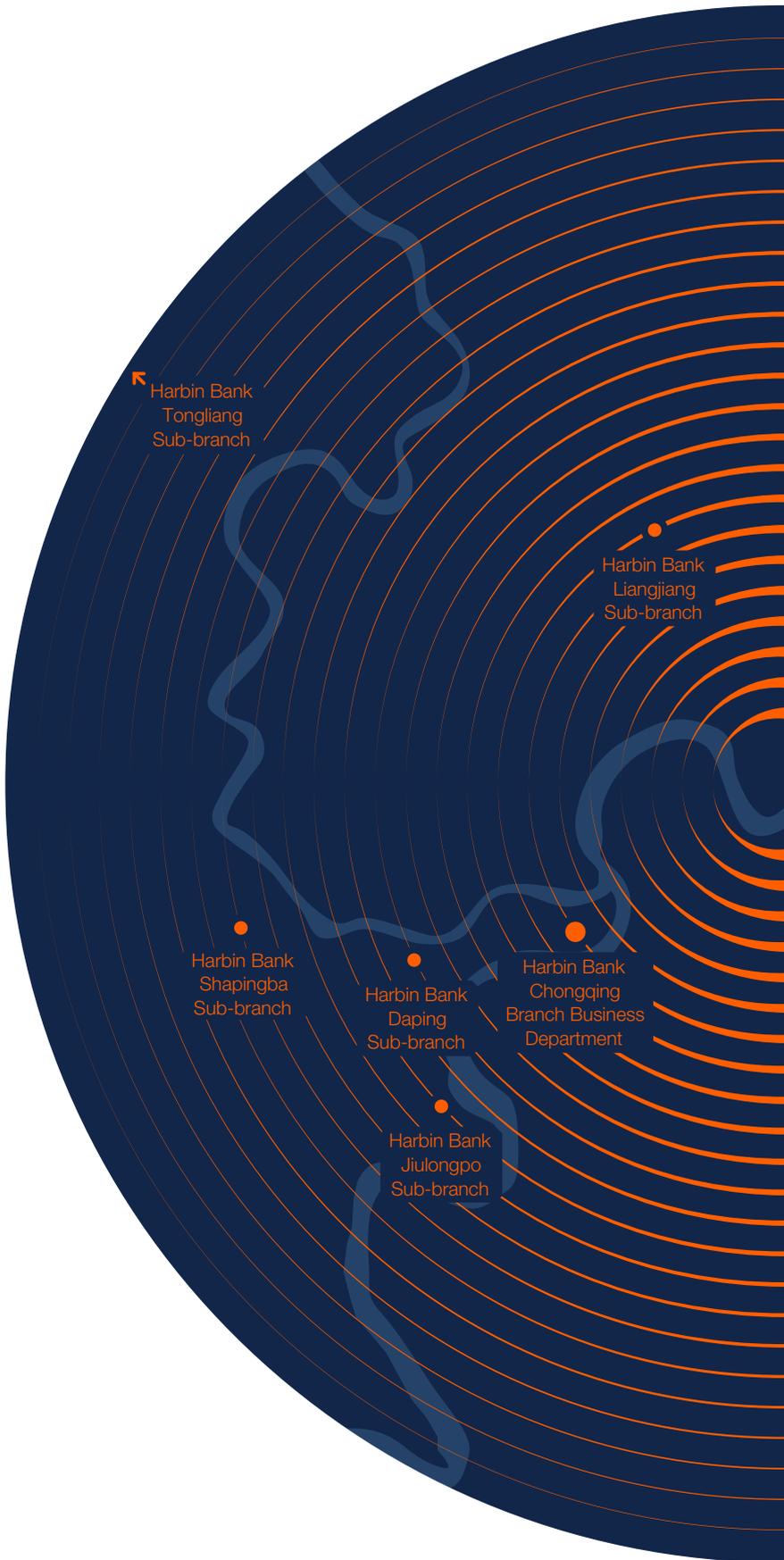
After COVID-19 prevention and control became a normal routine, Harbin Bank and United Charity Foundation focused on rebuilding community relations, reviving community networks, and reserving protective supplies, and carried out various online activities and services with a wide audience, strong practicability, high participation and rich content based on the branded charity projects under the Happy Community Programme and according to community residents' needs for financial services and cultural activities. Such activities and services included online financial classes designed to meet residents' financial investment needs, covering mobile banking operation training, anti-financial fraud lectures, award-winning Q&A on precious metal price trends, etc.; Great Doctor Card exclusive services for medical staff; special privileges such as publicity of epidemic prevention knowledge, health and wellness lectures, online free medical consultations, and return-to-work gift package; as well as home cooking competition, parent-child talent show and photography exhibition, which were popular among community residents. According to incomplete statistics, in 2020, such activities generated nearly 100,000 online interactions and reached nearly one million community residents.

In 2020, a total of 49 agencies under the Happy Community Programme in 8 cities where the Bank's branches and rural banks operate, namely Harbin, Shenyang, Dalian, Tianjin, Chongqing, Chengdu, Mudanjiang and Shenzhen, carried out over 2,000 online and offline activities, covering approximately 400 communities and benefiting more than 400,000 participants. About 6,000 volunteers and 3,000 employees of Harbin Bank participated in these activities, rounding up and distributing approximately RMB430,000's worth of supplies.

[Xinhuanet Report]

Harbin Bank Donated RMB5 million to Help Heilongjiang's Anti-COVID-19 Efforts with warmth and emotional support
https://my-h5news.app.xinhuanet.com/h5/article.html?articleId=59091f20ef3107fddc22eafd13c34710&share_device_token=BBA12A9F-7F0F-46BC-A386-9AE439CE5F4D&share_time=1617884290819&share_type=6





Harbin Bank
Tongliang
Sub-branch

Harbin Bank
Liangjiang
Sub-branch

Harbin Bank
Shapingba
Sub-branch

Harbin Bank
Daping
Sub-branch

Harbin Bank
Chongqing
Branch Business
Department

Harbin Bank
Jiulongpo
Sub-branch



Dingxiang Refreshment Station

On 26 May 2020, Harbin Bank Chongqing Branch, together with Chongqing Municipal Federation of Trade Unions, held the inauguration ceremony for Trade Union Outdoor Worker Service Station – Dingxiang Refreshment Station at six outlets of Harbin Bank, i.e. its Harbin Branch Office, Daping Sub-branch, Shapingba Sub-branch, Liangjiang Sub-branch, Jiulongpo Sub-branch and Tongliang Sub-branch.

The functional area of Trade Union Outdoor Worker Service Station – Dingxiang Refreshment Station is a semi-open exclusive and functional space built on each of the above banking outlets to provide a warm rest area for outdoor workers such as urban beauticians, taxi drivers, traffic officers, city inspectors and couriers as well as other people in need. The Dingxiang Refreshment Station offers tea, food heating, mobile phone charging and other services free of charge; and provides stationery, tableware, paper towels, lighters, raincoats, canvas bags and other portable items for those in need.

Case 7

Harbin Bank's Efforts in the Battle against Poverty: Stimulating the Intrinsic Motivation of Poor Households

The year 2020 is the final year of building a well-off society in an all-round way and getting rid of poverty, and is also the year of closing the 13th Five-Year Plan. Harbin Bank strived to overcome the great challenges posed by COVID-19, firmly promoted the “blood-making” poverty alleviation model, established a sound long-term mechanism for industrial poverty alleviation, enhanced the organisational support for industrial poverty alleviation, and motivated poor households to get rid of poverty and get rich through “financial + industry poverty alleviation/consumption poverty alleviation”.

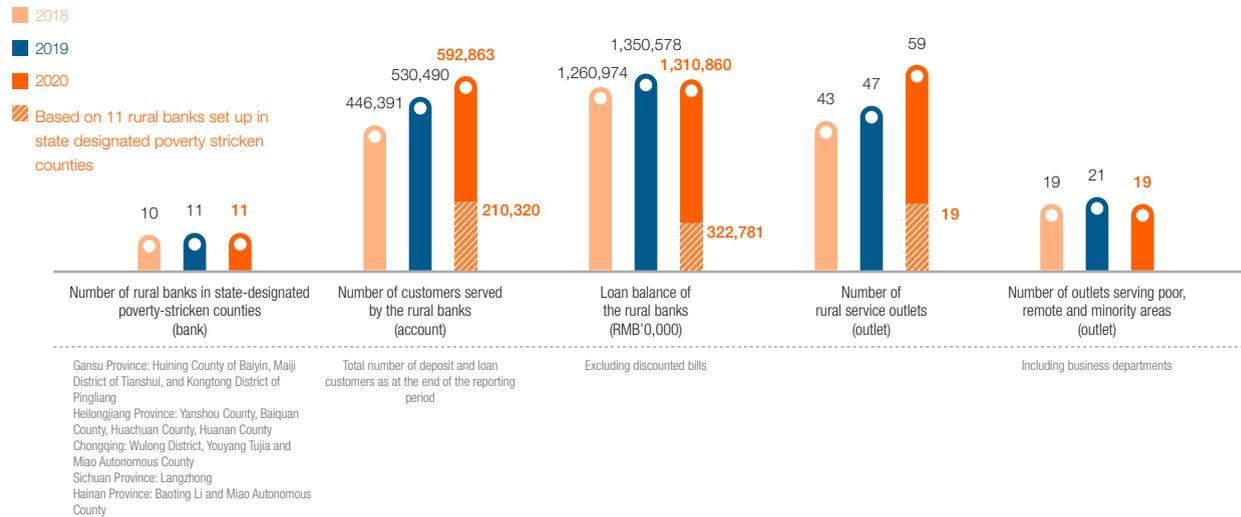
Providing organisational and policy support. Guided by General Secretary Xi Jinping's important speeches on poverty alleviation and the poverty alleviation policies of governments and regulatory authorities at all levels, the Bank defined the responsibilities of its working group on calibrated financial poverty alleviation, and issued a series of measures including the Work Plan of Harbin Bank on Further Strengthening Calibrated Financial Poverty Alleviation, the Notice of Harbin Bank on Further Regulating the Special Statistical Work of Calibrated Financial Poverty Alleviation Loans and the Guiding Opinions of Harbin Bank on Calibrated Financial Poverty Alleviation from 2019 to 2020 to channel bank-wide manpower and resources for rural revitalisation and calibrated poverty alleviation, thus providing strong financial support for winning the battle against poverty and building a well-off society in an all-round way in 2020.

Ensuring resource allocation and efficiency. In 2020, the Bank made every effort to ensure the timely, sufficient and efficient supply of calibrated poverty alleviation loans, thereby meeting the demand of entrepreneurial leaders and poor customers for funds and alleviate their concerns under the impact of COVID-19. During the reporting period, Harbin Bank issued RMB4.78 billion of poverty alleviation loans to registered poor households, making the cumulative amount of such loans reach RMB2.613 billion. As at the end of 2020, the outstanding balance of the Bank's poverty alleviation loans was RMB117 million (including RMB107 million in Heilongjiang Province); the Bank supported 3,193 registered poor customers during the year, and had served a total of 74,000 registered poor households, all of whom have been lifted out of poverty.

It should be noted that during the three-year battle against poverty from 2018 to 2020, Harbin Bank issued a total of RMB478 million of calibrated financial poverty alleviation loans (to registered poor households and households lifted out of poverty). As at 31 December 2020, the Bank and its subordinate organs had a total of 9,876 customers under calibrated poverty alleviation, and the balance of calibrated poverty alleviation loans issued by them was RMB387 million (including RMB325 million in Heilongjiang Province).

It is worth mentioning that in the process of calibrated financial poverty alleviation, the Bank increased financial support for new agricultural business entities and entrepreneurial leaders, including promoting the innovative Agricultural Revitalisation Loan to provide effective loan products for them; and explored new ways of industrial poverty alleviation by developing innovative service models, such as promoting credit loans and “two-rights” mortgage loans, introducing guarantee resources and expanding agriculture-related services, to solve the problem of difficult and expensive financing facing poor households. In addition, 11 of the 32 rural banks initiated by the Bank were set up in state-designated poverty-stricken counties (all of which have been lifted out of poverty in 2020) as village banks. Driven by production innovation and service culture, they insisted on being locally oriented with trickle-down features and characteristic operations and serving agriculture, rural areas and farmers and SMEs, and gradually developed unique cultural concepts, ideological systems, management models and working mechanisms to help the state-designated poverty-stricken counties get rid of poverty.

The Bank's long-term mechanism for calibrated poverty alleviation attracted extensive attention from the news media. Many mainstream media sent reporters to interview local government departments, villagers and the Bank's staff in the poverty-stricken areas designated to be supported by the Bank's branches in Gansu Province, Sichuan Province and Heilongjiang Province, and they wrote a large number of vivid reports. Harbin Bank's Efforts behind Poverty Alleviation” broadcast on the Building Dreams in the New Era programme of CCTV's Discovery Journey channel on 3 December 2020 was one of the representative reports.



Rongxing's Efforts in the Battle against Poverty

Since 2009, the Bank has initiated the establishment of 32 rural banks. As at the end of 2020, these rural banks had 46 branches, an increase of 5 over the previous year; 59 rural service outlets, an increase of 12 over the previous year; and 19 outlets serving poor, remote and minority areas. Of the 32 rural banks, 11 were set up in former state-designated poverty-stricken counties (all of which have been lifted out of poverty by the end of 2020), namely Huining County of Baiyin, Maiji District of Tianshui and Kongtong District of Pingliang in Gansu Province, Yanshou County, Baiquan County, Huachuan County and Huanan County of Heilongjiang Province, Wulong District and Youyang Tujia and Miao Autonomous County of Chongqing, Langzhong City of Sichuan Province, and Baoting Li and Miao Autonomous County of Hainan Province.

As at 31 December 2020, the 32 rural banks had total assets of RMB25.367 billion, total loans of RMB13.109 billion and total customer deposits of RMB20.147 billion, and served 592,863 customers. The 32 rural banks insisted on being locally oriented with trickle-down features and characteristic operations and serving agriculture, rural areas and farmers and SMEs, and enriched county-level financial services, contributing to the local economic development and the battle against poverty.

We take Tianshui Maiji Rongxing Village and Township Bank as an example. Located in Maiji District, Tianshui, Gansu Province, it is a new financial institution initiated by Harbin Bank in June 2017 to support the development of agriculture, rural areas and farmers and SMEs in counties. In order to win the battle against poverty, the bank continuously improved the top-level design for calibrated financial poverty alleviation in accordance with relevant poverty alleviation policies. Based on the key cherry and cattle apple industries in Maiji District, it developed a loan model integrating "bank + leading enterprises + cooperatives + poor farmers" to promote a series of loan products including pepper farmer loans and fruit e-loans, thus increasing the coverage of industrial poverty alleviation and helping nearly 10,000 people increase their income.

As at 31 December 2020, a total of RMB163.51 million of pepper farmer loans had been issued to 447 households, with an outstanding balance of RMB46.61 million; a total of RMB309.95 million of fruit e-loans had been issued to 639 households, with an outstanding balance of RMB98.78 million; a total of RMB812 million of loans for supporting agriculture, rural areas and farmers and SMEs had been issued; and a total of 209 low-interest loans for poverty alleviation in a total amount of RMB81.27 million had been issued. These Rongxing efforts contributed to winning the battle against poverty.

[CCTV Report]

Harbin Bank's Efforts behind Poverty Alleviation
https://m.yangshipin.cn/video?type=0&vid=e000022gmuf&ptag=4_1.9.3.21971_copy



Deeds of Village-based Poverty Alleviation Team of the Head Office (stationed in Shuanglong Village, Liutuan Town, Yanshou County, Heilongjiang Province)

In June 2017, in response to the call of the CPC Central Committee for poverty alleviation, the Bank sent a village-based poverty alleviation team to Shuanglong Village, Liutuan Town, Yanshou County, Heilongjiang Province to carry out poverty alleviation work according to local conditions. It was awarded the title of 2019 Exemplary Case of Calibrated Poverty Alleviation in China in the 21st Century Asian Financial Competitiveness Evaluation. From 2017 to 2020, Harbin Bank invested a total of RMB737,000 in Shuanglong Village, and allocated RMB2 million as special funds for village poverty alleviation to help increase the average annual income of the village by hundreds of thousands of Yuan, greatly improving the quality of life of the villagers.

As at the end of 2020, all 84 poor households and 134 people in Shuanglong Village had achieved the goal of getting rid of poverty, with the per capita annual net income of poor households increasing from RMB3,068 in 2017 to RMB9,904 (2018: RMB5,476.52; 2019: RMB6,465.67).

In 2017, Harbin Bank invested RMB230,000 for requisition 23 mu of land and build a 400 kW photovoltaic power station, with a view to helping 57 poor households and 92 people in Shuanglong Village get rid of poverty; and donated RMB137,000 to transform the dirt roads in the village and build 9.1km of hardened roads between sub-villages, achieving one of the goals of “three accesses and three facilities” (three accesses: access to hardened roads, access to radio and television, and access to broadband; three facilities: clinics, doctors, and places for cultural activities) for poverty alleviation. In the same year, the Bank used RMB321,200 of special funds for village poverty alleviation to purchase 110 solar street lamps for the poor village, making its dark roads at night a bygone history.

In 2018, we invested RMB80,000 to build a well house in Shuanglongtun of Shuanglong Village, thus resolving the problem of drinking water shortage. As present, 94% of households in the village have tap water at home. We also invested RMB290,000 to renovate the office space of the village committees and the 3,000m² exercise square in Shuanglong Village, so as to provide the villagers with a good place for activities. In the same year, RMB496,000 of special funds for village poverty alleviation was allocated to build 5km of field roads, benefiting 304 households.

In 2019, the village-based poverty alleviation team engaged agricultural technicians to provide training on greenhouse potato planting for poor households. In that year, 38 households and 61 people planted potatoes in greenhouses, and saw their average income increase by RMB800 per household. In the same year, RMB520,000 of special funds for village poverty alleviation was allocated to build bird houses and purchase ostriches, which is expected to benefit 27 poor households and 45 people.

In 2020, in response to the “courtyard economy” campaign proposed for counties and townships, the village-based poverty alleviation team motivated 63 poor households to plant sticky corn. Despite the impact of three typhoons and rainstorms in that year, the per capita net income of the 63 households increased by RMB200-400. In the same year, RMB498,000 of special funds for village poverty alleviation was allocated to purchase agricultural tractors (three Lovol T904 models and one Lovol T1004 model) for lease with an annual rent of RMB44,000, benefiting 43 poor households and 75 people.







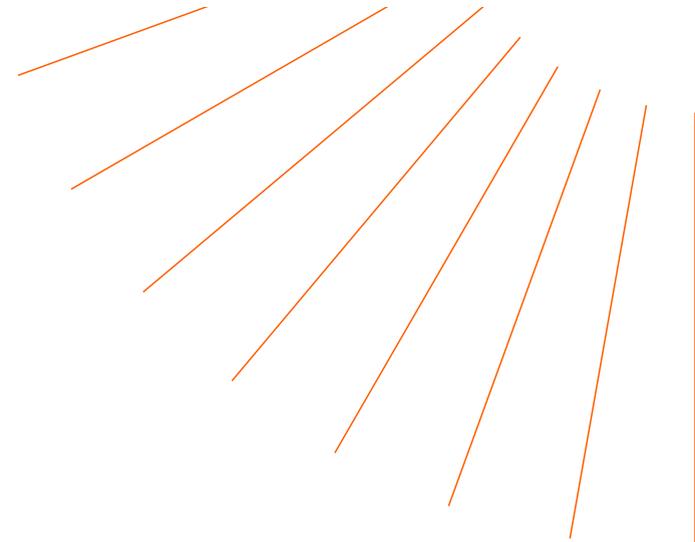
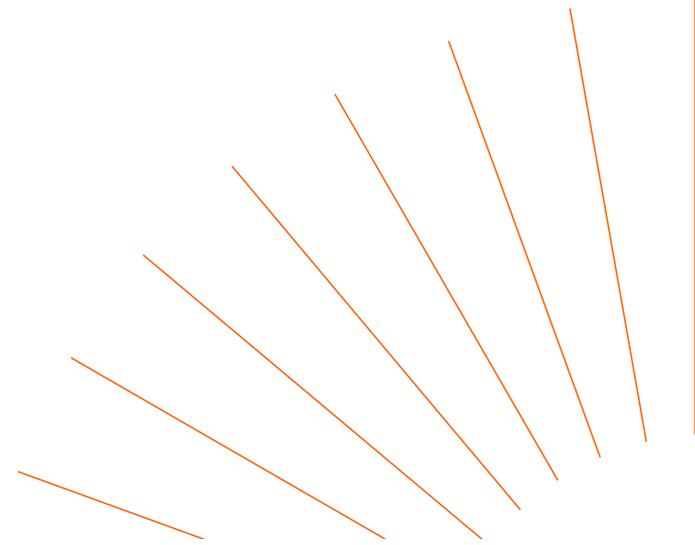


26.32

Balance of Green Credit
(RMB100 million)



Our Environmental Responsibility Management



The Bank pays great attention to the goal announced by General Secretary Xi Jinping at the 75th UN General Assembly that “China will peak carbon dioxide emissions by 2030 and achieve carbon neutrality by 2060”, and the objective of “widely accomplishing green production and lifestyle” by 2035 specified in the Proposals of the CPC Central Committee for Formulating the 14th Five-Year Plan for National Economic and Social Development and the Long-term Goals for 2035.

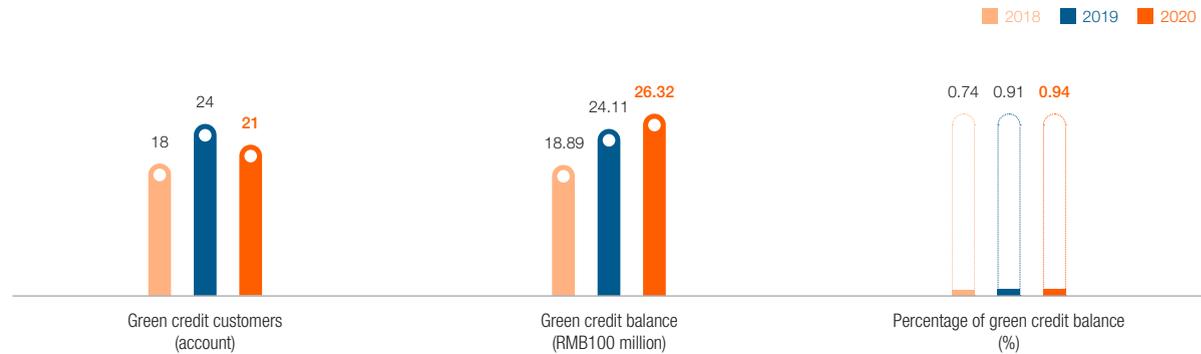
During the reporting period, the Bank actively implemented the relevant requirements of the state’s 13th Five-Year Plan, the Guiding Opinions on Building a Green Financial System jointly issued by seven ministries and commissions including the People’s Bank of China (PBOC), the Green Credit Guidelines issued by the China Banking and Insurance Regulatory Commission (CBIRC) and other regulatory documents and requirements, as well as the relevant requirements of HKEX’s new edition of the Environmental, Social and Governmental Reporting Guide and the Main Board Listing Rules. According to the Guidelines on Promoting Investment and Financing to Address Climate Change jointly issued by the Ministry of Ecology and Environment, the National Development and Reform Commission, the PBOC, the CBIRC and the China Securities Regulatory Commission on 26 October 2020 and based on our construction of a green financial system, we started to develop climate-related financial products and services in advance.

It is worth mentioning that under stringent anti-COVID-19 measures in 2020, the Bank made efforts to overcome the serious impact of the epidemic on its daily operations, and passed the resolution to set up an ESG working group under the Development Strategy Committee of the Board of Directors in the second quarter. This is another practical move taken by the Bank to improve its ESG management structure following the inclusion of a green finance system in the terms of reference of the Board of Directors and the Articles of Association in 2018, which will give a strong boost to the Bank’s efforts in addressing climate change and help it achieve quality sustainable development.

Green Credit under COVID-19

In 2020, the Bank made efforts to overcome the severe impact of Covid-19 and continued to promote green credit business. The Guidelines of Harbin Bank for Credit Granting to Industries (2020) specifies the fields supported by the Bank’s green credit policy, including transformation and upgrading of enterprises, technological transformation, energy conservation, emission reduction, circular economy, green ecology, green building, clean development projects, clean energy and service industries. In the meantime, we put great emphasis on improving environmental risk management capabilities for green credit and providing training on sustainability-related financial knowledge and skills for employees; accelerated the innovation of green credit products and started the development of a boundless credit card, with a view to guiding cardholders to a low-carbon lifestyle with green financial services; established a green credit reporting system to prevent and control the policy risk of granting credit to enterprises with backward production capacity, strictly restricted the access of new projects in industries with high pollution and energy consumption and overcapacity, and strengthened the full-process management of green credit projects.

As at 31 December 2020, the green credit balance of the Bank was RMB2.632 billion, a year-on-year increase of RMB221 million or 9.17%; the green credit balance accounted for 0.94% of the total loans and advances to customers, an increase of 0.03% over the previous year; and the number of green credit customers was 21.



Green Bond Financing Projects Continued to Bring Environmental Benefits

The Bank issued the first tranche of green financial bonds in an amount of RMB2 billion on 6 April 2017 and received the proceeds on 11 April 2017, and such bonds were redeemed upon maturity on 11 April 2020. The Bank issued the second tranche of green financial bonds in an amount of RMB3 billion on 5 May 2017 and received the proceeds on 10 May 2017, of which green financial bonds (Type I) of RMB2 billion were redeemed upon maturity on 10 May 2020 and green financial bonds (Type II) of RMB1 billion were outstanding during the year.

As the first financial institution in Heilongjiang Province to issue green financial bonds, the Bank engaged Ernst & Young Hua Ming LLP to issue an independent limited certification report before the issuance of green financial bonds. The Bank has set up a special account to strengthen the management of the receipt and release of proceeds from and redemption of green financial bonds ("Green Bonds") and ensure that the proceeds are earmarked and used for green industry projects during the term of bonds.

During the reporting period, the Bank used RMB893.5 million of proceeds from the above outstanding Green Bonds to invest in two types of green projects, i.e. energy conservation and pollution prevention projects, both of which are included in the Catalogue of Projects Supported by Green Bonds attached to the PBOC Announcement [2015] No.39. The following is a summary of the overall environmental benefits generated by these projects. They are expected to reduce 437.25 tonnes of chemical oxygen demand (COD) discharge and 279.84 tonnes of biological oxygen demand (BOD) discharge each year, and newly build 47.6km of sewage collection pipes, 267km of rainwater and sewage pipes, and 25.51km of ring-shaped utility tunnel in the main urban areas.

As of the end of 2020, the proceeds from the Green Bonds issued by the Bank have been invested in 22 green projects with cumulative environmental benefits as follows:



Newly built utility tunnel system

51.02 km

2020: 25.51
2019: 25.51
2018: -

Ecological land such as forest parks

190 mu

2020: -
2019: -
2018: 190

Total length of revamped rivers

17.37 km

2020: -
2019: -
2018: 17.37

Public buses purchased

120 vehicles

2020: -
2019: -
2018: 120



Reduction of air pollutant emissions

Reduction in sulphur dioxide emissions

3,154.35 tonnes

2020: -
2019: 414.35
2018: 2,740

Reduction in nitrogen oxide emissions

1,574.59 tonnes

2020: -
2019: 194.59
2018: 1,380

Estimated savings of standard coal

51,200 tonnes

2020: -
2019: -
2018: 51,200

Reduction in particulate matter emissions

27,992.47 tonnes

2020: -
2019: 6,438.47
2018: 21,554



Environmental renovation

Total length of newly built and renovated rain and sewage pipes

581.6 km

2020: 267
2019: -
2018: 314.6

Waste acid treated annually

78 0'000 tonnes

2020: -
2019: 39
2018: 39

Annual production of iron oxide powder

10.8 0'000 tonnes

2020: -
2019: 5.4
2018: 5.4

Annual production of 18% regenerated hydrochloric acid

70.8 0'000 tonnes

2020: -
2019: 35.4
2018: 35.4

Savings in water

428,000 m³

2020: -
2019: -
2018: 428,000

Resource recycling

Environmental Benefits of Green Projects Funded by Proceeds from Green Financial Bonds in 2018-2020

Reduction in the discharge of water pollutants

Reduction in COD discharge

4,087.25 tonnes

2020: 437.25
2019: 1,825
2018: 1,825

Reduction in BOD discharge

2,323.84 tonnes

2020: 279.84
2019: 1,022
2018: 1,022

Reduction in ammonia nitrogen discharge

400 tonnes

2020: -
2019: 200
2018: 200

Reduction in total nitrogen discharge

400 tonnes

2020: -
2019: 200
2018: 200

Reduction in total phosphorus discharge

51.2 tonnes

2020: -
2019: 25.6
2018: 25.6

Reduction in the discharge of suspended solids

1,131.5 tonnes

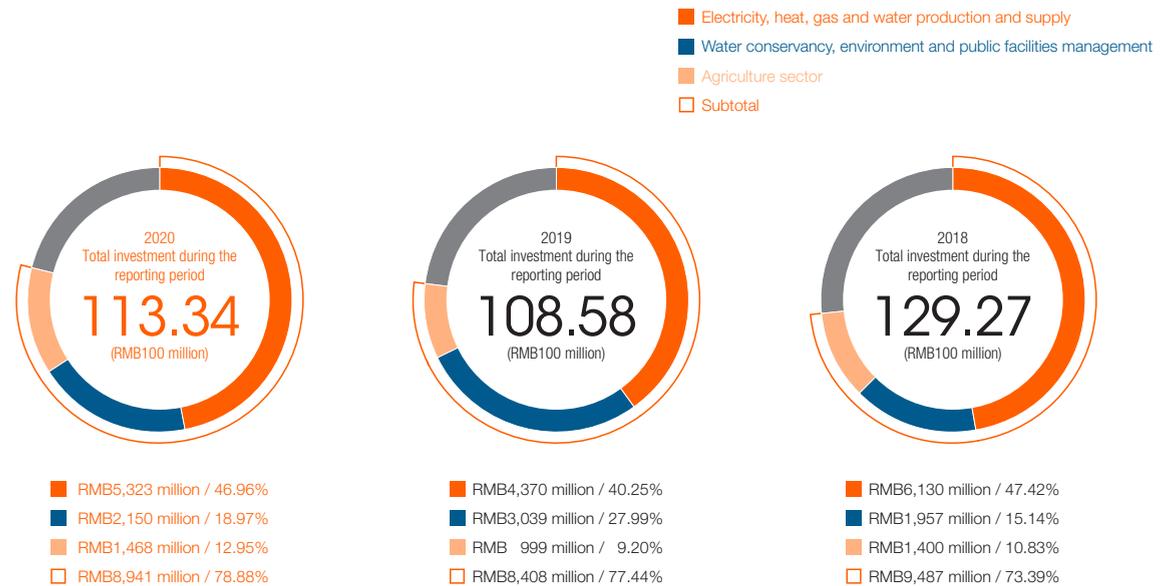
2020: -
2019: -
2018: 1,131.5

Harbin Bank Financial Leasing, a subsidiary of the Bank, continued to increase the proportion of investment in public utilities, green energy and agriculture. Founded in June 2014, Harbin Bank Financial Leasing Co., Ltd. (“Harbin Bank Financial Leasing”) is a holding subsidiary of the Bank in the field of financial leasing, and is positioned as a reputable financial leasing service provider involved in agriculture and environmental protection. As at 31 December 2020, the total assets of Harbin Bank Financial Leasing amounted to RMB25.325 billion. During the reporting period, its total investment was RMB11.334 billion, a year-on-year increase of 4.38%.

In recent years, while preliminarily establishing a leading position in the field of agriculture-related leasing in China, Harbin Bank Financial Leasing has been increasing the proportion of investment in public utilities, green energy and agriculture. Specifically, during the reporting period, it invested RMB5.323 billion in the fields of electricity, heat, gas and water production and supply, RMB2.15 billion in the fields of water conservancy, environment and public facilities management, RMB1.468 billion in the agriculture sector, accounting for 46.96%, 18.97% and 12.95% of the total annual investment, respectively.

It is worth noting that in 2020, Harbin Bank Financial Leasing’s investment in fields of electricity, heat, gas and water production and supply and that in the agriculture sector increased significantly by RMB953 million and RMB469 million compared with the previous year, respectively.

Distribution of Key Investment Areas of Harbin Bank Financial Leasing



Shenyang example under COVID-19 and regional low-carbon transformation (2020)

The “Shenyang example for Harbin Bank’s increasing efforts in green finance” was included as a case study in the section headed Featured Topic: Our Focus in 2019 in the 2019 ESG report of the Bank. In 2018, Liaoning Province took the lead in launching five systematic campaigns for Blue Sky, Clear Water, Green Mountains, Pure Land, and Rural Environmental Remediation. In recently years, the retained earnings of companies in the fast-growing environmental industry could hardly meet the reinvestment needs due to large project scale, large initial investment, insignificant short-term returns, long payment term, etc. The case shows Shenyang Branch’s exploration of providing effective financial support for private environmental companies in the process of pursuing low-carbon transformation and development of regional economy.

In 2020, the Bank continued to pay attention to the impact of COVID-19 on two enterprises located in Tiexi District of Shenyang (dubbed as “Oriental Ruhr”) and the solutions provided by Shenyang Branch to meet their financing needs in the extraordinary time.

Established in 2004, Shenyang Everbright Environmental Protection Technology Co. Ltd. (“SEEPT”) is an integrated environmental service provider that provides solutions throughout the industry chain, covering industrial sewage treatment, distributed rural sewage treatment, domestic and kitchen waste treatment, soil pollution and groundwater remediation, etc. In 2018 and 2019, Shenyang Branch issued RMB3 million and RMB5 million of personal business loans respectively to Zhang Xiaoguang, the founder of SEEPT, to support the second phase project of Teng’ao Wastewater Treatment Plant in Teng’ao Town, Haicheng City, Anshan City, Liaoning Province undertaken by SEEPT, which is to solve the problem of wastewater discharge from enterprises in the industrial park (the project has been put into operation). In 2020, SEEPT was hit hard by COVID-19 and experienced a big delay in resumption of work. As a result, the recovery of its account receivable was interrupted, but staff salaries, rent for business premises and other expenses had to be paid as usual. Learning about the great pressure on the working capital of SEEPT, our Shenyang Branch promptly offered an extension for repayment of the RMB5 million loan borrowed by Zhang Xiaoguang from the Bank, thus greatly easing the financial pressure of SEEPT. In order to support SEEPT’s resumption of work and production, the Bank followed the POBC’s policy of “refinancing in support of small businesses” to provide loan renewal facility for the client in advance. In April 2020, the Bank issued a low-interest credit loan of RMB4.95 million to SEEPT, thereby helping it save interest expenses.

Liaoning Ze’er Sunshine Environmental Technology Co., Ltd. (“LZSET”) is also a member company of the Liaoning Association of Environmental Protection Industry. Founded in 2014, it is an innovative environmental service company with specialty in the agency sales of analytical instruments and equipment, operation of large-scale instruments and equipment and third-party testing. In 2018 and 2019, Shenyang Branch granted Li Qiufeng, the founder of LZSET, two personal business credit loans of RMB2 million each for LZSET to purchase testing instruments and equipment, build new laboratories and improve testing capabilities. After the COVID-19 outbreak in 2020, in order to alleviate the financial difficulties of LZSET and support its resumption of work and production, Shenyang Branch followed the POBC’s policy of “refinancing in support of small businesses” to provide loan renewal facility for the client in advance. In April 2020, the Bank issued a low-interest credit loan of RMB2 million to LZSET, thereby helping it save interest expenses. As COVID-19 eased and business improved with increasing orders, in August 2020, Shenyang Branch issued a low-interest mortgage loan of RMB1.7 million to LZSET in support of its stable growth.

As at the end of 2020, Shenyang Branch had provided a total of RMB27.38 million of loans for four local private environmental companies, with a year-on-year increase of RMB8.65 million.



Low-carbon Operation

The Bank advocates and brings into play the concept of green office and low-carbon operation. During the reporting period, the Bank's electronic channel replacement rate and mobile channel business replacement rate were 95% and 67%, an increase of 2 and 6 percentage points over the previous year, respectively. The growing capabilities in digital financial services and intelligent operations not only meet the requirements for COVID-19 prevention and control, but also help promote low-carbon operation. In particular, after completing the paperless upgrade of counter services in 2019, we saw remarkable environmental benefits. Taking Harbin Branch which has the largest turnover as an example, its office paper consumption decreased by 83.05 tonnes during the reporting period compared with the previous year, representing a drop of more than 50%; and the number of toner cartridges used by it was 7,943, only one third of that in the previous year.

During the reporting period, some environmental indicators of the head office also improved significantly. In 2020, the head office's paper consumption decreased by 3.67 tonnes or 29.1% from the previous year; its power consumption decreased by 463,200kWh or 6.7% from the previous year; water consumption dropped by 14,954 tonnes or 29.6%; gasoline consumption decreased by 10,438 litres or 28.0%; natural gas consumption declined by 18,911m³ or 16.3%.

It is worth mentioning that the Bank's headquarters building in Qunli New District, Daoli District, Harbin received a LEED Silver Certification (LEED2009 CORE AND SHELL DEVELOPMENT) from the U.S. Green Building Council (USGBC) in 2018. The architectural and interior design of the headquarters building was undertaken by Kohn Pedersen Fox Associates (KPF), a renowned American architecture firm. Based on the climate characteristics of Harbin, the architectural design is focused on improving use of resources, reducing carbon emissions, and facilitating environmental and human health.

During the reporting period, the Bank, in accordance with the relevant national requirements for procurement management, upheld the central procurement system, continuously revised and improved the Measures for Central Procurement Management of Harbin Bank and the Procedures for Central Procurement of Harbin Bank, insisted on reviewing the qualifications of suppliers including their quality management systems and credit records, and gave preference to green, eco-friendly and energy-saving products and suppliers. Meanwhile, the Bank continuously enhanced employees and customers' awareness of environmental protection and green finance by putting up posters for public causes on Arbor Day, Earth Day and Environment Day and organising branches and sub-branches to participate in the Happy Community Programme.

Harbin Bank Consumer Finance Achieved Results in Low-carbon Operation

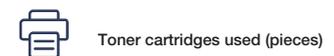
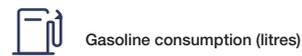
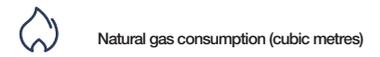
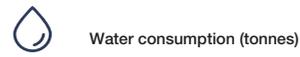
Harbin Bank Consumer Finance Co., Ltd. ("Harbin Bank Consumer Finance") officially opened for business in April 2017. It is the 19th licensed consumer finance company in China with the Bank as the main promoter, and is committed to building a warm consumer finance company. As at the end of 2020, its total assets reached RMB11.393 billion, a year-on-year increase of 54.21%.

Based on industry characteristics, Harbin Bank Consumer Finance continuously explores low-carbon operation and business development models, and strives to improve green financial services through digital capacity building featuring the development and application of artificial intelligence, big data, cloud computing and other cutting-edge technologies. In 2020, with the established five core capabilities, i.e. omni-channel customer acquisition system, distributed core system, big data risk control system, intelligent operation system and intelligent asset management system, it conducted business online by using digital contracts and certification documents. During the reporting period, Harbin Bank Consumer Finance signed approximately 5,622,400 contracts online by digital means, saving about 28.11 million sheets of paper.

According to incomplete statistics, Harbin Bank Consumer Finance reduced power consumption by approximately 100,000kWh and carbon dioxide emissions by approximately 99 tonnes in 2020 through smart customer service, smart post-loan management and workplace energy conservation. In addition, it has started construction of systems on the cloud since 2018. During the reporting period, it put 14 sets of such systems into operation, making the number of systems operating on the cloud account for 65% of the total, which reduced a total of 85 physical servers and saved a total of 255,000kWh (representing a carbon emission reduction of approximately 254 tonnes).

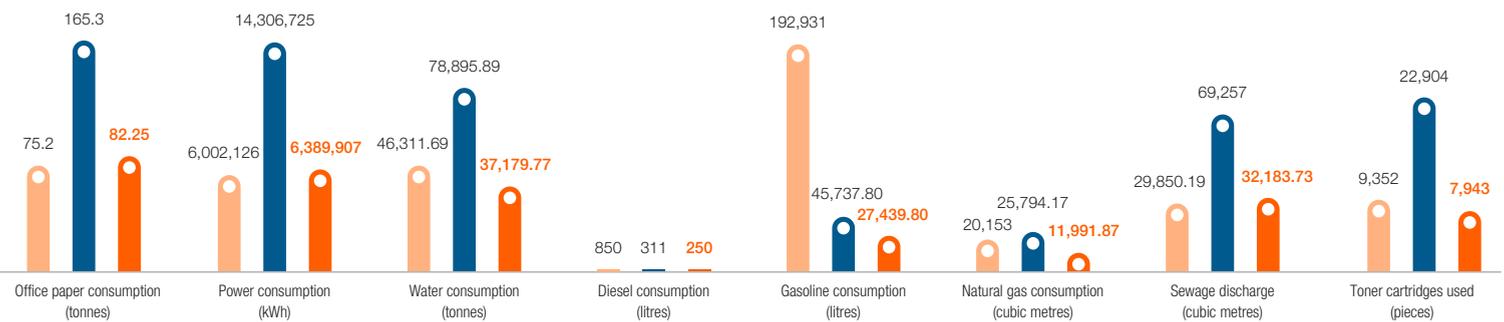


2018 2019 2020



Including diesel consumption of generators and vehicles in new and old headquarters buildings.

Gasoline consumption of business vehicles (self-owned)



Including diesel consumption of server room generators and vehicles.

Including gasoline consumption of self-owned business vehicles



Green Charity

Green charity is a philanthropic deed that the Bank has been paying close attention to and exploring for a long time. Especially in recent years, based on the Happy Community Programme in collaboration with United Charity Foundation, many business outlets of the Bank have become stations for environmental publicity and gathering places for charity activities. The second category of projects to be solicited under the Happy Community Programme in 2020 is about environmental protection, including advocating waste classification, promoting environmental knowledge, providing environmental services, and encouraging resource recycling, with a view to passing on a green culture and bringing the concept of green development into play.

During the reporting period, the Happy Community Programme attracted the participation of approximately 400 communities and 49 project partners in 8 cities, namely Harbin, Shenyang, Dalian, Tianjin, Chongqing, Chengdu, Mudanjiang and Shenzhen, and 21 of the 74 projects under the programme carried out a total of 78 philanthropic activities related to green charity. The Happy Community Programme is implemented by United Charity Foundation through purchase of services, cross-sector collaboration, common growth, etc. It has social workers rooted in the community, uses professional social work methods to independently design, develop and track charity services, and motivates surrounding community residents to participate in relevant activities, thereby bringing beneficial changes to the community.

Many branches of the Bank participating in the Happy Community Programme have become stations for environmental publicity and gathering places for green charity activities, and hence play an important role in deepening the connection between the Bank and the community and building a low-carbon community.

On 9 May 2020, Shenyang Qingyang Social Work Service Centre worked with Hongjin Community of Binhe Street and Shenyang Wuai Sub-branch of Harbin Bank to jointly arrange for the construction of a green plant base under the Happy Community Programme. This is the first green activity base under the Happy Community Programme. It not only meets the needs of



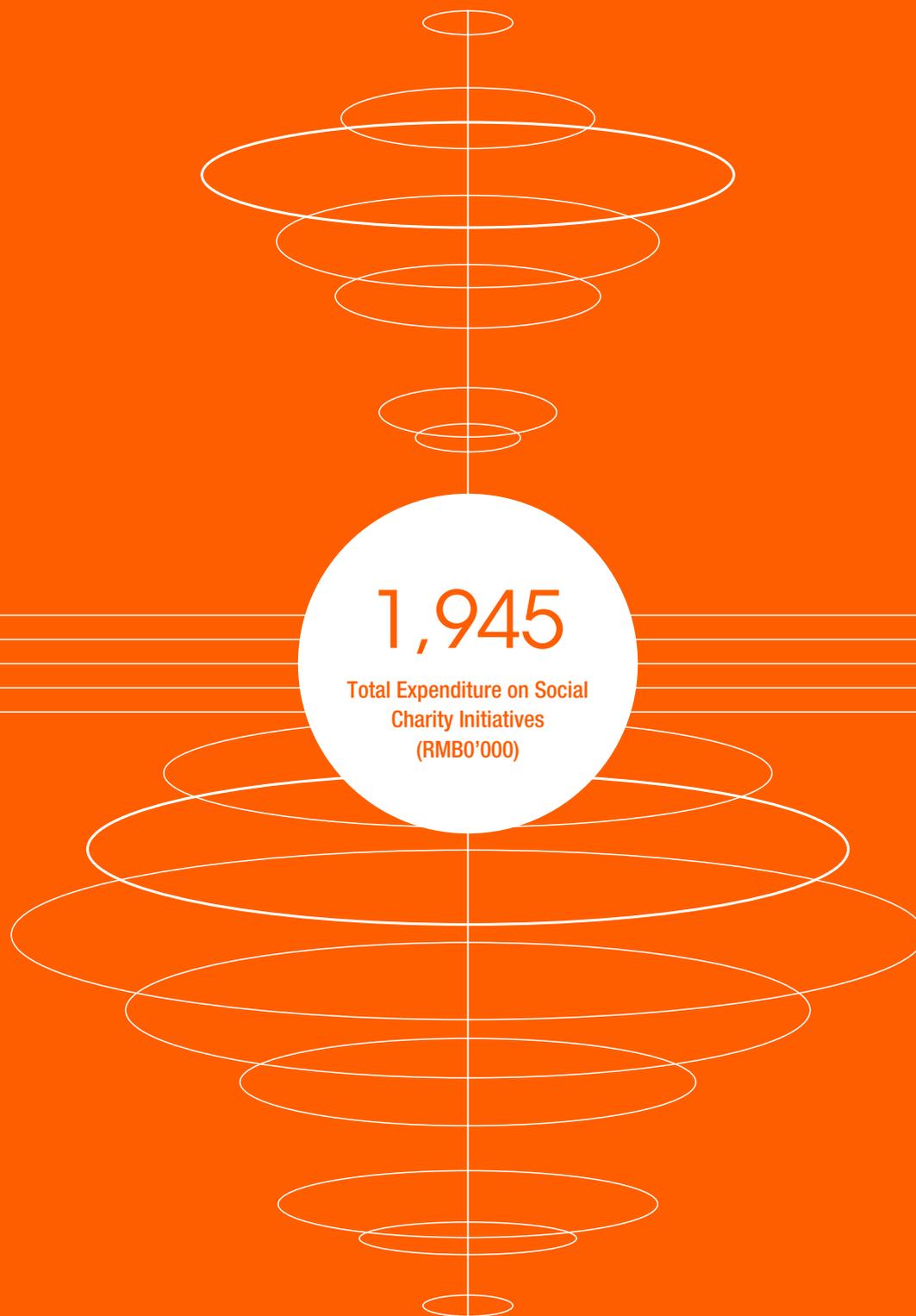
community residents for a green community, but also enhances residents' sense of well-being and belonging and lays a solid foundation for promoting tripartite cooperation between the government, enterprises and social institutions.

On 18 October 2020, with the support of United Charity Foundation, Chongqing Kaizhou Yixing Charity Development Centre teamed up with Kaizhou Sub-branch and Fenghuang Micro Sub-branch of our Chongqing Branch to host a riverside hiking activity for environmental protection. During the 12km hike (including 3km of river patrol), the planners promoted environmental protection of the river, advocated picking up garbage along the way, and created exposure on social media, enabling more than 50 participants to experience the significance of National Fitness Plans and the slogan of limpid water and lush mountains are invaluable assets.

On 8 November 2020, Nankai Sub-branch of our Tianjin Branch held a reading event on the theme of Environmental Protection/Eat up Campaign where children from 11 families read the picture book Harvest of Food Crops. During the reading, the children became aware of the fact that crops are hard-earned, and they should cherish food and respect workers and their work. After the children worked together to sort the Road to Rice cards correctly, they said: I didn't expect that so much hard work is needed for a bowl of rice.

On 30 November 2020, Xiushan County of Chongqing carried out the Launching Ceremony of Happy Community and Family Project cum Waste Classification Publicity Activity. This event was sponsored by United Charity Foundation, Xiushan Women's Federation and Zhonghe Street of Xiushan County, and undertaken by Xiushan Sub-branch of Harbin Bank, Fenghuang Community Committee, Community Education College and Xiushan Xinyang Social Work Service Centre.







Our Social Responsibility Management



During the reporting period, upholding the business philosophy of Inclusive Finance and Common Prosperity, the Bank was highly concerned about the health, safety and development of employees and the product experience of consumers, promoted and ensured the implementation of anti-money laundering and anti-corruption measures, and steadily advanced community investment projects for sustained impact, in an effort to build the brand image as a bank providing warmth and emotional support.

The Bank put great emphasis on implementing the requirements of the Environmental, Social and Governmental Reporting Guide of HKEX. For this end, the Bank continuously improved ESG management, fully reviewed the applicability of its financial products and services based on industry characteristics and its long-term development strategy, and delivered on its customer-oriented commitment. During the reporting period, the Bank received a series of awards, including the 2020 Gamma Award of Wealth Management Brand of Small and Medium-sized Banks, the 2020 Gamma Award of Investment Banking of Small and Medium-sized Banks (Securities Times), the 2020 Chinese Financial Institutions Gold Medal Awards: Top 10 City Commercial Banks of the Year (Financial News), the 2020 Recommendations of Global Business Media: Top 10 Innovative Inclusive Finance Institutions and Top 10 Innovative Inclusive Finance Products, the 2020 Anti-Pandemic Special Contribution Award in China's Financial Industry (Hong Kong Commercial Daily), Small and Medium Bank with the Most Distinctive Features Award of the 3rd Iron-horse Award for Small and Medium-sized Banks (Modern Bankers), and the Stars of China 2020 Best SME Services (Global Finance). The Bank ranked 191st among the Top 500 Banking Brands 2020 released by Brand Finance, a famous UK-based brand consulting company.

Employee Safety and Growth: Health and Safety and Career Development under the Pandemic

Effective epidemic prevention and control measures to safeguard the health and safety of employees. In the principle of putting people and life first, the Bank set up a leading group and developed an action plan for epidemic prevention and control of the Group soon after the COVID-19 outbreak in 2020. We promptly set up an epidemic prevention system, proactively implemented epidemic prevention and control policies at all levels, and tracked and monitored the health status of employees on a daily basis, thus safeguarding the health and safety of employees and customers. The Bank timely opened up online office channels and employed Corporate WeChat and other modern remote working methods to enable employees to work online, thus ensuring stable operations while meeting employees' epidemic prevention needs and safeguarding their basic rights and interests.

The Bank strictly abides by national laws and regulations including the Labour Law, the Labour Contract Law and the Social Insurance Law, and has signed labour contracts with 100% of its employees. In terms of employment management, the Bank has formulated internal regulations and related implementation rules including the Compensation Management Measures of Harbin Bank and the Measures for the Management of Employee Benefits Leave of Harbin Bank according to the law to protect the legitimate rights and interests of employees. We make contributions to social insurance (pension, medical, work-related injury, unemployment and maternity insurance) and housing provident fund for employees in full and on time according to the law; and arrange employees to take physical examination on a regular basis, covering 100% of employees. The Bank opposes any form of forced labour and discrimination. Employees who have not reached the retirement age stipulated by the state but voluntarily quit their jobs with the approval of the Bank are entitled to receive living allowances and other benefits from the Bank starting from the date of approved retirement until they reach the retirement age stipulated by the state.

Online training to satisfy employees' needs for career development. The Bank has established a complete training system covering embarking, enduring, guiding, escorting, voyaging, cruising and piloting to meet the needs of employees at all levels, and continuously promotes the “Ten Hundreds” project. In 2020, in order to avoid the disruption of systematic training for employees due to the epidemic, the Bank issued the Notice on the Recent Training Arrangements of Harbin Bank in early February to promote online training and self-study in an orderly manner. We hosted and completed projects such as Voyaging – Management Elite Online Reading Camp and Cruising – Live Broadcast of Shared Lectures to ensure the smooth implementation of the original training plan. During the reporting period, the Bank continued to develop quality training schemes integrating online and offline sessions, with both the training completion rate and coverage rate for the year reaching 100%. The Bank (excluding subsidiaries) conducted a total of 678 training sessions, including 470 internal training sessions and 108 external training sessions for selected staff of the Bank, representing a total of 3,210 training hours.

The Bank advocates the professional spirit of loyalty, diligence, integrity and accountability, and broadens the career development channels of employees by implementing comprehensive performance management and employee incentive policies that meet the needs of business development. First, the Bank has adopted a broadband salary structure to provide staff with salary incentives by raising or lowering compensation levels. Second, the Bank has established a career development platform. In 2020, the Bank continued to carry out the Leader Training Scheme to build a talent pool, and initiated the selection of trainee assistants for the technology line to nominate 8 reserve trainee assistants and appoint 5 trainee assistants. Third, the Bank adopted a points system for performance appraisal results to ensure the fairness, openness and transparency of promotions and raises. During the reporting period, a total of more than 1,400 employees were promoted or received a raise.



Bringing Happy Work and Healthy Life into play to care for the physical and mental health of employees during the epidemic. The Bank always cares about the safety of employees at the workplace and their physical and mental health, safeguards the legitimate rights and interests of employees, and improves their satisfaction and happiness, in an effort to ensure that employees grow together with the Bank. In 2020, in order to enrich the cultural life of employees during the epidemic, the Bank carried out employee interaction activities through its Weibo official account, including the Spring Festival Reading Scheme and the Spring Festival On-Duty Diary, which kept a special memory for work and anti-epidemic life record for employees; the Anti-Covid-19 Online Show held on International Women's Day on 8 March was well received; the Happy Running under the Fight Against COVID-19 – Harbin Bank Online Marathon encouraged employees to strengthen their physique and maintain a good mental outlook by running, so as to experience Happy Work and Healthy Life. The trade union of the Bank convened 2 employee representative meetings to consider 11 proposals, including the Compensation Management Measures of Harbin Bank, the Employee Code of Conduct of Harbin Bank (Group), and the Management Measures for Internal Retirement of Employees of Harbin Bank, carried out routine home visits, daily conversations and visits to employees in need by online and offline means; opened the maternity lounge, staff library and other places to care for the physical and mental health needs of employees under the epidemic after the resumption of work and production and on the premise of implementing epidemic prevention measures. During the reporting period, Qitaihe Branch of the Bank was awarded the Staff Bookstore plaque by All-China Federation of Trade Unions and Qitaihe City Federation of Trade Unions.



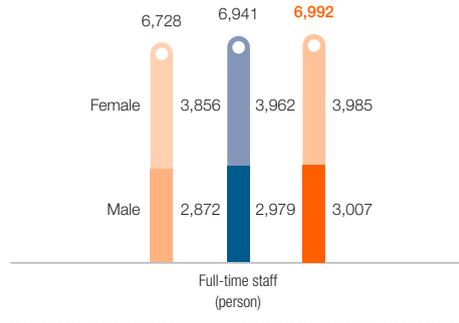


On the afternoon of 8 March 2020, the Anti-Covid-19 Online Show of Harbin Bank progressed smoothly through its online live broadcast platform. The show was designed to send holiday blessings to female employees working in financial service positions amid the fight against the virus and pay tribute to all employees who worked together to overcome the difficulties. More than 4,000 employees from the head office, 17 branches, 32 rural banks, and 2 subsidiaries in different cities watched the show simultaneously; 47 programmes recorded at home or at work were broadcast online for 3 hours, covering poetry recitation, musical instrument performance, calligraphy display, talk show, dance, song performance, etc. During the 3-hour show, the screen was full of scrolling comments. While offering holiday blessings to female co-workers, the employees cheered each other and expressed their determination and confidence to win the battle against the virus. "This special event of Harbin Bank is to care for and provides psychological counselling for employees in a special way at the special time. It celebrates the Women's Day with heart-warming activities and is dedicated to our special employees, leaving a warm memory for all of them", said Luo Zhonglin, member of the Party Committee of the head office and chairman of the trade union.

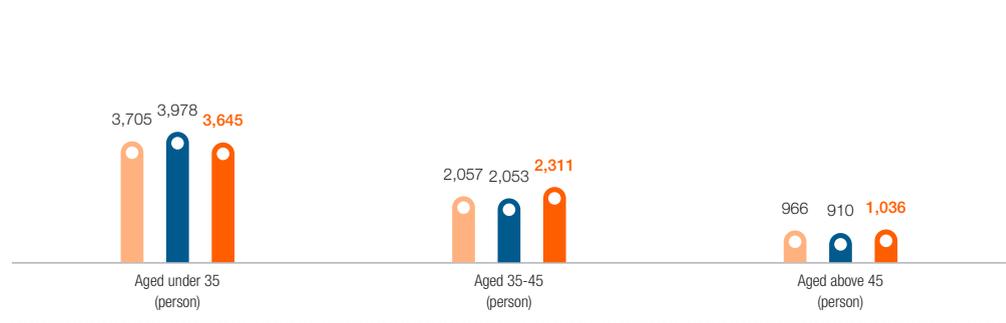


2018 2019 2020

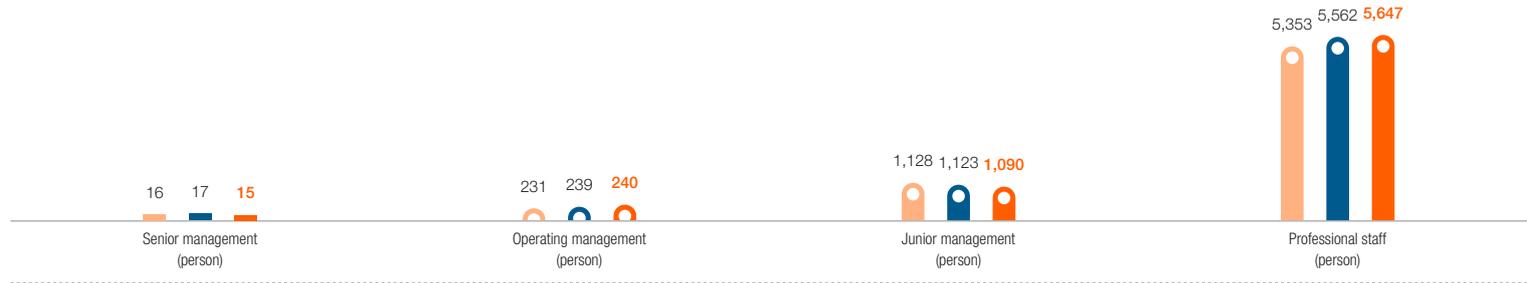
By employment type/gender



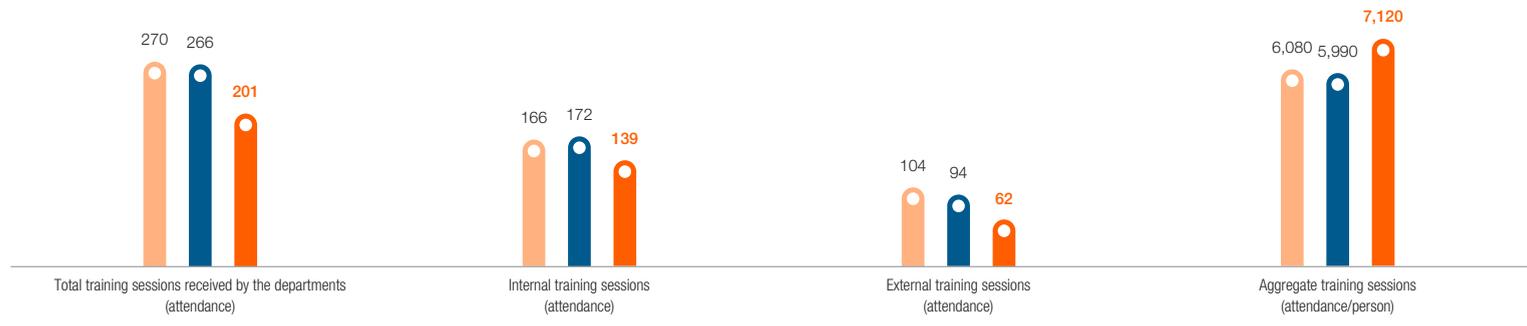
By age



By rank



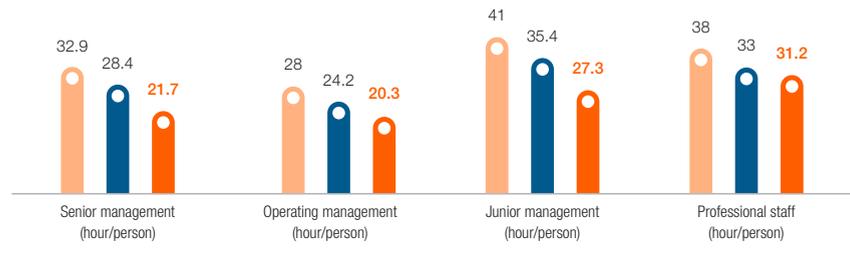
Training for departments of the head office



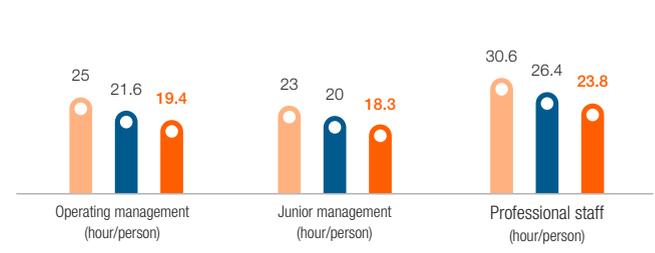
2018 2019 2020

Training hours per capita by employee type

Head Office



Branches



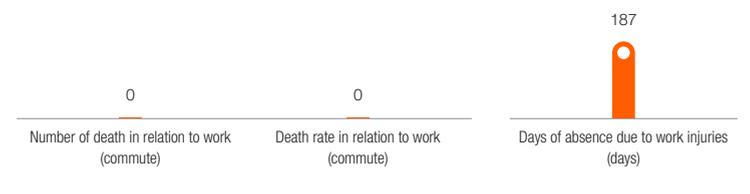
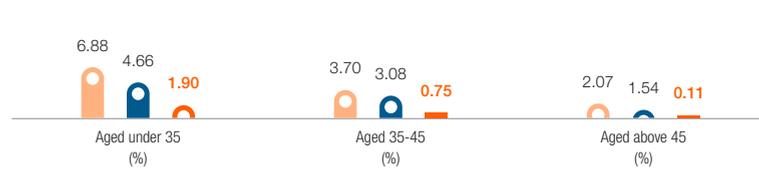
Training hours per capita by gender



Staff turnover rate by gender



Staff turnover rate by age



Product Responsibility: Multi-level Services in Digital Inclusive Finance and Construction of a Distinctive Integrated Service Platform

In 2020, the Bank actively responded to national calls in economic and financial policies and duly implemented regulatory requirements, and paid special attention to the effect of the pandemic on the demands of public financial services. Under the guidance of the Board of Directors and the supervision of the Board of Supervisors and on the basis of effectively preventing, controlling and resolving financial risks as well as meeting various regulatory standards, we staunchly supported the growth of the real economy and the development of digital inclusive finance amid the pandemic by stepping up financial support in key areas including agriculture, rural areas and farmers, small and micro enterprises, and people's livelihood. We pushed forward the integrated development of distinctive Sino-Russia financial services and cross-border financial service business with regions possessing geographical advantages. We built a distinctive community financial service model with "charity + finance" features and expressed our concern and understanding of customers through our products, and our image as a bank "providing warmth and emotional support" is deeply rooted in the hearts of people.

As at 31 December 2020, the Bank had total assets of RMB598.6036 billion, total loans and advances to customers of RMB280.5672 billion and total customer deposits of RMB469.2800 billion. The Bank recorded operating income of RMB14.6036 billion, net profit of RMB795.8 million, and core tier-1 capital adequacy ratio, tier-1 capital adequacy ratio and capital adequacy ratio of 10.18%, 10.20% and 12.59% respectively.

Multi-level Services in Digital Inclusive Finance Tailored for Customers

On the back of financial technology, the Bank completed the intelligent upgrade of its mobile banking and re-engineered its business process to enhance customer experience and boost the efficiency of its financial services in 2020. To ensure good financial service experience for customers at home, we also expedited the development of various financial scenarios and ecosystems to intensively incorporate emerging technology to broadly expand application scenarios, including convenient services in social security fund, provident fund, payment for daily life expenses and online healthcare, as well as handling of various business activities such as account enquiry, transfer and remittance and purchase of wealth management products.

As at the end of the reporting period, the Bank had 13,651.7 thousand retail deposit customers, representing an increase of 492.8 thousand or 3.74% as compared with that of the same period of last year. The number of retail customers with personal financial assets (in RMB and other currencies) over RMB50,000 amounted to 854.9 thousand, representing a year-on-year increase of 100.3 thousand or 13.30%. Total retail deposits (in RMB and other currencies) amounted to RMB279,331.4 million, representing an increase of RMB49,772.0 million or 21.7% as compared with that at the end of last year. The average balance of retail deposits (in RMB and other currencies) amounted to RMB261,601.7 million, representing an increase of RMB75,945.1 million or 40.9% as compared with that at the end of last year. Demand deposits accounted for 20.5% of the retail customer deposits balance. According to the statistics provided by the Harbin branch of the People's Bank of China, the balance of retail deposits of the Harbin branch of the Bank ranked first in the local market for two consecutive years with a market share of 18.9% during the reporting period.

As at the end of the reporting period, the total number of issued credit cards of the Bank reached 1,277.5 thousand, representing an increase of 19.5% as compared with that at the end of last year, of which 208.8 thousand were newly issued during the reporting period, representing a decrease of 35% as compared with the number of new cards issued last year under the impact of COVID-19. The credit card asset balance amounted to RMB14.998 billion, representing an increase of 8.8% as compared with that of the same period of last year. The total number of issued debit cards reached 17.194 million, of which 623,600 were newly issued during the reporting period, representing an increase of 3.76% as compared with that at the end of last year.

[News Report]

Harbin Bank Safeguarding Pickup
of Enterprise Production
[http://www.hlj.chinanews.com/
hljnews/2020/0421/60551.html](http://www.hlj.chinanews.com/hljnews/2020/0421/60551.html)





Advancing the Microcredit Strategy Steadfastly to Serve the Real Economy and Help Revitalise Rural Areas

The Bank actively responded to policy calls in 2020 by stepping up assurance in financial services in special times and adhering to the principle of being customer oriented. We offered customers of small and micro finance all round financial services through professional teams, bespoke solutions and dedicated channels, and launched products including anti-epidemic small and micro loans, which together with digital transformation and upgrade fully linked up online and offline small and micro financial product and service offerings to support small and micro enterprises in resumption of work and production. For details, please refer to Inclusive Finance in Extraordinary Times: Special Solutions in Special Times, Technology Support and Product Supply.

As at 31 December 2020, the balance of the Bank's microcredit reached RMB179,120.6 million, accounting for 63.8% of the total loans to customers, of which the balance of corporate loans to small enterprises was RMB58,946.3 million, and the balance of loans to small enterprise owners was RMB36,890.1 million.

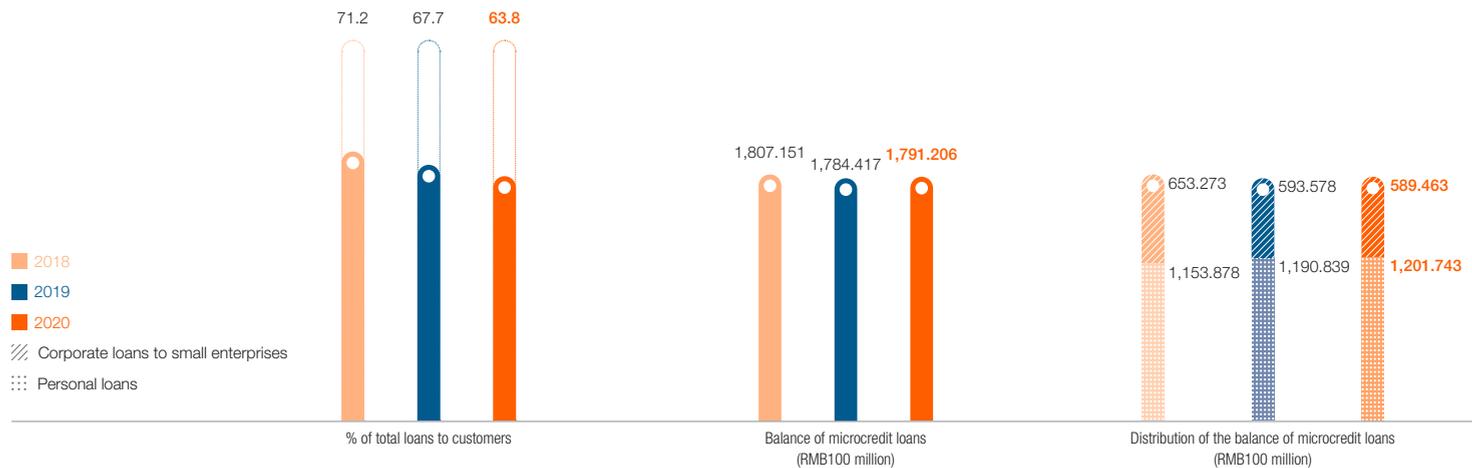
During the reporting period, the Bank duly and consistently implemented the national strategy of revitalising the Northeast and revitalising rural areas by making innovations in and enhancing the standards of its agriculture-benefiting financial service model; and its 17 branches achieved full coverage of agriculture-benefiting financial services for the first time. We built an integrated service platform on the back of 33 thousand-people agriculture-benefiting clubs for large-scale farmers and launched the bundled products and services of "agriculture-benefiting loans + wealth management and agriculture-benefiting loans + finance lease" to boost our edge in distinctive agriculture-benefiting services continuously. With the full launch of Agricultural Flash Loan 2.0 and the introduction of agricultural big data in the project, we indeed achieved online smart operation of regional agriculture-benefiting finance. In particular, the Bank formulated agriculture-benefiting finance supporting policies and held over a hundred harvest festival promotional activities against the backdrop of epidemic prevention and control, effectively putting into practice its inclusive philosophy of providing warmth and emotional support. As at the end of 2020, the balance of the agricultural loans of the Bank was RMB32,560.2 million, and the balance of the loans to farmers was RMB15,137.9 million. Such business covered the majority of rural markets in 11 Heilongjiang cities/prefectures and 6 major Agricultural Cultivation Bureaux of Heilongjiang, as well as some rural villages in Shenyang, Chengdu, Chongqing, Tianjin and Dalian. We focused intensively on distinctive regional agricultural industries and offered tailor-made agriculture-benefiting products and service solutions, effectively cultivated distinctive agricultural clusters with regional advantages, greatly promoted the economic development and the prosperity of rural financial markets in counties, and fully supported farmers to increase their income and accumulate wealth and rural areas to achieve all round revitalisation.

Based on the principle of "one product for one cluster and one product for one chain", the Bank deepened new service models including "industry cluster + credit for farmers", "industry chain + credit for farmers" and "guarantee system for agriculture + credit for farmers" and significantly resolved problems such as difficulty in securing guarantees and costly financing faced by customers engaged in distinctive agriculture industries. During the reporting period, the Bank offered multi-dimensional support to more than 25 types of distinctive regional agriculture industries, with customers engaging in Chinese herbal medicine, edible fungus, greenhouse vegetable and fruit planting as well as freshwater fish culture, beef and dairy cattle and hog raising in Northeast China; and green cabbage head, tea, bamboo shoot and seedling planting as well as live pig and crayfish raising in Chengdu and Chongqing, effectively promoting the development of quality distinctive regional agriculture industries by stimulating new drivers for rural areas.

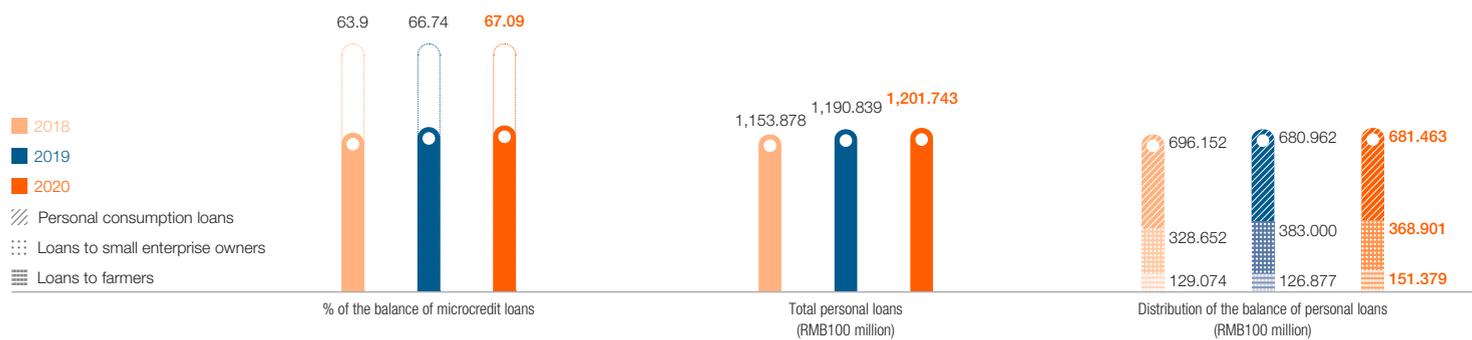
[Financial News Report]

Harbin Bank: Tailor-making for Development of Distinctive Agriculture Industries in the Region
https://h5.newaircloud.com/news_detail?newsid=15527073_jrsb&app=1

Distribution of the balance of microcredit loans



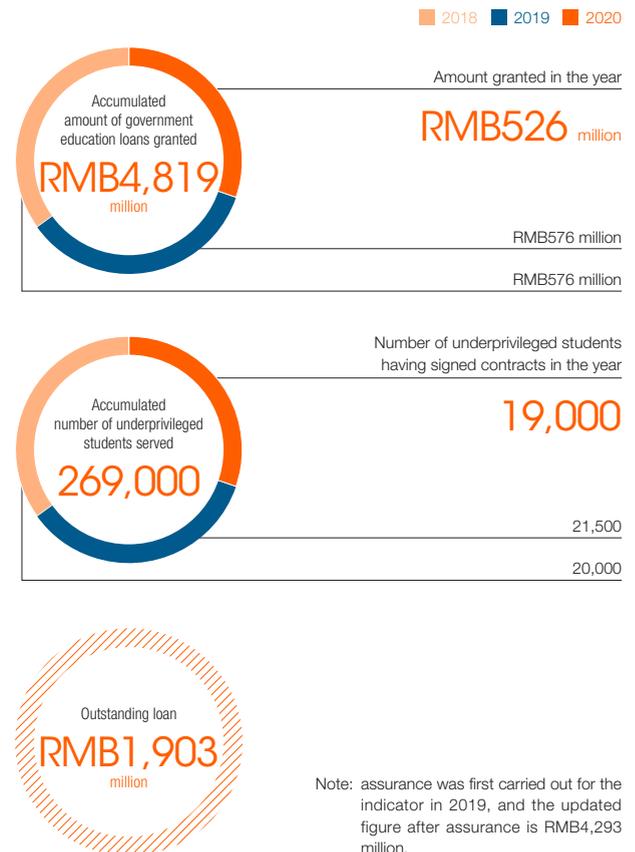
Distribution of the balance of personal loans



Government education loan

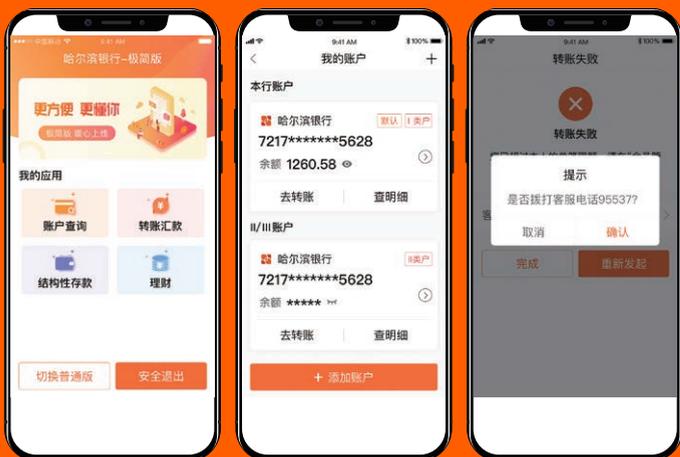
The Bank has been authorised to process government education loans to residents in Heilongjiang since 2007, assisting students in 22 provinces, 5 autonomous regions and 4 municipalities across China, of which Heilongjiang Province covered 82 education bureaux and over 80 high schools in 14 regions.

As at the end of 2020, the government education loans granted amounted to RMB4,819 million^(Note), of which RMB526 million was granted in the year. Outstanding loans amounted to RMB1,903 million, serving 269,000 underprivileged students, of which 19,000 students signed the contracts in the year. Meanwhile, the Bank has granted Student-Origin-Based Loans to graduate student since 2014, assisting nearly 45,100 graduate students with education loans of RMB630 million.



Mobile Banking 4.0 Lite for the elderly

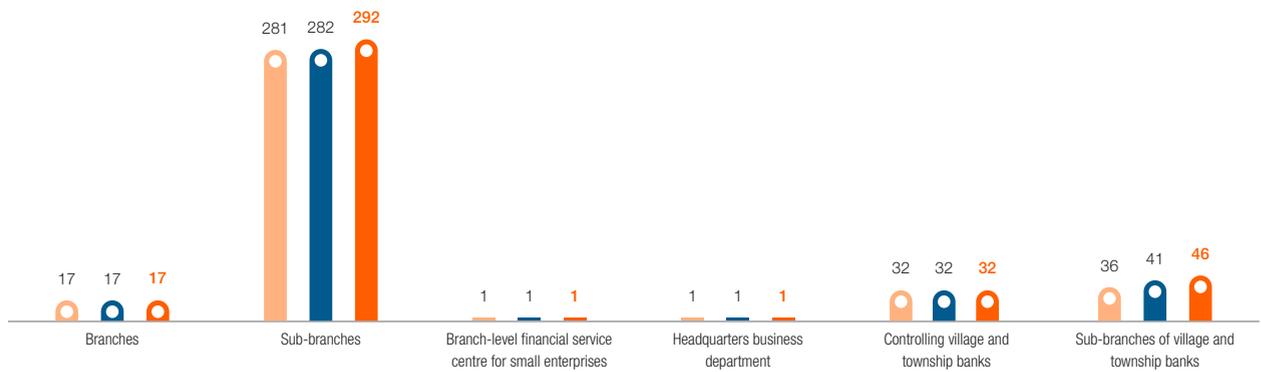
To address customers' new financial service demands amid the COVID-19 pandemic, the Bank launched Mobile Banking 4.0 in 2020 to achieve transformation of the transaction platform towards an integrated service platform. Meanwhile, to provide the elderly with convenient mobile financial services, we also launched Mobile Banking Lite to catered for the needs of the elderly, including many tailored features such as business process design, larger font size on pages, zooming of a specific area by tapping, and improved recognition and operation sensitivity. On the basis of the online personal banking launched in 2019, we also offered online personal banking with text zooming on PC clients to satisfy the online financial service needs of elderly customers in various scenarios.



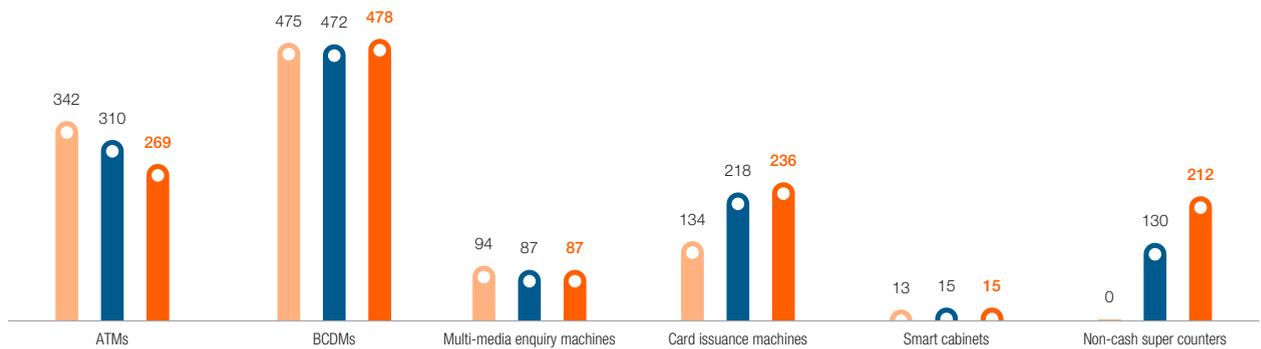
2018 2019 2020



Physical outlets



Self-service banking



2018 2019 2020

 Online banking

 Phone banking



95537 /
400 60 95537

The Bank provides 24-hour telephone banking services through its national customer service hotline.

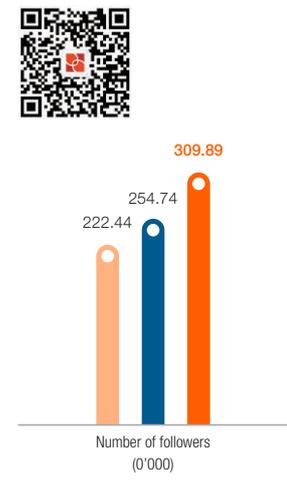
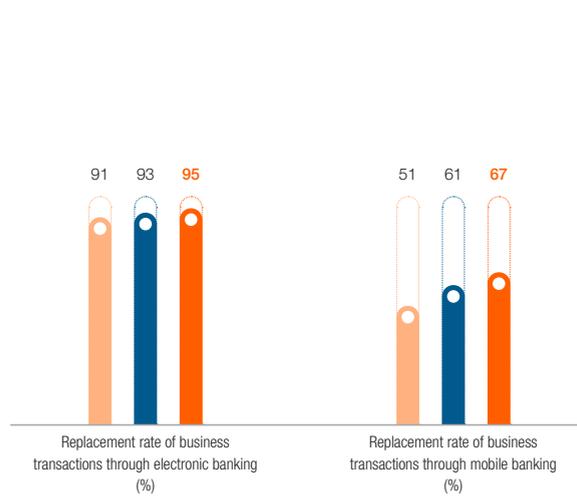


 Credit card

 Electronic banking

 Phone banking

 WeChat banking



400 66 95537

Credit card customer service hotline

Expediting the Establishment of an Integrated Sino-Russia Financial Service System to Promote In-depth Sino-Russia Cooperation in the Financial Sector

On the back of its geographical and resource advantages in Sino-Russia finance, the Bank practically promoted Sino-Russia cooperation in the financial sector on the basis of serving the overall strategic collaboration between China and Russia. In recognition of its innovation and breakthrough in Sino-Russia finance, the Bank was awarded the designation of Small and Medium Bank with the Most Distinctive Features Award of the Iron-horse Award by Modern Bankers in 2020.

In 2015, the Bank, as the Chinese promoter and the chairing company, together with Sberbank of Russia, initiated the establishment of the first platform for the cooperation and interaction among financial institutions of China and Russia, namely the Sino-Russia Financial Council (35 founding members, 73 members at the end of the reporting period). In recognition of our contributions in promoting Sino-Russia cross-border financial cooperation, the Sino-Russia Financial Council was included in the Joint Statement of the Eighth Sino-Russian Dialogue Between Ministers of Finance, the first joint statement issued by China and Russia. Article 10 states that “the two parties welcome the Sino-Russia Financial Council’s provision of financing support for Sino-Russian project cooperation to promote Sino-Russia cross-border financial cooperation.” This represents the highest official recognition given by both nations to the council. As at the end of the reporting period, the total interbank credit granted by the Bank to Russian banks amounted to approximately RMB8.0 billion in equivalent, and the Bank had 24 Russia accounting banks with domestic and foreign currency settlement network covering the entirety of the Russian Federation, playing an important role in the development of Sino-Russia financial cooperation.

During the reporting period, the Bank further assisted the development of the Heilongjiang Pilot Free Trade Zone, facilitated the cross-border transportation of cash to Russia in the Free Trade Zone, took the lead in opening Heilongjiang Provinces’ first overland cross-border Rouble cash transportation channel to Russia, and accomplished the first cross-border cash transportation from the Suifenhe Port in Heilongjiang Province to Russia, which were of great significance to promoting the legal inflow of Rouble cash in China and local economic and trade exchanges with Russia. We also entered into the Cooperation Agreement of Cross-border Cash Transportation with Russia’s second largest state-owned commercial bank, VTB Bank. As at 31 December 2020, the Bank handled a total of 25 cases of cross-border transportation of RMB cash amounting to RMB362 million in total, and RUB7.1 billion cross-border transportation of Rouble cash a total.



It should be noted that the Bank obtained the qualification as a direct participating bank in the Cross-border Interbank Payment System (CIPS) during the reporting period, becoming the third domestic city commercial bank with the qualification. By obtaining the qualification as a direct participating bank in CIPS, the Bank is expected to become a hub of cross-border RMB settlement for Russian banks and enterprises, which will help drive the use of RMB in nearby countries.

During the reporting period, the Bank completed the establishment of the Sino-Russia Settlement Service Centre in Harbin New Area to establish a one-stop integrated financial service platform for enterprises that have business dealings with Russia and provide such economic and trade entities with convenient cross-border financial services integrating domestic and foreign currencies, domestic and foreign trade, offshore and onshore services and commercial and investment banking, assisting Harbin New Area to fully enhance its capabilities in offering Sino-Russia financial services. In addition, during the pandemic, the Bank opened up Sino-Russia cross-border financial green channels for enterprises, provided financial convenience for the international settlement of pandemic prevention supplies import and export as well as the pandemic prevention donation funds business etc., and offered concessions, such as preferential rates for foreign exchange settlement and sales, and fee reduction and exemption, to anti-pandemic supplies procurement companies, making every effort to help foreign trade companies fight against the pandemic through work, production and market resumption in a timely manner.

During the reporting period, the cross-border e-commerce financial business of the Bank maintained its robust development and constantly enriched the variety of Sino-Russia online settlement products. It can now support more than ten international payment methods, including MASTERCARD and JCB, online payment, collection and settlement of more than 60 currencies, and mainstream payment tools in Russia, such as MIR, YANDEX and WALLET ONE. In 2020, the Bank became the first bank that was granted the licensed use of the trademark of the Russian World Card in China. During the reporting period, the volume of transaction settlement increased by RMB1,058 million, and the aggregate transaction settlement volume reached RMB15.3 billion. We received the Best Risk Control Performance of the Year Award and the Outstanding Contribution of the Year Award from MasterCard International, as well as the Best Cooperation Efficiency Award of the Year Award from JCB International Credit Card. The platform project continued to be included under the management of the National Major Construction Project Repository of the National Development and Reform Commission as a major construction project of the Belt and Road Initiative, and received financial support of RMB1,919.9 thousand from the special fund of the central government for foreign economic and trade development.





Continuous Improvement of the Mechanism for Protecting Consumer Rights by Adopting a Customer-oriented Approach

During the reporting period, the Bank strictly complied with laws, regulations and regulatory requirements including the Guiding Opinions of the General Office of the State Council on Strengthening the Protection of Financial Consumer Rights, the Implementation Measures of the People's Bank of China on Protection of Financial Consumer Rights, and the Guiding Opinions on Strengthening the Protection of Banking Consumer Rights and Resolving the Current Public Concerns Issued by the General Office of the CBIRC to fully boost the efficiency in protecting consumer rights. Since the establishment of the Consumer Rights Protection Department in 2019, the Bank has established a management system for consumer rights protection by fully linking three lines of defence under the leadership of the Board of Directors and the senior management, with the Consumer Rights Protection Department taking the lead, relevant departments actively rendering assistance and subordinate branch institutions undertaking their respective functions to ensure authoritative leadership, sound arrangement and effective enforcement in consumer rights protection.

The Consumer Rights Protection Committee of the Board of Directors of the Bank held 4 meetings in 2020, at which 4 proposals and reports were considered and approved, including the Report on Consumer Rights Protection of Harbin Bank in 2019, Proposal on Consumer Rights Protection Plan of Harbin Bank in 2020, Report on Consumer Rights Protection of Harbin Bank in the First Half of 2020 and Report on Amendments to the Administrative Measures on Consumer Rights Protection of Harbin Bank.

The Bank places emphasis on communication with customers and provides timely feedback to customers. It provides 24-hour telephone banking services through its national customer service hotline 95537, and services including business enquiries, complaints and recommendations, card activation, reporting for loss and repayments by instalments through its credit card customer service hotline 400-66-95537. To provide more timely response to the financial service demand of customers staying at home during the pandemic, the Bank offered staffed customer services through its WeChat official account in 2020 on top of the two customer service hotlines, offering services such as business enquiries to customers under various scenarios. During the reporting period, the customer service centre of the Bank handled a total of over 2.40 million cases, and its credit card centre handled a total of 1.83 million cases for the year; and 1,745 consumer complaints were processed, representing a year-on-year decrease of 3.4%, of which 1,253 were general business complaints in areas such as loan business, RMB saving, bank card and payment and settlement. There were 492 complaints on credit card business from regions including Heilongjiang Province, Liaoning Province and Sichuan Province, and 100% of the complaints for the year were settled.

In 2020, the Bank ensure the sound arrangement, timely communication and effective enforcement of its consumer rights protection through a series of measures, such as formulation of an annual work plan, amendments to the Administrative Measures on Consumer Rights Protection, promulgation of the Administrative Measures on Information Disclosure of Financial Consumer Products and Services, and amendments to the Administrative Measures on Customer Complaints. To raise the quality and effectiveness in management of consumer rights protection, we carried out training on consumer rights protection in accordance with the Staff Training Scheme on Financial Consumer Rights Protection to duly boost the consumer rights protection awareness, business skills and duty performance all staff. Meanwhile, we formulated an annual work plan on consumer education and knowledge publicity, and using the opportunities of 3.15 Financial Consumer Rights Day, Walk for Financial Knowledge Promotion 2020 and Promoting Financial Knowledge to Keep Your Money Safe, we actively carried out various forms of promotional activities on financial knowledge publicity by distributing through multiple promotional channels, such as Weibo official account, official website, APP and WeChat official account by fully leveraging the advantages of fast dissemination and wide audience of online media. By using pictures and texts in financial knowledge publicity for the general public, we helped financial consumers enhance their knowledge in financial products and services and their ability to protect themselves, and guided financial consumers to choose financial products in a rational manner. Meanwhile, to ensure that financial consumers can enjoy safe and convenient financial services through our stringent operation and management of business institutions, we publicly announced adjustments to business hours in advance during periods of pandemic prevention.

Anti-money Laundering, Anti-Corruption and Integrity: Total Coordination and Unification and Innovative Methods

Taking multiple measures to manage anti-money laundering. During the reporting period, the Bank managed anti-money laundering in strict compliance with increasingly stringent regulatory requirements. It continued to adopt the risk-based approach by incorporating money laundering risks into its total risk management policy. Through a variety of ways such as improving the system and policy build-up, enhancing the functional design of the monitoring system and strengthening routine supervision and management, the Bank continued to strengthen the management of customer identification, set up a sound screening and analysis model on suspicious transactions and improve the risk prevention and control system for the full-process, closed-loop management of money laundering, so as to further raise the compliance and effectiveness of its anti-money laundering management.

Moreover, the Bank kept stepping up anti-money laundering publicity and training, focused on the combination of online and offline publicity scenarios, accelerated the raising of employees' awareness of and business skills for the prevention of money laundering risks, and stringently performed the legal obligations of financial institutions in anti-money laundering and anti-terrorist financing. In particular, for enhancing directors' capability to discharge duties, enabling them to be familiar with anti-money laundering and anti-terrorist financing laws and regulations and raising their awareness of compliance work, in accordance with the Measures Governing Anti-money Laundering and Anti-terrorist Financing by Banks and Financial Institutions (CBIRC Order No. 1 of 2019), the Bank conducted Harbin Bank's Special Training in Anti-Money Laundering and Anti-Terrorist Financing Business for 2020 targeted at proposed directors. The attendees were proposed directors and bank executives, heads and relevant key employees of various departments of the head office, branches, subsidiaries and related business units. This acted as a platform for exchanges and communications between the proposed directors and the Bank's various business functional departments for anti-money laundering and anti-terrorist financing, and laid a solid foundation for directors to better discharge relevant duties.

The Bank stringently enforced various internal control policies for anti-money laundering, including the Measures of Harbin Bank Governing Anti-Money Laundering, the Measures of Harbin Bank Governing the Reporting of Large Amount Transactions and Suspicious Transactions, the Measures of Harbin Bank Governing the Identification of Clients and the Preservation of Client Identity Information and Trading Records, the Measures of Harbin Bank Governing Risk Assessment and Customer Classification in Respect of Money Laundering and Terrorist Financing, the Measures of Harbin Bank Governing the Management, Monitoring and Screening of Anti-Money Laundering List, the Measures of Harbin Bank Governing the Self-assessment of Money Laundering Risks, and the Measures of Harbin Bank Governing the Risk Assessment of Money Laundering by Business and Product, etc.

During the reporting period, the Bank also compiled and printed Harbin Bank's Practical Manual on Anti-Money Laundering, the first reference tool for employees in positions for anti-money laundering, and conducted special anti-money laundering training for different positions and recipients to strengthen the understanding and mastering of the requirements of anti-money laundering by the employees in relevant positions for easy operation and application.

Unswervingly promoting anti-corruption and integrity. The Bank advocates the career spirit of loyalty, diligence, integrity and accountability and adopts it as the criteria for selection and recruitment of candidates. It has made great efforts in routine and long-term supervision, so as to continue with building Party integrity and vigorously combating corruption.

In 2020, in strict compliance with the relevant rules including the Constitution of the Communist Party of China, the Supervision Law of the People's Republic of China and the Regulation of the Communist Party of China on Disciplinary Actions and under the continuous guidance of Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, the Bank thoroughly studied and brought in play the spirit of the 19th CPC National Congress as well as the Second, Third and Fourth Plenary Sessions of the 19th Central Committee, the 4th Plenary Session of the 12th Provincial Commission for Discipline Inspection and the 5th Plenary Session of the 14th Municipal Commission for Discipline Inspection; continued to raise "awareness in four aspects", maintain "confidence in four areas" and accomplish "upholding of two political stances"; remained true to the Party's original aspiration and kept its mission firmly in mind; strengthened self-discipline consistently and unswervingly; proceeded in a unified way that we dare not to be corrupt, should not be corrupt and do not want to be corrupt, so that the Bank made new achievements in building Party integrity and combating corruption.

The Bank carried out anti-corruption education stringently and conscientiously, and created a good atmosphere of upright financial cultural. During the reporting period, it carried out anti-corruption education with innovative methods by compiling three electronic specials on disciplinary inspection and supervision, with a focus on various aspects such as the important expositions by General Secretary Xi Jinping on rigorous Party governance, policy interpretation, anti-corruption courses and case reports, as multi-dimensional anti-corruption education for general cadres and employees. By arranging business units at all levels to watch anti-corruption education features, issuing requirements for anti-corruption and self-discipline at work prior to festivals and holidays, signing letters of commitment with families to assist in anti-corruption, holding special work meetings and setting up supervision and reporting mailboxes, etc., the Bank strengthened the awareness of discipline and law-abiding, anti-corruption and self-discipline among general cadres and employees, and pushed forward rigorous Party governance in terms of depth and breadth.



Community Investment: Building Community Relations and Supporting City Marathon for the 5th Year

In 2020, due to the impact of the pandemic, the Bank's community investment focused more on building harmonious community relations featuring mutual assistance, with the launch of more apt and quality projects during the anti-pandemic and pandemic prevention period by taking advantage of the Happy Community Programme. Moreover, our image as a bank providing warmth and emotional support through banking services was getting more diverse and multifaceted through undertaking social responsibility, such as assisting in the battle against poverty, promoting the integration of financial culture and city sports projects, supporting education development, and encouraging employees to participate in voluntary services. During the reporting period, the Bank's total expenditure on social charity initiatives was RMB19.45 million.

Building a distinctive community financial service model with "charity + finance" features. Since 2016, the Happy Community Programme jointly initiated by the Bank and United Charity Foundation has been committed to creating a new force for community integration and a better quality of life for community residents. After years of development, the programme was expanding social services in terms of depth and breadth, which has deepened both the friendship between participating branches and community residents as well as the adaptability of financial services to the community, and effectively facilitated the building of new community relations. (For details, please refer to: Community Investment in Extraordinary Times: Trust, Warmth, Connection and Commitment.)

Branding of cross-over integration of financial services with city marathon. The year 2020 marked the 5th year of sponsoring and promoting city marathon, by Harbin Bank. During the reporting period, the Bank, as a strong promoter of city marathon, sponsored the Chengdu International Marathon for the third consecutive year in the capacity of official supplier. It sponsored and supported the 2020 Chongqing International Marathon for the first time, with the launch of themed credit card products co-branded for the two events to provide tailor-made financial services for marathon enthusiasts, demonstrating the Bank's strong support and promotion of the cross-over integration of city marathon with financial services. Harbin International Marathon, for which the Bank offered title sponsorship for four years in a row, was not held in 2020 due to the impact of COVID-19.

Continuously paying attention to and supporting education. Since 2010, the Bank has made donations to the Harbin Institute of Technology's Education Development Foundation for eleven consecutive years to finance its development and construction. In 2020, donations reached RMB3.5 million, sending total donations to RMB16.57 million. In 2020, the Bank continued to implement the Harbin Bank Lilac Blossoms, Dream Achievement Hope Project in conjunction with Heilongjiang Youth Development Foundation, which supported 540 impoverished students with excellent performance in both character and learning to complete their studies. For twelve consecutive years, Harbin Bank's Hongyi Education-aid Association has been financing a total of 869 poverty-stricken Huining students sitting the National Higher Education Entrance Examination for the year with RMB892,000 in total donations. During the reporting period, an amount of RMB33,000 was donated, supporting 31 students.

Bringing the spirit of volunteerism into play by being heroes in harm's way while fighting the virus. The Bank always encourages its employees to make full play of their professional advantages by proactively participating as volunteers in promoting financial knowledge and financial consumer education, as well as in other social charity activities such as environmental protection and community building. It was praiseworthy that due to the needs of pandemic prevention and control in 2020, many of our volunteers resolutely joined with heroes in harm's way by guarding the gate of the community under severe cold weather, assisting in the inspection of vehicles at expressway entries and exits, and participating in the distribution of materials in the community, which showcased an image as employees of a bank providing warmth and emotional support through their deeds.





奔跑吧哈行

1=A $\frac{4}{4}$

词：罗忠林
曲：高德新

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太 阳 升 起 照 耀 大 地， 每 一 步 奔 跑 都 是 胜 利。

$\underline{6}\cdot\underline{1}\underline{1}\underline{1}00$ | $\underline{2}\cdot\underline{1}\underline{6}\underline{1}0$ $\underline{0}\underline{5}$ | 3· $\underline{3}\underline{3}$ 3 | $\underline{2}\cdot\underline{1}\underline{1}\underline{1}00$
春 夏 秋 冬， 轮 回 四 季， 每 一 天 坚 持 都 是 奇 迹。

$\underline{5}\cdot\underline{5}\underline{5}\underline{5}00$ | $\underline{6}\cdot\underline{5}\underline{3}\underline{5}0$ $\underline{0}\underline{6}$ | 1· $\underline{1}\underline{2}\underline{2}\underline{1}\underline{1}$ $\underline{6}\cdot\underline{5}\underline{5}\underline{5}00$
风 雨 兼 程 满 怀 希 冀， 奔 跑 中 发 现 人 生 新 的 意 义。

$\underline{6}\cdot\underline{1}\underline{1}\underline{1}00$ | $\underline{2}\cdot\underline{1}\underline{6}\underline{1}0$ $\underline{0}\underline{5}$ 3· $\underline{3}\underline{3}$ 2 | $\underline{1}\underline{1}\underline{3}\underline{2}$ 2 - 0 0 $\underline{3}\underline{4}$ ·
追 求 理 想 永 不 放 弃， 奔 跑 中 遇 见 新 的 自 己。 奔 跑

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吧 哈 行， 我 们 携 手 相 依。 奔 跑 吧 哈 行，

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我 们 不 畏 风 雨。 奔 跑 吧 哈 行， 我 们 踏 着 新 的

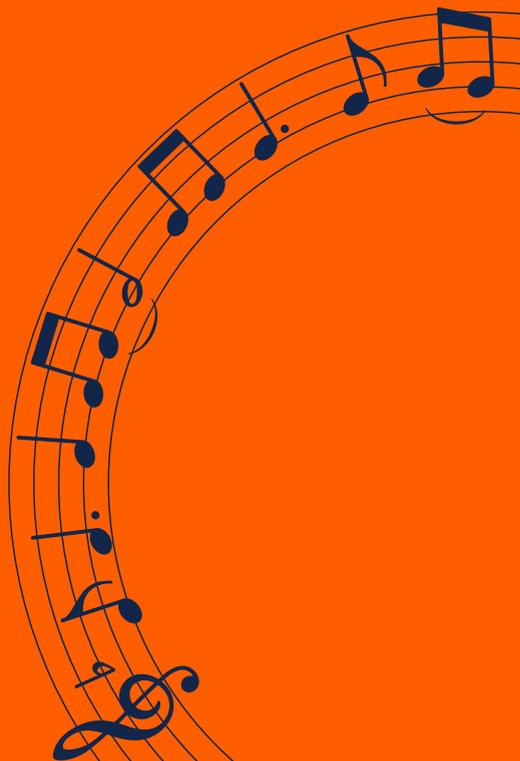
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旋 律。 奔 跑 吧 哈 行， 我 们 跑 进 新 的 天 地，

0 4 $\underline{3}\underline{3}\underline{2}$ | 1 - - - :| $\underline{6}\underline{6}\underline{6}\underline{6}\underline{6}\cdot$ $\underline{6}$ | $\underline{6}\underline{5}\underline{5}$ - - 0 5 $\underline{5}\underline{6}\underline{6}$
奔 跑 吧 哈 行。 我 们 跑 进 新 的 天 地， 奔 跑 吧

7 $\underline{1}$ - - - | $\underline{1}$ - - - | $\underline{1}$ 0 0 0 |
哈 行!

Let's Run, Harbin Bank

Let's Run, Harbin Bank is a theme song with lyrics written by Luo Zhonglin, member of the Party Committee of Harbin Bank and chairman of the trade union, and with music composed by Gao Dexin, president of New District Science and Technology Professional Sub-branch of Harbin Branch. It was specially composed for the Harbin Bank's Around-Sun-Island Marathon Relay in 2016, and widely sung by our staff because of its lively rhythm and high spirits. The year 2020 marked the 5th year of sponsoring and promoting city marathon by Harbin Bank, so the music score and elements of this song are especially intertwined with this report, just like the flowing memories of the Bank's efforts and persistence in deeply integrating its financial services with city marathon and spreading the spirit of marathon.



Anti-pandemic Service Diary of Harbin Bank's Young Volunteers

Contents Displayed in Weibo Official Account

<https://m.weibo.cn/1916825921/4485613446991341>

Contents Displayed in WeChat Official Account hrbb-pioneer

<https://mp.weixin.qq.com/s/4YAm9uciX2xaNdg13jGnEg>

Anti-pandemic Service Diary of Harbin Bank's Young Volunteers (Preface)

At the beginning of 2020, every ordinary person was undergoing extraordinary tests. It was a test to stay at home, and it was more of a challenge to walk on the street and get close to others. At that time, fortunately, you stood up in another capacity in the passive leisure time – volunteer! Maybe you were at an expressway entrance with cold wind blowing around; maybe you were at a snowy bridge in Northeast China; maybe you were outside the fence of a temporarily closed old community... Nowadays, anti-COVID-19 efforts are not winding down. Maybe you have returned to your positions in Harbin Bank, yet the Bank thanks you for your warm-hearted efforts in the winter and wants to remember everyone who has worked hard for others to safely stay at home.

In order to encourage the young staff of Harbin Bank to provide volunteer services in support of local anti-COVID-19 efforts, keep your warmth, preserve our feelings of appreciation and pass on our positive energy, the Youth League Committee and the official Weibo account of Harbin Bank released "Anti-pandemic Service Diary of Harbin Bank's Young Volunteers" to cherish a precious memory for you who made special contributions in the special time.

Anti-pandemic Service Diary of Harbin Bank's Young Volunteers No.1 by Zheng Junyuan

[Volunteer] Zheng Junyuan

[Position in the Bank] Head of the retail finance direct sales team of Xiangyang Sub-branch, Hegang Branch

[Anti-epidemic Volunteer Service Position] Grid-style social manager of Shuxiangyuan Community in Dongfeng Community, Hongqi Road Office, Gongnong District, Hegang

[Volunteer Service Duration] 18 February to 2 April 2020

[Diary] I am a grid-style social manager of Shuxiangyuan Community in Gongnong District. I am responsible for door-to-door information registration, home quarantine of returning residents, and lifting of quarantine after physical examination for the 156 community families under my jurisdiction. Seven families have been released from quarantine, and three families who have just returned home from medium – and high-risk areas for COVID-19 are still in home quarantine. Though the job is not easy, I'm glad to see that the anxiety and emotions of the residents in quarantine have been soothed by my patience. I am honoured to join the fight against COVID-19 as an employee of Harbin Bank together with those fighting bravely in the frontline of epidemic prevention and control. We are not afraid of hardships and dangers and prove the power of Chinese youth in the new era with actions!



Anti-pandemic Service Diary of Harbin Bank's Young Volunteers No.2 by Li Zhaowei

[Volunteer] Li Zhaowei

[Position in the Bank] Head of the rural credit team of Shangzhi Sub-branch, Harbin Branch

[Anti-epidemic Volunteer Service Position] Guard dispatched by the government of Shangzhi Town to station at Shiyou Road, Xianjian Community

[Volunteer Service Duration] 12 February to 22 March 2020

[Diary] When COVID-19 ravaged the whole nation in early 2020, Shangzhi Sub-branch of Harbin Bank responded to the call of the local government and promptly organised volunteers to join the frontline fight against COVID-19. I was selected to perform guard duty at a checkpoint on Shiyou Road in Shangzhi Town. In the cold season, my colleagues and I stayed on duty at the checkpoint to register information of passing people and steer the traffic. Despite being occasionally misunderstood, we stayed at the checkpoint to perform duty and help epidemic prevent and control simply because we are responsible personnel of Harbin Bank.



**Anti-pandemic Service Diary of
Harbin Bank's Young Volunteers
No.3 Xu Peng**



[Volunteer] Xu Peng

[Position in the Bank] Marketing
Manager of Tieli Sub-branch, Yichun
Branch

[Anti-epidemic Volunteer Service Position] Social worker dispatched
by Tieli Town, Tieli City to station at Dongxing Village, Tieli City and
be responsible for the registration of villagers entering and leaving
Dongxing Village

[Volunteer Service Duration] 17 February to 24 March 2020

[Diary] After the COVID-19 outbreak, the best choice for most people
was to stay at home, yet there were many people fighting in harm's
way to prevent the spread of the virus. In the face of the epidemic,
none of us is a bystander. As a member of the Communist Party,
after the business hours of our sub-branch during the epidemic,
I signed up as a volunteer stationed at the entrance of Dongxing
Village to screen and register the entry and exit of villagers. The biting
cold wind was blowing wildly with snowflakes, but it couldn't stop us
from fighting COVID-19. Let's embrace each other when the spring
flowers bloom!

**Anti-pandemic Service Diary of
Harbin Bank's Young Volunteers
No.5 by Wu Huali**



[Volunteer] Wu Huali

[Position in the Bank] Accountant at
Dazhi Sub-branch of Harbin Branch

[Anti-epidemic Volunteer Service Position] Social worker dispatched
by Wanda Community, Pingsheng Street, Harbin to station at Wanda
Community and be responsible for epidemic prevention registration
and inspection of people in quarantine

[Volunteer Service Duration] 19 February to 15 March 2020

[Diary] "Hello, is this Wanda Community? Do you still need
volunteers? I want to be a volunteer." Epidemic prevention
registration, inspection of people in quarantine, delivering daily
necessities to quarantined families, and ensuring the safe travel of
residents are my volunteer duties. As a post-80s party member, I am
willing to dedicate myself to a social position. I vow to fulfil my duties
in the fight against COVID-19 with the determination and courage to
be a hero in harm's way for others and the society in this crisis!

**Anti-pandemic Service Diary of
Harbin Bank's Young Volunteers
No.4**



[Volunteer] He Shuangshuang

[Position in the Bank] Wealth
Management Account Manager of
Tongliang Sub-branch, Chongqing
Branch

[Anti-epidemic Volunteer Service Position] Social worker dispatch by
the Epidemic Prevention and Control Group of Tongliang District to
station at the entrance of Tongliang Expressway and be responsible
for input of traffic data

[Volunteer Service Duration] 7 February to 23 March 2020

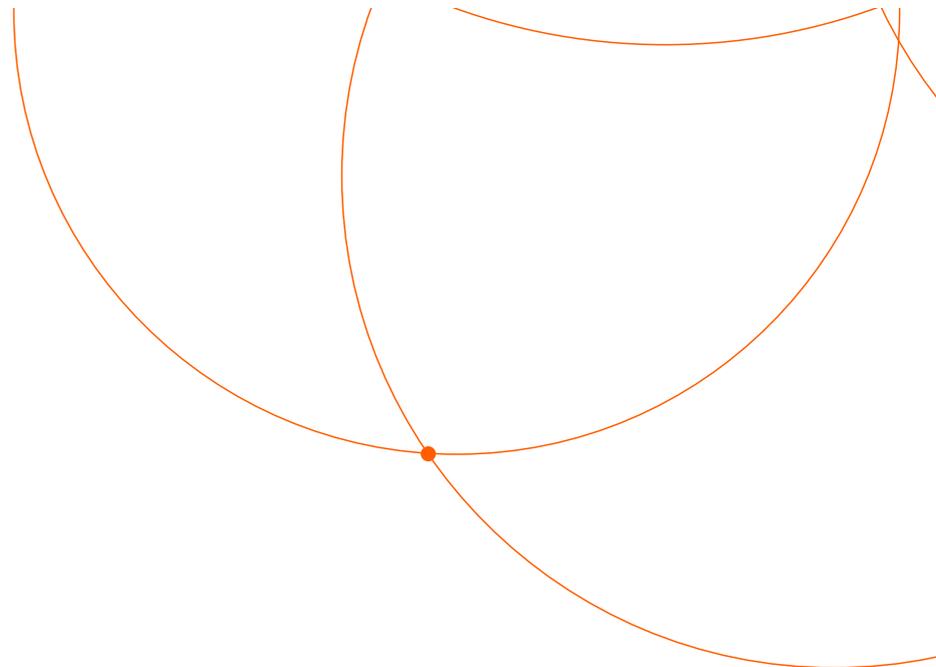
[Diary] In extraordinary times, young people should shoulder their
mission! During the prolonged Spring Festival, I joined a volunteer
team and worked at the entrance of Tongliang Expressway every
day for 12 hours, inputting information on vehicles passing through
the toll station. When I got home, my shoulder and neck were so
sore and stiff that I couldn't even lift my right hand...In early 2020, I
saw too many heroes in harm's way and applauded them for their
bravery. I'm honoured to contribute to the anti-COVID-19 efforts in
my hometown as a young employee of Harbin Bank.





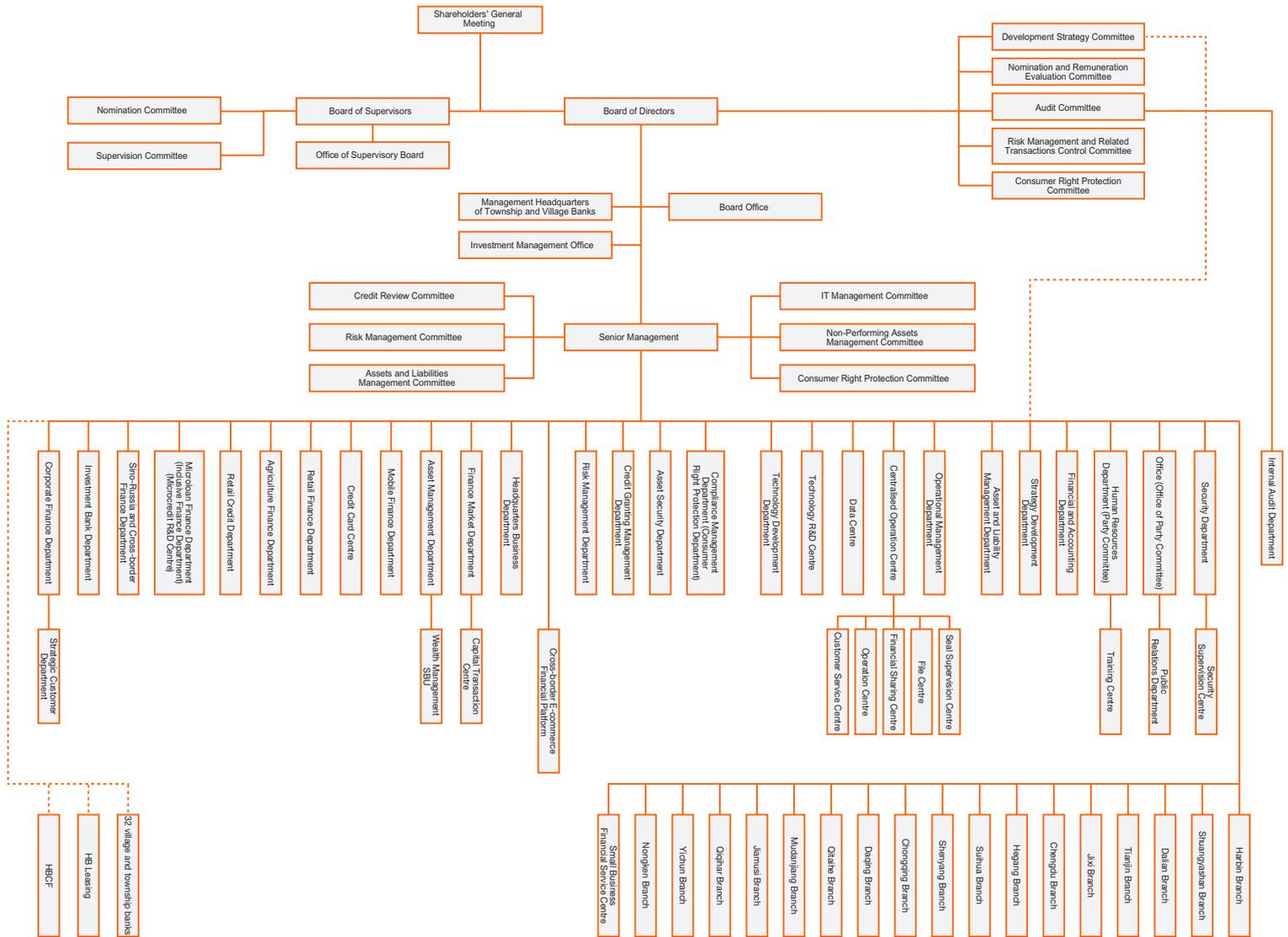


Our Governance Responsibility Management



Corporate Governance

Organisation Chart



The relevant link is as follows :

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0331/2021033102390.pdf>

The Bank issued its 2020 Annual Report on the website of HKEX on 31 March 2021, and the relevant issues are fully disclosed in the chapters on Corporate Governance Report and Report of the Board of Supervisors.

The contents in this Our Governance Responsibility Management report are extracted from the contents of the above two chapters, with supplements on other relevant contents.

Sound corporate governance is the essential responsibility of the Board of Directors of the Company. The Bank strictly complied with relevant overseas listing regulatory requirements, and strived to improve the Bank's corporate governance mechanisms and enhance its corporate governance. The Bank has adopted and consistently complied with the requirements of the code provisions of the Corporate Governance Code in Appendix 14 of the Hong Kong Listing Rules and the requirements of the PRC commercial bank administrative measures and relevant corporate governance requirements, and has established a sound corporate governance system.

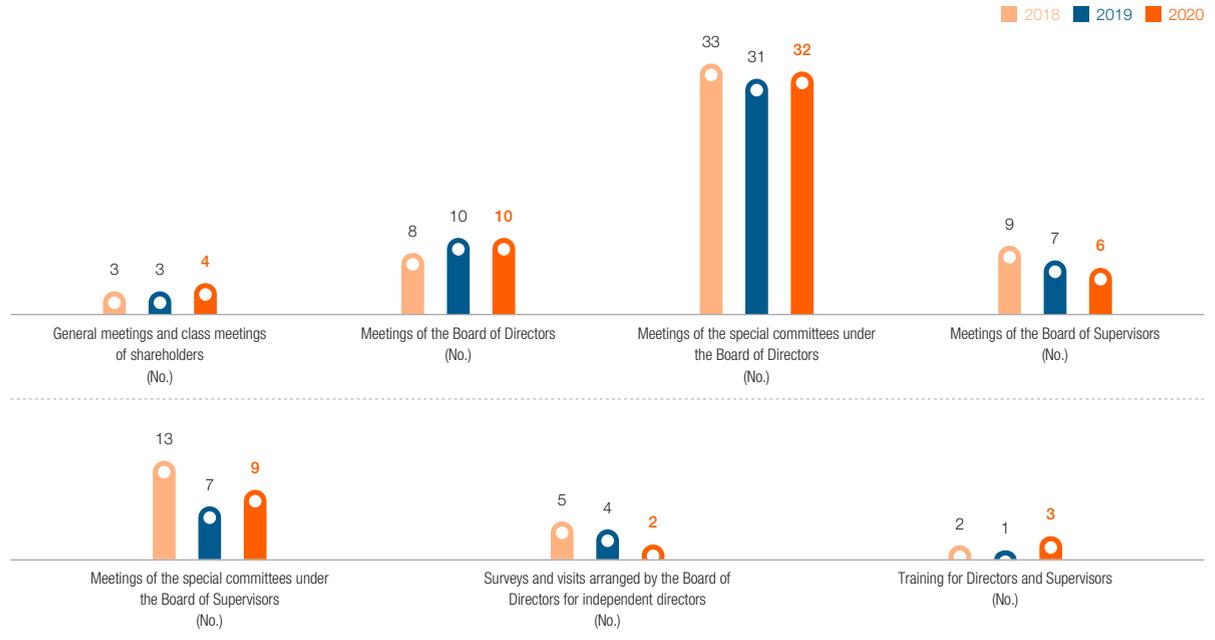
During the reporting period, the primary corporate governance documents of the Company include: the Articles of Association, the Rules of Procedure for the Shareholders' General Meeting, the Rules of Procedure for the Board of Directors Meetings, the Rules of Procedure for the Board of Supervisors Meetings, the Working Rules for the Independent Directors, the Working Rules for the Development Strategy Committee of the Board of Directors, the Working Rules for the Risk Management and Connected Transactions Control Committee of the Board of Directors, the Terms of Reference of the Audit Committee of the Board of Directors, the Terms of Reference of the Nomination and Remuneration Evaluation Committee of the Board of Directors, the Terms of Reference of the Consumer Rights Protection Committee, the Terms of Reference of the President, the Administrative Measures for Shareholding, the Administrative Measures for Connected Transactions, and the Information Disclosure Administrative Measures, etc.

In 2020, the Company arranged and held a total of 61 important meetings of all kinds (such as general meetings and class meetings of shareholders, meetings of the Board of Directors and its special committees, and meetings of the Board of Supervisors and its special committees), including 4 general meetings and class meetings of shareholders in total, 10 meetings of the Board of Directors, 32 meetings of the special committees of the Board of Directors, 6 meetings of the Board of Supervisors and 9 meetings of the special committees of the Board of Supervisors. At the meetings, the Company considered and approved 275 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 Budgets, the Final Account Report, the Profit Distribution Plan, the Performance Evaluation Index of Senior Management, the Comprehensive Operation Plan, the Report on the Implementation of Related Transactions, the Risk Management Report, the amendments to the Articles of Association, and the institutional development plan, etc.

During the reporting period, the Board of Directors of the Company conducted an annual evaluation of the senior management approved to be appointed in accordance with the requirements of the Administrative Measures on the Performance Evaluation of Senior Management, and applied the performance evaluation results in the remuneration distribution and terms of employment of the evaluated targets so as to provide incentives for the continuous improvement of duty performance of the senior management, and to enhance the systematic, standard and regular evaluation mechanism of the Board of Directors on the performance of the senior management. In accordance with the requirements of the Evaluation Method on Duty Performance of Directors, the Nomination and Remuneration Evaluation Committee of the Board of Directors of the Company conducted an annual evaluation of duty performance of the directors in order to promote careful, earnest and diligent duty performance and self-discipline of the directors.

It should be noted that the Company attaches great importance to the relevant requirements of HKEX's new edition of the Environmental, Social and Governance Reporting Guide and the Main Board Listing Rules and in 2020, the Development Strategy Committee of the Board of Directors especially approved the Proposal on the Establishment of Environmental, Social and Governance (ESG) Working Group of Harbin Bank Co., Ltd. during the reporting period to better demonstrate that "The board has overall responsibility for an issuer's ESG strategy and reporting." The establishment of this mechanism will be conducive to raising the overall management standards of the Company in its ESG work.





Placing great emphasis on Board diversity and the percentage of female directors. The Company understands and is aware of the importance of Board diversity and considers it a major factor to ensure that the Company can enhance its corporate governance standards and achieve sustainable development. The Company has developed the Policy of Harbin Bank Co., Ltd. on Board Diversity, pursuant to which the Company should take into account board diversity from various aspects, including gender, age, nationality, education background, professional qualifications, industry experience and other factors when designing the composition of the Board of Directors. When selecting and appointing members of the Board of Directors, the Company should take into full account the diversity characteristics of relevant candidates; evaluate their overall talents, skills, experience and background; and assess their potential contributions to the Bank objectively, thereby making sure the Board of Directors has diverse views and perspectives when discharging its duties by having the best combination of members in line with the Company's development strategy.

Among the 11 current members of the Board of Directors of the Company, one is a female director, accounting for 9.09%. Among these members, three are executive directors (inclusive of one female executive director), four are non-executive directors and four are independent non-executive directors. The three executive directors have been engaged in bank operation and management for a long period of time, and all of them have rich bank management and professional experience. The four non-executive directors, all nominated by shareholders, have experience in the management, financial and finance fields. The four independent non-executive directors are experts in the economics, financial, finance and legal aspects. One of them is from Hong Kong and has extensive experience in auditing, finance, management consulting, corporate governance, risk control and bank management.

During the reporting period, all of the Company's directors exercised the rights granted by the Company and the regulatory authorities cautiously, conscientiously and diligently, and devoted sufficient time and energy to handling the Company's affairs.



On 1 April 2021, Harbin Bank hosted the online 2020 annual results press conference at the headquarters building. The photo shows Deng Xinquan (Secretary of the Party Committee and Chairman of the Board, centre), Lyu Tianjun (President, second right), Sun Feixia (Vice Chairman cum Secretary of the Board, second left), Yang Dazhi (Assistant to the President, first right) and Gong Tiemin (Chief Risk Officer, first left) of Harbin Bank attending the results press conference.

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Overcoming the impact of COVID-19 when conducting special training and research for directors and supervisors to enhance their capacity to discharge duties.

During the reporting period, the Board of Directors of the Company arranged for all directors, supervisors and senior executives to receive special training sessions featuring corporate governance, internal control and connected transactions. They acquired a deep understanding of the strengthening of Party's leadership, the discharging of duties as directors and senior executives, corporate governance structure and regulatory requirements. They further studied the scope and definition of related parties and various requirements of related party transactions; understood the responsibilities and obligations of directors, supervisors and senior executives; raised their awareness of risk management and control as well as regulated management conduct, so as facilitate the sound development of the Company.

During the reporting period, the Company arranged for supervisors to learn regulatory requirements as well as relevant national laws and regulations, understand the spirit of regulation and clarify their responsibilities by successively carrying out two central training sessions, namely Special Training in Internal Control of Commercial Banks and Special Training in Corporate Governance respectively, so as to raise supervisors' theoretical competency as well as their capacity to discharge duties on an ongoing basis. The Board of Supervisors completed the Research Report on the Group-run Management Model for Harbin Bank's Internal Control and Compliance, which contributed suggestions and plans to the Group's development and ensured effective supervision. It conducted interviews and surveys with 4 branches, 8 rural banks and 7 departments at our head office, focusing on understanding the operation, management, risks, internal control, implementation of regulatory opinions, rectification, difficulties and problems in the work of various offices, and put forward suggestions for rectification.

Purposive investor relations management and timely response to investors' concerns.

The Bank always places great emphasis on investors' rights and concerns by focusing on adopting various measures to strengthen communication and relations management with investors. During the reporting period, the Bank worked hard to overcome the impact of COVID-19. Through online annual results press conferences, mainstream media reports at home and abroad and timely response to questions and suggestions raised by investors and analysts through various channels, the Bank managed to effectively present the latest achievements, development trends and future potentials of its featured business areas such as microfinance, mobile finance and Sino-Russia finance, as well as that of rural banks, Harbin Bank Financial Leasing and Harbin Bank Consumer Finance and other subsidiaries sponsored and established by the Bank, to enhance investor confidence. As at the end of the reporting period, the Company had a total of 10,995,599,553 shares, including 7,972,029,553 domestic shares and 3,023,570,000 overseas listed H shares. Investors may, at any time, make enquiries in writing to the Board of Directors through the Bank's Board Office.



Statement of Changes in Shares of the Company During the Reporting Period

(Unit: Share)

	1 January 2020		Increase/Decrease during the reporting period (+/-)					31 December 2020	
	Number	Percentage	Private placement	New shares issued	Bonus issue	Others	Subtotal	Number	Percentage
Domestic shares									
1. Non-listed shares held by corporations	7,908,539,178	71.92%	-	-	-	427,372	427,372	7,908,966,550	71.93%
Including: (1) Shares held by state-owned enterprises	5,332,201,096	48.49%	-	-	-	1,553,995,638	1,553,995,638	6,886,196,734	62.63%
(2) Shares held by private enterprises	2,576,338,082	23.43%	-	-	-	-1,553,995,638	-1,553,995,638	1,022,769,816	9.30%
2. Non-listed shares held by natural persons	63,490,375	0.58%	-	-	-	-427,372	-427,372	63,063,003	0.57%
H shares									
3. Overseas listed foreign shares	3,023,570,000	27.50%	-	-	-	-	-	3,023,570,000	27.50%
Total number of shares	10,995,599,553	100%	-	-	-	-	-	10,995,599,553	100%

Note: Non-listed shares held by corporations (domestic shares) of the Company were held by 36 state-owned corporate shareholders, including Harbin Economic Development, Heilongjiang Financial Holdings, Harbin Hadong Investment Co., Ltd., and Harbin Industrial Investment Group Co., Ltd., etc.

Shareholding of Top 10 Shareholders of the Company (as at the disclosure date of this report)

Name of shareholder	Nature of shareholder	Number of shares held (shares)	Shareholding percentage (%)	Number of shares pledged or frozen	Type of shares
1 Harbin Economic Development and Investment Company Limited	State-owned	3,257,943,986	29.63%	–	Non overseas-listed shares
2 Heilongjiang Financial Holdings Group Co., Ltd.	State-owned	2,035,675,058	18.51%	–	Non overseas-listed shares
3 Fubon Life Insurance Company Limited	Foreign investment	755,913,000	6.87%	–	H shares
4 Huaxia Life Insurance Co., Ltd.	Private enterprise	486,702,000	4.43%	–	H shares
5 CITIC Capital HB Investment L.P.	Foreign investment	401,275,000	3.65%	–	H shares
6 Harbin Heli Investment Holding Co., Ltd.	State-owned	397,000,000	3.61%	–	Non overseas-listed shares
7 Finance Bureau of Daoli District, Harbin	State-owned	386,025,859	3.51%	–	Non overseas-listed shares
8 Finance Bureau of Nangang District, Harbin	State-owned	378,941,968	3.45%	–	Non overseas-listed shares
9 Harbin High-tech Industrial Development Zone Infrastructure Development and Construction Co., Ltd.	State-owned	301,315,846	2.74%	–	Non overseas-listed shares
10 Beijing Xinrun Investment Co., Ltd.	Private enterprise	255,418,587	2.32%	–	Non overseas-listed shares

Notes:

- On 24 June 2020, Harbin Kechuang Xingye Investment Company Limited transferred 397,000,000 domestic shares out of its 720,262,554 domestic shares to Harbin Heli Investment Holding Co., Ltd., and the remaining 323,262,554 domestic shares were transferred to Finance Bureau of Daoli District, Harbin. As at the date of this report, the registration procedures in relation to the above transfer of shares have been completed, and Harbin Kechuang Xingye Investment Company Limited ceased to hold any shares of the Company.
- Harbin High-tech Industrial Development Zone Infrastructure Development and Construction Co., Ltd., shareholder of the Company, and Harbin Science and Technology Innovation Investment Co., Ltd. are related with each other. Harbin Science and Technology Innovation Investment Co., Ltd. held 96,220,000 shares of the Company, with aggregate shareholding of 397,535,846 shares, representing 3.62% of total shareholding.
- The above shareholding percentage of non overseas-listed shares and H shares as at the date of this report is calculated based on the total share capital of the Company, being 10,995,599,553 shares.



Risk Management and Internal Control

Pursuant to the requirements of laws and regulations for implementing a system of internal control norms for enterprises, such as the Basic Internal Control Norms for Enterprises and its relevant guidelines jointly issued by five authorities as well as the Guidelines for Internal Control of Commercial Banks issued by the CBIRC, the Bank, by drawing on advanced ideas from foreign countries, has built and improved its scientific internal control system, as well as established and maintained a business environment that is properly controlled and takes risk profiles into account.

As at the end of the reporting period, the Board of Directors inspected whether the Group's risk management and internal control systems were effective or not through its special committees, and carried out internal control evaluation in accordance with the requirements of the Guidelines for Internal Control of Commercial Banks issued by the CBIRC; with respect to various controls involving the Company's business and matters included in the scope of the internal control evaluation at the company level and business level as well as in the information technology field, the internal control systems for the major aspects covering Company's operation and management such as finance, operation, compliance monitoring and risk management, were effective and adequate.

Establishment and implementation of monitoring procedures and measures completed basically to prevent and resolve serious internal monitoring deficiencies. The Bank has established a corresponding institutional structure; defined the duties, powers and responsibilities of its staff at all levels; formulated written policies and procedures; and set up a check-and-balance mechanism for the division of functions for all units to reasonably make sure that various assets are safe and that they can operate and run in a lawful and compliant manner and under risk control. The management has worked out development strategies, business plans and financial budgets for the Group, and kept monitoring the implementation of these; made an accounting management policy to serve as a basis for measuring financial and operational performance; and worked out corresponding risk management policies and human resources management policies to set out the responsibilities and handling procedures that relevant units and staff should undertake for various risks, such as the risks associated with reputation, strategy, law, compliance, credit, market, business operations, liquidity and interest rates. It has established procedures and internal control measures for handling and disseminating inside information; and it has set up a mechanism for timely identification, assessment and management of major risks and formulated corresponding internal control measures. The information technology governance structure established by the Bank has diverse information systems and management reports, including monitoring data, financial information and operating performance of various business lines, to provide measured and monitored information for the management, business units and regulatory authorities. Appropriate communication channels and reporting mechanisms have been established at all units and levels to ensure information is exchanged smoothly; and the Internal Audit Department submitted a report directly to the Audit Committee after independently inspecting the financial scope, various business areas, various risk categories, functional operations and activities using a risk-based assessment method.

Fully understood risk awareness to build a compliance culture on an ongoing basis. The Company's Board of Directors, senior executives and relevant management staff are fully aware of the credit risk, market risk, liquidity risk, compliance risk, operational risk, legal risk, reputation risk and other risks that they are taking in the course of operation and management. During the reporting period, the Bank continued to improve its risk management methods and tools, and fully raised the level of refined, digital and systematic management of various risks to ensure various business lines are growing steadily, with overall risks under control.

In terms of credit risk management, the Bank continued to raise the level of credit risk management to keep improving the intelligent risk control system; built a strategic customer service team to strengthen the level of risk management and control for strategic customers and major projects; pushed forward the transformation of the corporate credit approval model and improved the central approval mechanism for retail clients, so that the credit risk management and control of the credit-granting business continued to enhance.

As to market risk management, the Bank fully and duly adhered to its market risk appetite, enhanced its market risk management and control procedures, improved its market risk quota management system and offered more diverse methods for the measurement of market risks.

In respect of liquidity risk management, the Bank proactively adjusted the structure of assets and liabilities, broadened and maintained the stability of the sources of funds for liabilities, and stepped the monitoring of positions during the course of a day to ensure the liquidity was safe overall.

With respect to compliance risk management, the Bank placed internal control and compliance in a more prominent position



On 30 October 2020, the Board of Supervisors of Harbin Bank arranged and conducted special training on internal control management of commercial banks.

by deepening the integrated management concept of prevention, control, investigation, and rectification to ensure the build-up of internal control compliance was in line with business development and brought in line with policy direction. It kept arranging and carrying out various compliance training sessions, strengthened routine compliance reminders, fully reinforced the build-up of an internal control and compliance culture, and raised employees' compliance awareness and capacity of discharging internal control duties. By doing so, the principles that compliance is of paramount importance, all employees should take the initiative to comply with laws and compliance creates value were further reinforced.

Regarding operational risk management, the Bank strengthened the application of the three major operational risk management tools in practical areas to effectively prevent the occurrence of operational risk events in risky areas.

Concerning information technology risk management, the Bank continued to improve its information technology governance system, refined its information technology management process, improved its analysis and methodology of business impact and worked out more same-city disaster recovery solutions for important systems and conducted emergency drills for information systems on a regular basis to safeguard the sustainable business operation of the Bank.

As at the end of the reporting period, the amount involved in outstanding material legal proceedings against the Bank (as a defendant or a third-party defendant) was RMB21 million, which did not have any material impact on the Bank's operating activities. Save for the above, there were no other material legal proceedings or arbitrations which had substantial impact on the operating activities of the Bank. During the reporting period, no investigations, administrative penalties or circulated criticisms by the CSRC or public censures by the Hong Kong Stock Exchange or penalties by other relevant regulatory authorities that had significant impact on the Company's operation had been imposed on the Company and its directors, supervisors and senior management.



Our Awards and Honours

No.	Name of Award	Awarding Party	Time of Award
1	2019 Responsible Finance Award	9th China Charity Festival	January 2020
2	Ranked 191st in the Brand Finance Global 500 2020	Brand Finance	February 2020
3	2019 Excellent City Commercial Bank for Banking Wealth Management Registration	Banking Wealth Management Registration & Depository Centre	March 2020
4	Ranked 31st among the 2019 China Banking Top 100 List	China Banking Association	March 2020
5	Top 1000 World Banks 2020: ranked 199th	The Banker of the United Kingdom	July 2020
6	Top 10 City Commercial Banks for Inclusive Finance	National Forum Office for Regional Finance Organising Committee of China New Financial Institution Forum	July 2020
7	Beijing Huairou Rongxing Village and Township Bank – 9th Top 10 Village and Township Banks in China	National Forum Office for Regional Finance Organising Committee of China New Financial Institution Forum	July 2020
8	Outstanding Organisation for Data Quality in the Corporate Credit Reference System	Credit Reference Centre of the People's Bank of China	July 2020
9	Outstanding Organisation for Data Quality in the Individual Credit Reference System	Credit Reference Centre of the People's Bank of China	July 2020
10	Golden Award of Social Responsibility Report of the 34th World's Best Annual Report Special Award	ARC AWARD	August 2020
11	Cover Design Bronze Award of the 34th World's Best Annual Report	ARC AWARD	August 2020
12	Ranked 241st in the 2020 Brand Finance China 500	Brand Finance	August 2020
13	Exemplary Business Model Innovation Award	2020 China International Fair for Trade in Services	September 2020
14	Best Bank Serving Small and Medium-sized Enterprises for the Year of the 13th Stars of China Award	Global Finance	September 2020
15	Third Prize of 2019 Banking Technological Development Award	The People's Bank of China	September 2020
16	2019 Harbin International Marathon was awarded the title of Golden Label Road Race	Chinese Athletic Association	October 2020

No.	Name of Award	Awarding Party	Time of Award
17	2020 Gamma Award of Wealth Management Brand of Small and Medium-sized Banks	Securities Times	October 2020
18	2020 Gamma Award of Investment Banking of Small and Medium-sized Banks	Securities Times	October 2020
19	Top 10 Banks in Technological Innovation	Forum of National Local Finance	October 2020
20	2020 Hi-Tech Bank Award of the 21st Century Asian Financial Competitiveness List	21st Century Business Herald	November 2020
21	Small and Medium-sized Bank with the Most Distinguished Features Award of the 3rd Iron-horse Award for Small and Medium-sized Banks	Modern Bankers	November 2020
22	2020 Chinese Financial Institutions Gold Medal Awards: Top 10 City Commercial Banks for the Year	Financial News	December 2020
23	2020 Best E-Banks in China: Best Personal Mobile Banking Award	China Financial Certification Authority (CFCA)	December 2020
24	2020 Recommendations of Global Business Media: Top 10 Inclusive Finance Innovative Institutions	Jointly hosted by Hong Kong Commercial Daily, Hong Kong Financial Development Association, Hong Kong Chamber of Commerce in China and Global News	December 2020
25	2020 Recommendations of Global Business Media: Top 10 Inclusive Finance Innovative Products	Jointly hosted by Hong Kong Commercial Daily, Hong Kong Financial Development Association, Hong Kong Chamber of Commerce in China and Global News	December 2020
26	2020 Anti-Pandemic Special Contribution Award in China's Financial Industry	Jointly hosted by Hong Kong Commercial Daily, Hong Kong Financial Development Association, Hong Kong Chamber of Commerce in China and Global News	December 2020
27	Outstanding Contribution Award for UnionPay Credit Card Business	China UnionPay	December 2020
28	Outstanding Entity for Special Evaluation of Emergency Management Capacity	China Banking Association	December 2020
29	Library of Qitaihe Branch was awarded the honorary title of Staff Bookstore	ALL China Federation of Trade Unions	December 2020
30	2020 Visa's Excellent Partner Award	VISA	December 2020
31	Reputable Credit Card of the Year Award by the 18th China Finance Billboard	Hexun.com	December 2020
32	Best Innovative Cooperation Award	Heilongjiang Branch of China UnionPay Co., Ltd.	December 2020



Prospects

The year 2021 is the first year for China to implement the 14th Five-Year Plan and the long-term goal of building itself into a modern socialist country. It is also the starting year of a new round of strategic transformation and development of Harbin Bank. In the meantime, the impact of COVID-19 on the world lingers on, and global political, economic and cultural changes are profoundly uncertain.

What is worth looking forward to is that after the COVID-19 challenge in 2020, the power of the Chinese government to promote world progress is increasingly obvious to all; China's determination to cope with climate change and its policies and measures are driving the quality transformation and development of China's economy and society in an all-round way.

The year 2021 is both a new starting point and a new challenge. The Bank is well aware that its business philosophy of Inclusive Finance and Common Prosperity will be integrated into the new round of transformation and development, covering product design, service improvement and customer growth. The Bank is also keenly aware that quality development means the establishment of a more scientific risk control and compliance system, a better corporate governance structure and a stronger management foundation, faster application of Fintech, and greater courage and confidence to meet challenges.

The Bank pays great attention to the goal announced by General Secretary Xi Jinping at the 75th UN General Assembly that "China will peak carbon dioxide emissions by 2030 and achieve carbon neutrality by 2060", and the objective of "widely accomplishing green production and lifestyle" by 2035 specified in the Proposals of the CPC Central Committee for Formulating the 14th Five-Year Plan for National Economic and Social Development and the Long-term Goals for 2035. In 2021, we will give full play to the coordinating role of the ESG working group under the Development Strategy Committee of the Board of Directors to further improve the ESG management system. In accordance with the requirements of the new edition of the ESG Reporting Guide of HKEX, we will strengthen the management responsibility of the Board of Directors for ESG matters to make a good start for quality development under our new three-year strategic plan.

In 2021, while taking stringent measures for prevention and control of COVID-19, the Bank will formulate the New Three-year Implementation Plan of Harbin Bank (Group) to Support and Serve the Real Economy in line with relevant national strategies. We will adhere to the general principle of seeking progress while maintaining stability, promote quality development, improve the services for the real economy, enhance business structure, rationally allocate resources, boost management quality and efficiency, effectively prevent and control risks, and duly advance the new three-year strategic plan, so as to provide stronger financial support for local economic and social development, solidify our brand image as a bank providing warmth and emotional support, and promote our brand connotation of Trust, Warmth, Connection and Commitment.

Index of the Environmental, Social and Governance Reporting Guide of the Hong Kong Stock Exchange

Aspect	Main indicator	Disclosure	Corresponding section
Environmental	General disclosure: Information on the policies and compliance with relevant laws and regulations that have a material impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. (Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.)	Y	Low-carbon operation
	A1.1 The types of emissions and respective emissions data.	Y	Low-carbon operation
	A1.2 Direct and energy indirect greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Y	The Company has not yet established any greenhouse gas emission statistics system.
	A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Y	Low-carbon operation
	A1.5 Description of emissions target(s) set and steps taken to achieve them.	Y	Low-carbon operation (the Bank has relevant measures in place, but specific targets have not yet been set.)
	A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Y	Low-carbon operation (the Bank has relevant measures in place, but specific targets have not yet been set.)
	General disclosure: Policies on efficient use of resources, including energy, water and other raw materials. (Note: Resources may be used in production, in storage, transportation, in buildings and electronic equipment, etc.)	Y	Low-carbon operation
	A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Y	Low-carbon operation
	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Y	Low-carbon operation
	A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	Y	Low-carbon operation (the Bank has relevant measures in place, but specific targets have not yet been set.)
	A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	Y	Low-carbon operation (the Bank has relevant measures in place, but specific targets have not yet been set.)
	General disclosure: Policies on minimising the issuer's significant impacts on the environment and natural resources.	Y	Green credit
	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Y	Green credit



Aspect	Main indicator	Disclosure	Corresponding section
Environmental	General disclosure: Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Y	Corporate governance Green credit Low-carbon operation
	A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Y	Green credit Low-carbon operation Corporate governance
Social: Employment and Labour Practices	General disclosure: Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Y	Staff safety and career development
	B1.1 Total workforce by gender, employment type (for example, full – or part-time), age group and geographical region.	Y	Staff safety and career development
	B1.2 Employee turnover rate by gender, age group and geographical region.	Y	Staff safety and career development
	General disclosure: Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Y	Staff safety and career development
	B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Y	Staff safety and career development
	B2.2 Lost days due to work injury.	Y	Staff safety and career development
	B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Y	Staff safety and career development
	General disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. (Training refers to vocational training. It may include internal and external courses paid by the employer.)	Y	Staff safety and career development
	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Y	Staff safety and career development
	B3.2 The average training hours completed per employee by gender and employee category.	Y	Staff safety and career development
General disclosure: Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child labour and forced labour.	Y	Staff safety and career development	
B4.1 Description of measures to review employment practices to avoid child and forced labour.	N	No child labour or forced labour employed by the Company	
B4.2 Description of steps taken to eliminate such practices when discovered.	N	No child labour or forced labour employed by the Company	

Aspect	Main indicator	Disclosure	Corresponding section
Social: Operating Practices	General disclosure: Policies on managing environmental and social risks of the supply chain.	Y	Low-carbon operation
	B5.1 Number of suppliers by geographical region.	N	The Company intends to disclose gradually
	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	N	The Company intends to disclose gradually
	B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	N	The Company intends to disclose gradually in the future
	B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	N	The Company intends to disclose gradually in the future
	General disclosure: Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Y	Product responsibility
	B6.2 Number of products and service related complaints received and how they are dealt with.	Y	Product responsibility
	B6.3 Description of practices relating to observing and protecting intellectual property rights	N	The Company formulated the Administrative Measures for Intellectual Property Rights of Harbin Bank in accordance with rights provided in relevant laws, including the Trademark Law, Copyright Law, Measures for Administration of Chinese Internet Domain Names and Patent Law.
	B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Y	Product responsibility
	General disclosure: Information on the policies, and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Y	Anti-money laundering, anti-corruption and integrity
	B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Y	Anti-money laundering, anti-corruption and integrity Internal control
	B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Y	Corporate governance Internal control
	General disclosure: Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Y	Community investment
	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Y	Community investment
	B8.2 Resources contributed (e.g. money or time) to the focus area.	Y	Community investment



Independent Assurance Report



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Independent Assurance Report on the Environmental, Social and Governance Report

安永华明（2021）专字第60715519_A02号
Harbin Bank Co., Ltd.

The Board of Directors of Harbin Bank Co., Ltd.:

We have been engaged to express a limited assurance opinion on the selected data in the 2020 Environmental, Social and Governance Report of Harbin Bank Co., Ltd. (the "ESG Report") prepared by Harbin Bank Co., Ltd. ("Harbin Bank").

I. The Board of Directors' responsibilities

The Board of Directors of Harbin Bank are responsible for the preparation and presentation of the selected data in accordance with the principle of report compilation. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the selected data, and making estimates that are reasonable in the circumstances.

II. Our responsibilities

Our responsibility is to express a conclusion on the selected data in the ESG Report based on our work performed. We report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our work on the selected data in accordance with the *International Standard on Assurance Engagements ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance as to whether any matters have come to our attention that causes us to believe that the selected data as at 31 December 2020 and for the year then ended in the ESG Report is not prepared in all material respects in accordance with the principle of report compilation.





**Independent Assurance Report on the
Environmental, Social and Governance Report**

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III. Scope of work, approach, and limitation

The selected data in the Environmental, Social and Governance Report of Harbin Bank for 2020 that is covered by this report is as follows:

- Total staff (Person)
- Proportion of female staff (%)
- Proportion of female management staff (%)
- Number of female directors and executives (Person)
- Microcredit balance (RMB million)
- Clients of village and township banking services (Account)
- Balance of loan to agricultural loans (RMB million)
- National student loan distributed during the year (RMB million)
- Government education loans granted amounted (RMB 100 million)
- Total customers of online banking (0'000 people)
- Total charity donation (RMB 0'000)
- Poverty alleviation loans for registered households (distributed during the year) (RMB million)
- Replacement rate of business transactions through electronic banking (%)
- Green credit balance (RMB million)
- Green credit balance of the total customer loans (%)
- Power consumption (kWh)
- Sewage discharge (cubic metres)
- Office paper consumption (tons)
- Toner cartridges used (pieces)

Our work was performed at the Head Office of Harbin Bank, which includes:

- 1) Interviews with management and personnel in the departments involved in providing information for inclusion in the ESG Report in relation to the selected data;
- 2) Analytical procedures;
- 3) Examination, on a test basis, of documentary evidence relating to the selected data on which we report;
- 4) Check the data management system;
- 5) Recalculation;
- 6) Other procedures deemed necessary.





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In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement, and the therefore less assurance is obtained than in a reasonable assurance engagement. The procedures selected depend on the practitioner's judgment, including the assessment of the risks of material non-compliance of the selected data prepared in accordance with the principle of report compilation.

Our work was limited to the data as of 31 December 2020 and for the year then ended in the ESG Report. In addition, our work performed was not for the purpose of expressing an opinion on the effectiveness of Harbin Bank's internal controls.

IV. Conclusion

Based on the limited assurance work which we have performed, nothing has come to our attention that causes us to believe that the selected data as at 31 December 2020 and for the year the ended has not been prepared, in all material respects, in accordance with the standard for the principle of report compilation.

V. Our Independence, quality Control and assurance team

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants. We have complied with the quality control requirements of the *International Standard on Quality Control 1*. Our team has required competencies and experience for this assurance engagement.



Ernst & Young Hua Ming LLP
Beijing, China
27 May 2021



Feedback Form

Dear reader,

Thank you for spending time from your busy schedule to read this report. For improving the corporate social responsibility management work of Harbin Bank and promoting our ability to perform social responsibilities, we sincerely ask for your valuable opinions and suggestions and provide your feedback through any of the following means:

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

1. Please specify your stakeholder category:

Government Regulatory authorities Shareholders Clients Environment-related Staff Partners Community Others

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

Yes Somewhat No

3. Your comment on the financial responsibilities performed by the Bank in fighting against poverty:

Good Fair Acceptable

4. Your comment on the environmental responsibilities performed by the Bank in green finance:

Good Fair Acceptable

5. Your comment on the social responsibilities performed by the Bank in financial services and city marathons:

Good Fair Acceptable

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

Yes Somewhat No

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

Yes Somewhat No

8. In this report, we have selected 17 issues based on three aspects, the impact of corporate business development on the environment, corporate social responsibility and corporate governance. Please select 5 issues in which you are most interested. We will set the priority of the issues based on the feedback results and focus on responding to them in our future social responsibility work and report compilation:

Battle against poverty Digital inclusive finance Supporting small, micro and private enterprises Benefiting Agriculture, Rural Areas and Farmers with Integrity Green credit Green bond Low-carbon operation Risk management and compliant operation Anti-money laundering Anti-corruption Financial consumer rights protection Board Diversity Staff safety and career development Promoting city marathon Happy Community Programme Supporting education development Volunteer culture establishment

Others _____

9. Please specify your valuable opinions and recommendations for our 2020 Environmental, Social and Governance Report:

We express our sincere gratitude for your concern and support of Harbin Bank.

