



Introduction to the cover design

"North country scene: a hundred leagues locked in ice, a thousand leagues of whirling snow". Snow, a pure poem scattered in the sky, is the purest and most touching gift of winter. As a local bank in the ice city of Harbin, Harbin Bank focuses on the three tasks of "serving the real economy, preventing and controlling financial risks, and deepening financial reform". The Bank actively integrates into the grand scheme of local development, supports local economic construction, and injects sustained financial vitality and strength into the all-round revitalisation of Northeast China, the strategy of "Developing Longjiang in Six Areas" of Heilongjiang Province and the "Cities of Seven Domains" in Harbin.

The cover design of this report creates a hollow effect with snowflake patterns, combined with softly textured paper, embodying the pure and gentle features of ice and snow. The envelope adopts a hard magnetic shell, showcasing the Bank's stable operation and keen sense of responsibility, firm determination to safeguard the stability and development of local finance.

As the 9th Asian Winter Games will be held in Harbin in 2025, Harbin Bank will provide a strong guarantee for the success of the Games by offering comprehensive, professional and intelligent financial services. Upholding the principles of seeking progress while ensuring stability, promoting stability with progress, and formulating before reforming, the Bank will proactively assume social responsibilities, and continuously deepen the brand connotation of "Trust, Warmth, Connected and Commitment", akin to the purity and transparency of snow to win the trust and respect of customers.



2014-2023 Environmental, Social and Governance (ESG) 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 petal shape of lilac, the city flower of Harbin, 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, Connected 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.



Explanation on Report Compilation

(I) Scope of this report

Organisation coverage: This report mainly covers Harbin Bank Co., Ltd. (the “Company” or “Harbin Bank”), including the Company’s head office, domestic branches and sub-branches and subsidiaries (collectively, the “Bank” or “Group”). The contents of this report are mainly based on and determined through the materiality assessment. Please refer to the chapter headed “Material Issues in 2023” for further details.

Reporting period: 1 January 2023 to 31 December 2023 (with some content exceeding the above Reporting Period) (the “Reporting Period”).

Reporting frequency: Annually.

(II) Principle of report compilation

This report is compiled in accordance with the requirements of the ESG 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 former CBRC, and the Guidelines on Corporate Social Responsibility of Banking Institutions of the China Banking Association and other standards, thereby ensuring that this report is in compliance with the general practise in the banking industry and the international prevailing practice.

Four reporting principles in the ESG Reporting Guide are applied as follows:

Materiality. The Group identifies material issues related to the Group through materiality assessment, and focuses on reporting, prioritising and carrying out analysis on material issues identified by the Board and the Development Strategy Committee of the Board in this report. Please refer to the chapter headed “Material Issues in 2023” for further details.

Quantitative. To comprehensively evaluate the ESG performance of the Group during the Reporting Period, the Group has disclosed the key performance indicators (“KPIs”) applicable in the ESG Reporting Guide in Appendix C2 to the Listing Rules, and set forth the standards, methodologies and bases for calculation of quantitative KPIs.

Balance. This report provides an unbiased picture of the Group’s performance and avoids selections, omissions, or presentation formats that may inappropriately influence a decision or judgement by this report’s readers.

Consistency. This report uses consistent methodologies to allow for meaningful comparisons of the ESG information in respect of the Reporting Period.

(III) Report data explanation

All financial data in this report is taken from the 2023 Annual Financial Report, which was audited by BDO Limited, Certified Public Accountants in Hong Kong and BDO China SHU LUN PAN Certified Public Accountants LLP, the auditor. The reporting data is mainly based on the year 2023. 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 are denominated in RMB, unless otherwise specified.

(IV) 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 (Amendment): Assurance Engagements Other than Audits or Reviews of Historical Financial Information (“ISAE3000”) for performing a limited assurance on selected key information with an independent assurance report issued.

(V) Report release method

The electronic version can be downloaded from the website of Hong Kong Stock Exchange (URL: <https://www.hkexnews.hk>) and the Bank’s official website (URL: <http://www.hrbb.com.cn>). This report has been prepared in Chinese with English translation. In case of any discrepancy, the Chinese version shall prevail over the English translation.



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Independent
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Chairman's Statement

As a socially responsible enterprise with profound historical heritage, Harbin Bank has always attached great importance to sustainable development. We know that corporate development relies on the support of society, and our success is inseparable from respect and protection for the environment. Therefore, we proactively responded to the national call for sustainable development and integrated ESG concepts into our daily operation and decision-making, committed to achieving harmony among economic, social and environmental benefits.

The year 2023 marks the opening year to fully implement the spirit of the 20th CPC National Congress. Over the past year, guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Group thoroughly implemented General Secretary Xi Jinping's thought on economy and key speeches on financial work, comprehensively implemented the spirit of the 20th CPC National Congress, and focused on the three tasks of "serving the real economy, preventing and controlling financial risks, and deepening financial reform", contributing our financial forces to achieving all-round local revitalisation and pushing forward with Chinese-style modernisation. With the strong support from shareholders, the Board of Directors united and led the management and all staff to proactively respond to national policies, and thoroughly implemented regulatory requirements, achieving across-the-board improvement in scale, quality and efficiency and a good start in revitalising entrepreneurship. As of the end of 2023, Harbin Bank (Group) had total assets of RMB813.3287 billion, up by 14.1% year-on year; total loans and advances to customers reached RMB323.1827 billion, up by 13.6% year-on year; and total customer deposits stood at RMB642.5056 billion, up by 15.2% year-on-year. Net profit of the year was RMB888.1 million, up by 24.6% year-on-year.

With political building as the guide, the Bank's party building work achieved remarkable results. We strengthened political building across the Bank, and carried out in-depth thematic education on Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era. We enhanced demonstration learning and improved the long-term theoretical learning mechanism. By adhering to the practice of pre-review of major events by the Party Committee, we established the "Key Work Implementation Mechanism of Harbin Bank". In accordance with the requirements of the "Four Systems", we strengthened the Party Committee's role in decision-making, supervision and follow-up inspections. The Bank built a cadre team whose members are loyal to the Party, have moral integrity, and demonstrate a keen sense of responsibility, focused on cultivating a healthy work style of being down-to-earth, hard-working and truth-seeking, and pushed forward with capability and work style building by leveraging the "Year of Work Implementation" initiative. The Bank strengthened the construction of Party work style and a clean bank, and ensured that the Bank's Party secretary effectively performed the role as the first responsible person and that Party committee members assumed dual responsibilities for



one position. We coordinated efforts to push forward with comprehensive and rigorous Party governance, the construction of political ecosystem and the implementation of the accountability system for Party work style construction. We completed the dispatch system reform of the discipline inspection and supervision system, introduced discipline inspection and supervision talents from outside the system, set up full-time discipline inspection and supervision posts, and assigned full-time secretaries and staff of Commission for Discipline Inspection to all branches.

The Bank fully participated in the local development boom and actively fulfilled social responsibilities. The Bank took the initiative to adjust credit structure, guided credit funds back to the local area, and supported the construction of key sectors and major projects. We offered strong support to technology enterprises, inclusive small and micro enterprises, green credit projects, culture & tourism-related industries and modern agriculture. We also helped promote the stable and sound development of the real estate industry and implement a number of provincial and municipal key projects, and actively explored schemes such as public rental housing, government-subsidised rental housing, activating forest rights, assuring the delivery of residential buildings, and franchise pledge financing. We attached equal importance to risk prevention and development promotion while engaging in cross-border business, and built three major channels to acquire customers, namely, customer acquisition through large – and medium-sized enterprises, bulk customer acquisition via e-commerce platforms, and customer acquisition through cooperation with peer financial institutions, achieving record high main indicators and outstanding results in promoting the internationalisation of the Renminbi. The Bank innovatively launched the inter-provincial real-time service mode of social security card of Heilongjiang Province, and actively explored the best social responsibility practice model in areas such as supporting rural revitalisation, community construction, education support, volunteer services and urban marathon. The Bank won a number of awards including the “2023 China Financial Institutions Golden Prize List • Golden Dragon Prize – Best Bank of the Year for Rural Revitalisation Services” from the Financial News and the “21st China Finance Billboard: Socially Responsible Pioneering Bank Award” from Hexun.com.

The Bank optimised internal management mechanism and significantly improved its brand image. We improved the overall risk management system and management structure to implement more forward-looking, more effective and more systematic risk prevention and control. We optimised the tools and approaches for internal evaluation modelling, and steadily advanced the construction of impairment implementation management system. We strengthened the construction of a whole process system for credit management and established a whole-process monitoring and early warning system for credit business. We carried out a comprehensive review of 769 existing policies, identified 446 issues, rectified 102 policies and revised 87 contracts, bringing basic internal control and compliance management to a higher level. The Bank optimised employee compensation standards and performance-based compensation management model of branches, and allocated more resources to the front-line to improve the benefits of frontline staff. We intensified positive

publicity efforts, and released a total of 984 news reports via mainstream media outlets at the central, provincial and municipal levels throughout the year. We rebuilt the corporate culture of “compliance, stability, innovation and development” and strengthened ideological construction. The Bank sponsored the “2023 Harbin Marathon” event and participated in the 32nd Harbin International Economic and Trade Fair. We formulated nine measures to offer financial support to flood control and disaster relief efforts, devised work plans on paired assistance with contracted responsibility, and donated money and goods to disaster-stricken areas, resolutely fulfilling our political responsibility of offering financial services to flood control and disaster relief initiatives.

The Bank deepened the practice of ESG concepts in its operation and continuously enhanced its sustainable development capabilities. In 2023, the Bank paid close attention to the latest requirements of the Stock Exchange of Hong Kong on ESG disclosure and climate-related risks and opportunities, and studied and formulated the ESG management structure and management system. We actively promoted the innovation of green financial products, focused on energy conservation, emission reduction and resource recycling, participated in public environmental protection public welfare activities, passed the service certification of green banking business outlets for the first time, and published our first environmental information disclosure report. Keeping the political and people-oriented nature of financial work in mind, the Bank adopted a “customer-centric” approach to enhance the sense of acquisition of financial services among small and micro enterprises, self-employed people and “new citizens”, and launched the inquiry service for “subsidies benefiting urban citizens and farmers”. We improved the management system and service management system of “Big Consumer Protection”, and saw a noticeable reduction in consumer complaints. The Bank attentively cared about employees’ physical and mental health as well as their career development, and strove to create a harmonious working environment and offer broad development room. We actively cooperate with all relevant parties to jointly build a green ecosystem foundation for finance in the new era, promote cross-industry and cross-field collaboration and development and create long-term benefits for both society and customers.

In 2024, the Bank will continue to adhere to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and fully implement the spirit of the 20th CPC National Congress, the Central Economic Work Conference and the Central Financial Work Conference. We will implement the new development philosophies in a complete, accurate and comprehensive manner, and actively serve and integrate into the new development landscape. We will continue to seek progress while ensuring stability, promote stability with progress, and formulating before reforming. We will actively integrate into the national, provincial and municipal development landscape, and constantly promote ESG work with stronger determination and more pragmatic actions to contribute our strength to the sustainable development of the Company and the prosperity and progress of society.

Perseverance leads to success. With persistence, even the hardest stone can be carved!





President's Statement

In 2023, Harbin Bank adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly implemented the spirit of the 20th CPC National Congress, the Second Plenary Session of the 20th Central Committee and the key speeches and important instructions of General Secretary Xi Jinping during his inspection tour in Heilongjiang Province. Focusing on the three tasks of “serving the real economy, preventing and controlling financial risks, and deepening financial reform”, we steadily expanded business scale, optimised business structure, improved quality and enhanced efficiency. The Bank did a good job in serving the development of “five finances” (technology finance, green finance, inclusive finance, pension finance and digital finance) and achieved a good start in “revitalising entrepreneurship”. Keeping pace with the country’s sustainable development, we integrated ESG concepts into our daily operation and management, continually improved ESG management structure and system, actively fulfilled our social responsibilities as a local financial institution, and strove to create long-term value.

The Bank adhered to the fundamental purpose of the financial sector in mind and served the development of the real economy. With meeting the needs of the real economy as the starting point and objective of achieving high-quality development, we bore in mind the political and people-oriented nature of financial work, and thoroughly implemented the decisions, deployments and policy requirements of the CPC Central Committee, the State Council, Party Committees and governments at all levels, the People’s Bank of China and regulatory authorities. We actively adjusted the credit structure, formulated and implemented the “100 Measures to Support Local Economic and Social Development”, and rolled out 10 measures to support the stable and healthy development of the real estate sector. We participated in the release of new policies to support small and micro companies in Heilongjiang Province, and allocated more financial resources to key areas and weak links. As of the end of 2023, the Bank’s total loans and advances to customers reached RMB323.1827 billion, representing an increase of 13.6% over the end of the previous year.

The Bank promoted the development of supply chain finance and a modern industrial system. In accordance with the national and regional “14th Five-Year Development Plans”, we increased support for local key industries, key sectors, major projects and major enterprises, introduced a number of products such as franchise loans and urban renovation loans, and implemented multiple key projects. As of the end of 2023, the Bank’s outstanding balance of loans extended to manufacturing companies reached RMB9.059 billion, representing an increase of RMB2.295 billion over the end of the previous year; and the financing balance for industrial enterprises was RMB22.391 billion, representing an increase of RMB7.655 billion over the end of the previous year. We built a multi-level, multi-model and multi-product supply chain financial product system, and implemented businesses such as “supply chain commercial paper warranty” and “online instant discount of bank notes”, which helped promote the construction of a new modern industrial system, the development of strategic emerging industries and the development capabilities of the service industry.

The Bank engaged in technology finance and green finance business to improve the efficiency of resource allocation. With technology finance as a key tool to serve major national strategies and the real economy, we established financial service models and product systems suitable for digital economy, bio-economy, digital upgrading of traditional industries, and the cultivation of SMEs featuring

specialisation, refinement, uniqueness and innovation. We accelerated our integration into the ecosystem of innovative technology enterprises, offered strong support to the development of new productive forces, and provided full-cycle and diversified financing support for enterprises with strong innovation capability and market potential. The Bank earnestly implemented General Secretary Xi Jinping's concept of "lucid waters and lush mountains are invaluable assets, and so are ice and snow", fully implemented the country's "Dual Carbon" strategy, and improved the green finance business system. We ramped up efforts to extend credit to key areas such as energy conservation, environmental protection and clean energy as well as traditional enterprises undergoing low-carbon transformation, and provided support for the development of the industry of deep processing of local green agricultural products and the construction of green industrial parks. In particular, we extended credit totalling RMB1 billion to the Four Seasons Ice and Snow Project of the Harbin Ice and Snow World. As of the end of 2023, the financing balance for technology enterprises was RMB8.362 billion; the balance of green finance was RMB3.1 billion, representing an increase of RMB11 million over the end of the previous year. In addition, the Bank advocated the concept of green office and actively served as an advocate and practitioner of energy conservation and emission reduction among local financial institutions.

We strengthened the provision of services to inclusive small and micro groups and improved the quality and efficiency of financial services. With a focus on customers operating in industries such as medicine, agricultural machinery and tools procurement, grain trading and environmental protection, we formulated dedicated service plans to help them reduce financing costs and make inclusive finance available to a wider range of customers while improving service quality and cutting costs. As of the end of 2023, the Bank's outstanding balance of inclusive small and micro loans reached RMB37.124 billion, representing an increase of RMB2.61 billion over the end of the previous year, serving 210,000 inclusive customers, up 35,000 customers over the end of the previous year. We actively supported the resumption of operations for small and micro customers in the catering, accommodation, wholesale and retail industries, extending loans totalling RMB18.8 billion to "assist enterprises and stabilise jobs". We enhanced support for expanding employment and promoting entrepreneurship, providing entrepreneurship guaranteed loans of more than RMB3.3 billion and supporting nearly 50,000 start-ups and jobs. The accumulated national student loans exceeded RMB6 billion, benefiting nearly 320,000 impoverished students. We formulated the strategies for developing agricultural financial services in line with the country's strategies of rural revitalisation and building an agricultural powerhouse, iterated online loan products, made it more convenient to access financing for rural areas, supported the upgrading of the entire industry chain of "from grain production to consumption" and "from agriculture to industry" in rural areas, and provided spring ploughing loans of RMB12 billion. We focused on developing the consumer finance ecosystem, and built a broad product system covering Internet loans, small credit card spending and consumer loans to help improve the financial service experience of residents in areas such as settling down, education, tourism and medical care, thereby promoting consumption expansion and upgrading. We worked hard to meet the financing needs of new citizens in home purchasing, entrepreneurship and business development financing to enhance their sense of acquisition of financial services.

The Bank concentrated on improving people's livelihoods and fulfilling corporate social responsibilities. Firmly embracing the concept of "finance for the people", we integrated consumer rights protection into every aspect of corporate governance, and built a whole-process consumer rights protection management system at all levels

with participation from all employees. We promoted the optimisation and upgrading of accessibility services and elderly-oriented services to enhance the sense of happiness and security for special customers using online financial services. The Bank obtained dual certifications for green and elderly-oriented service outlets for the first time, becoming the first financial institution in Northeast China to obtain a green financial service certification. Harbin Bank is also China's first urban commercial bank to enable inter-provincial handling of social security cards of Heilongjiang and is the only financial institution in the province to provide inquiry service for "subsidies benefiting urban citizens and farmers" through various channels, serving 1.217 million residents in Heilongjiang with third-generation social security card services and 8.6 million social security cardholders in total. The Bank sponsored the 2023 Harbin Marathon event, and participated in the 32nd Harbin International Economic and Trade Fair, the Sixth China International Advanced Materials Industry Exposition and the 2023 Harbin Marathon Expo. With a focus on cultural and tourism sites such as the Harbin Ice and Snow World, the Bank unveiled a series of services for the "Ice and Snow Consumption Season" aimed to promote consumption, thus helping building Harbin into the "City of Ice and Snow" and the "City of Creativity". The Bank also developed work plans on paired assistance with contracted responsibility for flood relief and post-disaster reconstruction, and formulated nine measures to offer financial support to flood control and disaster relief initiatives. The Bank paired with Shahezi Town of Wuchang to provide support for flood relief and post-disaster reconstruction in disaster-stricken areas. A voluntary donation initiative for flood control and disaster relief was launched, with employees across the Bank donating a total of RMB870,000. The Bank funded and initiated the public welfare program of "Lilac Blooming•Children Harbour", and held a donation event with the theme of "Financial Aid for the Youth to Pursue Dreams".

The Bank improved its internal management mechanism and implemented the talent revitalisation program. We consider risk prevention and resolution as a perpetual theme of work, continuously strengthen internal control and compliance and the construction of risk management system, and has rebuilt the corporate culture of "compliance, stability, innovation and development". We deepened institutional and mechanism reforms, introduced "tough measures" of incentives and constraints to create a "favourable environment" to retain talents. With a focus on the mechanism of incentives and constraints under which cadres can be promoted or demoted, ranks can be raised or degraded, employees can be hired or dismissed, income can rise or fall, and performance-based bonuses can be granted or withdrawn, the Bank established a market-oriented talent selection and employment mechanism featuring "promoting the capable, transferring the mediocre, and dismissing the incompetent". The Bank implemented the three talent development programs of new staff training, career development, and talent cultivation, and created a work environment where everyone strives for success, everyone can achieve accomplishment, and everyone can fully demonstrate their expertise.

Looking ahead to 2024, Harbin Bank will continue to adhere to Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and thoroughly implement the spirit of the 20th CPC National Congress, the Second Plenary Session of the 20th Central Committee, the Central Economic Work Conference and the Central Financial Work Conference. We will proactively integrate into social and economic development strategies at national, provincial and municipal levels, effectively improve the quality and efficiency of serving the real economy, enhance our ESG practices, and work hand in hand with all parties to promote sustainable development and create a better future. We will strive to build Harbin Bank into an urban commercial bank with controllable risks, excellent development, distinctive features and strong competitiveness.



Board's Statement

As the top decision-making authority of the Bank on ESG matters, the Board of Directors undertakes the overall responsibility of supervising the ESG-related work of the Bank, determines the guidelines and strategies for ESG management, and explore the integration of ESG concepts into development strategies, governance structure, corporate culture and business processes, so as to meet the management needs of ESG work and adapt to the development stage and key work of the Bank. In addition, Harbin Bank pays attention to the progress of ESG-related work through the ESG working group under the Development Strategy Committee of the Board of Directors, and regularly reviews the relevant requirements of various stakeholders, risks arising from special events and factors, and the progress of related businesses, in order to revise and adjust the promotion of related businesses and the priority ranking of ESG matters, so as to continuously improve ESG management. In this process, the Board of Directors and the Development Strategy Committee of the Board of Directors regularly review the determination of material issues, the annual ESG report and other contents.

During the Reporting Period, the Board of Directors and the Development Strategy Committee of the Board of Directors considered and approved the Proposal on Environmental, Social and Governance (ESG) Report of Harbin Bank Co., Ltd. in 2022, the Proposal on Environmental, Social and Governance (ESG) Material Issues of Harbin Bank in 2023, and the Proposal on Performance Evaluation Indicators of Senior Management in 2023, which specified the “Inclusive Finance, Promotion of Internal Control, Consumer Rights Protection, Green Bank, Talent Team Build-up, and Charity” as the Bank’s material issues in 2023. The level of ESG information disclosure was continuously improved, and various ESG-related measures were implemented; the indicators of “Green Credit Proportion” and “ESG Key Performance Indicator Disclosure” are set in the executive performance appraisal indicators, and the qualitative and quantitative performance indicators related to the substantive issues of enterprise ESG are included in the executive salary appraisal and reward plan in a certain proportion,





so as to realise the linkage between executive compensation and ESG performance, and raise the enthusiasm of executives for ESG matters to a new level. The “driving force” of ESG improvement is better transmitted to the whole governance and management. The Board of Directors also considered and approved the Report on Green Finance Development of Harbin Bank in 2022, the Proposal on the Report on Consumer Rights Protection of Harbin Bank Co., Ltd. in 2022, the Proposal on the Report of Consumer Rights Protection of Harbin Bank in the First Half of 2023, the Proposal on the Report of Internal Control Evaluation of Harbin Bank in 2022, the Proposal on the Basic System of Comprehensive Risk Management of Harbin Bank (Group), the Proposal on the Report of Anti-money Laundering Efforts of Harbin Bank in 2022, and other proposals related to ESG.

During the Reporting Period, the Board of Directors arranged all Directors and senior management to participate in trainings on management in consolidation, anti-money laundering management and anti-corruption, in order to fully understand the way that the Bank enhances the management ability in consolidation with significance to promote the effectiveness of management by the Bank; have better understanding of the indicator system and the latest regulatory policies on anti-money laundering management and anti-corruption with an adequate appreciation of the duties and liabilities of a listed company, thereby promoting the professionalism of directors in performing their duties.

Meanwhile, the Bank also actively promoted the construction of ESG management structure and the formulation of ESG management system. It improved ESG information disclosure to comprehensively improve the quality and efficiency of ESG management by issuing the first report on environmental information disclosure.





Total assets of
RMB **813.3287** billion

About Harbin Bank

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Overview

Harbin Bank¹ was founded in February 1997, headquartered in Harbin, Heilongjiang Province. Listed on the Main Board of the Hong Kong Stock Exchange (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 commercial bank in Northeast China.

Harbin Bank has established 17 branches in Tianjin, Chongqing, Dalian, Shenyang, Chengdu, Harbin, Daqing, etc., and 30 village and township banks in 14 provinces and municipalities, including Beijing, Guangdong, Jiangsu, Jilin, and Heilongjiang, etc. The Bank, as a controlling shareholder, has promoted the establishment of Harbin Bank Financial Leasing Co., Ltd. ("Harbin Bank Financial Leasing"), being the first financial leasing company in the northeast region, and Harbin Bank Consumer Finance Co., Ltd. ("Harbin Bank Consumer Finance"), being the first consumer finance company in Heilongjiang Province, respectively. During the Reporting Period, the Group had 386 business outlets with branches and sub-branches across seven administrative regions in China. As of 31 December 2023, the Bank had total assets of RMB813.3287 billion, total loans and advances to customers of RMB323.1827 billion and total customer deposits of RMB642.5056 billion.

In 2023, the Bank ranked 183rd in "Top 1000 World Banks 2023" according to The Banker of United Kingdom, 264th in "2023 Brand Finance Global 500" published by Brand Finance (a famous UK-based branded business valuation consulting firm), and 41st in the "2023 China Banking Top 100" of the China Banking Association. The Bank was awarded the "2022 Good News Award for Banking Financial Institutions Serving Agriculture, Rural Areas and Farmers" by China Banking Association, the "2023 China Financial Institutions Golden Prize List • Golden Dragon Prize – Best Bank of the Year for Rural Revitalisation Services" by the Financial Times, "2023 Annual China Star: The Best Domestic Bank of Renminbi Internationalisation" released by the Global Finance (a famous US-based global finance magazine). In addition, the Bank's "Good Life Account" product won the "2023 Best Deposit Product in Regional Finance" in China granted by The Asian Banker.

The Banker

The Banker of United Kingdom
Top 1000 World Banks 2023

the Bank ranked **183**rd

Brand Finance

2023 Brand Finance Global 500

the Bank ranked **264**th

The China Banking Association

2023 China Banking Top 100

the Bank ranked **41**st

1. In this 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.



亚洲银行家
THE ASIAN BANKER®

2023 The China Country Awards

"Good Life Account" Product of Harbin Bank was awarded

Best Deposit Product in Regional Finance

Financial Times

2022 and 2023 "China Financial Institutions Golden Prize List • Golden Dragon Prize"

Best Bank of the Year for Rural Revitalisation Services

和讯
hexun.com

21st China Finance Billboard

Harbin Bank was awarded

2023 Digital Transformations Leading Bank Award

2023 Socially Responsible Pioneering Bank Award

北京国家金融科技认证中心 | NFTC
National Finance Technology Certification Center (Beijing)

Harbin Bank was awarded

"Leader" of Corporate Standards in Bank Outlet Service

Demonstration Organisation for Green Financial Service Certification and Elderly-centred Service of Banking Business Outlet

Demonstration Organisation for "1+N" Banking Business Outlet

ARC AWARDS INTERNATIONAL
2023 WINNER

ARC Awards

The 37th ARC International Annual Report Competition

Harbin Bank was awarded

Best in China

Best Interior Design

Gold Winner of Interior Design



Key Performance Table

Type of Indicators	Specific indicators	Unit	2023	2022	2021
Economic performance indicators	Total assets	RMB million	813,328.7	712,733.1	645,046.2
	Operating income	RMB million	13,241.7	12,870.5	12,319.5
	Profit before tax	RMB million	457.3	1,001.2	561.2
	Net profit	RMB million	888.1	712.5	398.7
	Total tax	RMB million	2,029.00	2,217.52	2,781.30
	Earnings per share	RMB Yuan	0.02	0.002	0.02
	Average return on total assets	%	0.12	0.10	0.06
	Average return on equity	%	0.35	0.04	0.55
	Balance of loans to customers	RMB million	323,182.7	284,414.9	294,359.2
	NPL ratio	%	2.87	2.89	2.88
	Capital adequacy ratio	%	13.71	11.91	12.54
	Provision coverage ratio	%	197.38	181.54	162.45
Social performance indicators	Total staff	Person	7,087	6,825	6,910
	Proportion of female staff	%	56.61	56.81	57.28
	Proportion of female management staff	%	49.80	51.11	51.78
	Clients of village and township banking services	Account	648,097	671,487	641,078
	Microcredit balance	RMB million	197,866.5	178,380.8	196,775.7
	Balance of agricultural loans	RMB million	27,069	27,857	32,815
	Targeted poverty alleviation loans (current balance)	RMB million	330	341	383
	National student loan distributed during the year	RMB million	213.5	384	552
Environmental performance indicators	Total charity donation	RMB0'000	1,720.31	591.40	1,733.59
	Green credit balance	RMB million	3,099.74	3,089	2,183
	Total greenhouse gas ("GHG") emissions of the Head Office	CO ₂ equivalent (tonnes)	7,941.17	7,991.68	-

Notes: 1. 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.

2. 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.

3. The statistical criterion of the Bank's green credit balance was adjusted in 2019.

4. Indirect GHG emissions, mainly come from purchased electricity, purchased heat and fresh water consumption. The data for GHG emissions was newly added to this year's GHG emissions data and updated synchronously with the relevant data for 2022.

The Group's Development Plan



Stakeholders of Harbin Bank

Stakeholder	Expectation and requirements	Communication	Response
Government	To support the implementation of the national strategy, based on the positioning of urban commercial banks, strengthen financial assistance to enterprises to relief, and actively serve the real economy.	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.	Focusing on the requirements of national, provincial and municipal "14th five-year" plans and regulatory policies, the strategy of "Developing Longjiang in Six Areas" of Heilongjiang Province and the "Cities of Seven Domains" initiative of Harbin, putting financial support for local economic and social development in the first place, and implementing the "A Hundred Measures of Harbin Bank to Support Local Economic and Social Development". Accelerating the return to fundamental purpose of financial sector, guiding credit funds to be weighed towards the province, and increasing support for the top 100 provincial projects and provincial and municipal state-owned enterprises. Implementing the relief policies for enterprises, "Double Stabilities" and bank-tax authority cooperation, actively implementing "Sixteen Measures for Financial" related to credit support policies for guaranteeing delivery of housing and formulating "nine financial measures" related to the assistance in flood prevention and disaster reduction. Supporting rural revitalisation and promoting inclusive finance and green finance. Actively integrating into the new development pattern of the country's "Dual Circulation" and respond to the "Belt and Road" initiative.
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; company announcements; general meetings; mainstream media news coverage; results release; 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; convening general meetings of shareholders; timely information disclosure through the Hong Kong Stock Exchange and the Bank's official website; Strengthening communication with the capital market by proper arrangements for investor and analyst visits and response to hotline and email; publishing news reports on investor relations in mainstream media at home and abroad, effectively publicising corporate image, and enhancing market attention and influence. Active participation in domestic and overseas investor conferences held by investment banks and securities brokers and proactive arrangement of results announcement presentations.
Clients	To protect the legitimate interests of financial consumers; provision of quality financial services to boost client satisfaction.	Online and offline promotion of policies and publicity of and knowledge; carrying out customer needs survey through questionnaires and interviews; timely circulation and tracking of customer complaints.	Paying close attention to relevant policy changes of regulatory authorities, establishing and completing the mechanisms for protecting the interests of consumers, continuously improving the working mechanism; increasing investment in technology, accelerating innovation in financial products and services, expanding customer service channels and reinforcing customer relations management; improving channels of customer complaint, whistleblowing and answering questions and solving problems, and accepting and properly dealing with complaints in a timely manner in accordance with the process, and strengthening customer complaint handling and customer satisfaction survey; maximising the protection of the legitimate rights and interests of financial consumers.





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; establishing a Green Credit Working Group; implementing green credit guidelines, allocating more resources for green credit, promoting green finance transformation and scale efficiency growth; strengthening supply chain management and clarifying green access requirements to support energy saving and emission reduction; and 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.	Creating better career development paths, establishing sound incentive and restraint mechanisms, improving performance assessment, paying attention to staff’s work environment, caring about their physical and mental health, and protecting their legitimate interests; launching a collection mechanism of rational suggestion to greatly mobilise the enthusiasm of employees to provide views and suggestions; strengthening the development of corporate culture, improving the system of evaluation of excellence and priority, and creating a good atmosphere of competitive learning to strive for excellence.
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.	Adhering to the principles of openness, fairness, justice, honesty and efficiency during the course of cooperation.
Community	To consolidate and expand the achievements in poverty alleviation, pay attention to community investment and volunteer culture construction in the new era, promote harmony and balance between financial institutions and the community.	To consolidate and expand the achievements in poverty alleviation and strictly prevent the phenomenon of returning to poverty by stationing poverty alleviation teams in villages or targeted poverty alleviation. To take part in community governance activities in conjunction with Harbin Bank Charity Foundation; increase regular exchange and communication through publicity of financial knowledge; and carry out various charity activities.	Focusing on consolidating and expanding the achievements in poverty alleviation through calibrated financial poverty alleviation; carrying out community governance in conjunction with Harbin Bank Charity Foundation, supporting public welfare projects that are suitable for the concept of corporate public welfare, and promoting harmonious coexistence between financial institutions and the community; promoting public sports development and improving urban cultural quality with the opportunity arising from sponsorship for the city marathon; and participating in charity donation to other types of activities for helping the poor and promoting education.



Material Issues in 2023

The Bank's material issues in 2023 were considered and approved at the 2nd meeting of the Development Strategy Committee in 2023 and 16th meeting of eighth session of the Board, and the order of priority is as follows: Inclusive Finance, Promotion of Internal Control, Protection of Consumer Rights and Interests, Green Bank, Talent Team Build-up, and Charity. The rationale behind such order is set out below:

"Inclusive finance" still 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. The Bank accelerates the return to fundamental purpose of financial sector and puts financial support for local economic and social development in the first place to provide strong support for the development of the real economy. It implements the relief policies for enterprises to serve the rural revitalisation strategy. In addition, the Bank provides more convenient and effective diversified and multi-layered financial services for special groups and groups with special needs to continuously improve the capabilities of digital inclusive financial services.

The ranking of "promotion of internal control" remains unchanged. This is not only a response to the stringent regulatory requirements and uncertainties arising from changes in the external environment, but also a necessary factor for laying a firm foundation for the Bank's high-quality development and an important guarantee for the sustainable and steady development of the Bank. The Bank cultivated the concept of comprehensive risk management and made risk prevention and resolution a constant keynote to continuously optimise the policies on risks. It also reasonably guided industry investment, strengthened risk management, control for new business to limit relevant risks strictly, and enhanced credit product quality control. The Bank also improved the integrated internal control mechanism pre-event, during the event, and post-event through all-round coverage, full-process control and all-staff participation.

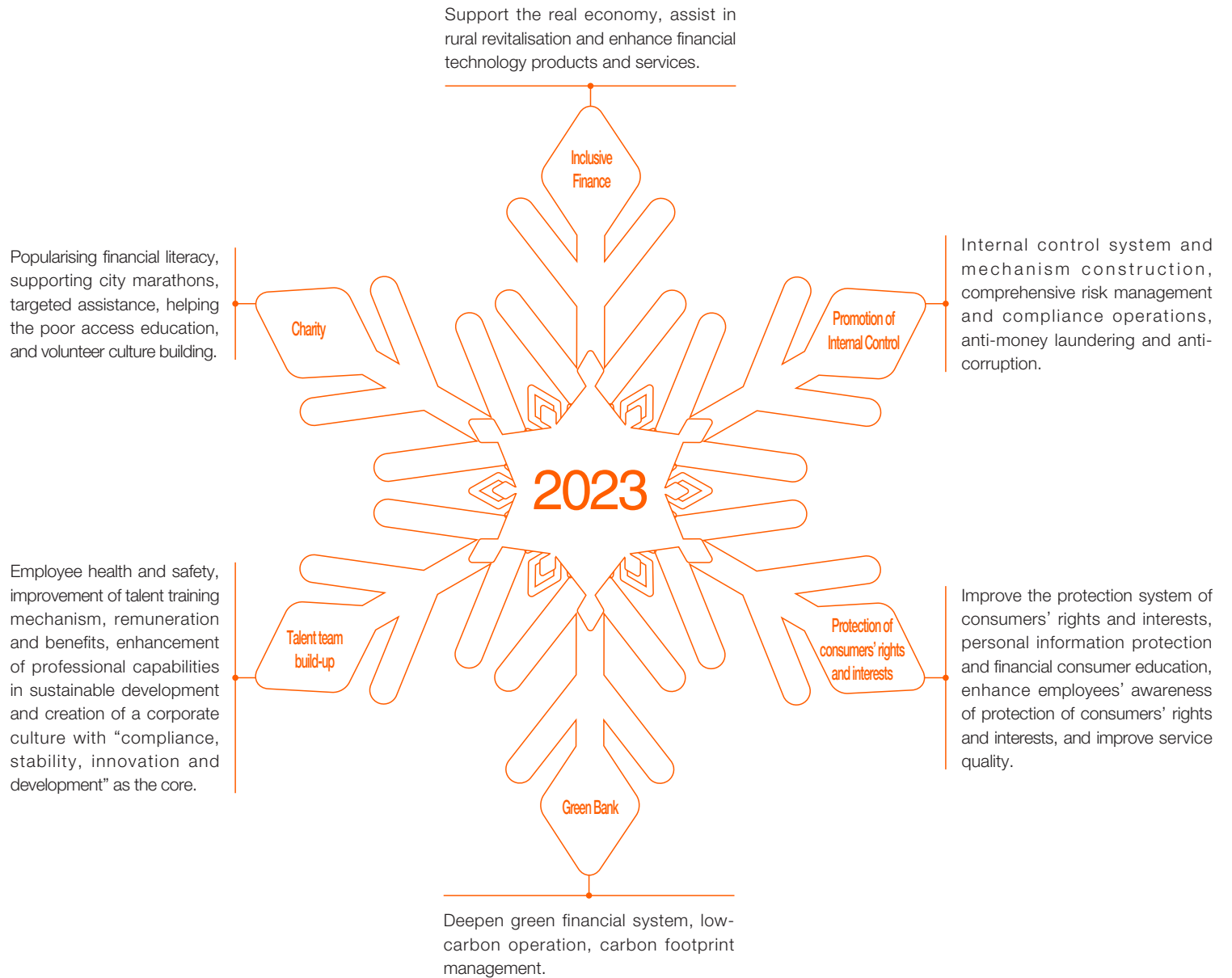
The ranking of "protection of consumer rights and interests" remains unchanged. The Bank continuously improves political and people-oriented nature of financial work, actively implements relevant regulatory requirements, improves the financial consumer rights protection system, and promotes the deep integration of consumer protection work with business development and service management. The Bank strengthens the governance of petition complaints, continues to popularise financial knowledge, practices the obligations of financial institutions, effectively protects the legitimate rights and interests of consumers, and comprehensively improves service quality.

The ranking of "green bank" remains unchanged. It is mainly considering that with the steady advancement of the "Dual Carbon" goal strategy, the national and local green finance policy framework has been continuously improved, and the guidance of the People's Bank of China and regulatory authorities has become more standardised and precise. In 2023, the Bank continued to promote the construction of green financial mechanisms, product innovation and business development, and environmental disclosure, vigorously advocated low-carbon operations, and strove to achieve high-quality and sustainable development.

"Talent team build-up" was optimised from the "employee safety and growth" last year. In 2023, the Bank comprehensively launched the "building talent development system program", paid more attention to strategic orientation, the training of internal talents, the introduction of professional talents in various fields, and the arrangement of important positions and core management personnel, further reinforcing our talent-driven strategy. The Bank also comprehensively launched a "reshaping corporate culture program" to create a corporate culture centred on "compliance, stability, innovation and development". Underpinned by sound systems and mechanisms, the Bank has incorporated its corporate culture into every aspect of business operation and every employee's behaviour.

"Charity" continues to be included in the annual major issues. The Bank upheld the correct values and business philosophy, actively engaged in charity undertakings and optimised resource allocation to support sustainable development of society, economy and environment. We conducted diverse financial consumer knowledge popularisation and environmental protection education activities to enhance public's awareness of self-protection and environmental protection. We consistently advocated and supported marathon events, driving the cross-border integration of urban marathon sports and financial services. We maintain a focus on education, offering multi-channel support for students from underprivileged families. We actively participated in flood relief efforts, providing financial services and engaging in philanthropic donations. Additionally, we organised diverse volunteer service activities to foster a positive volunteer culture.





The loan balance in
Heilongjiang amounted to
RMB 181.3701 billion

Topic: Our Focus in 2023

Serve the national strategy and the real economy, and actively participate into the overall revitalisation of Northeast China in the new era

Prioritise the protection of financial consumer rights, improving the management system and service management system of “Big Consumer Protection”

Serve the national strategy and the real economy, and actively participate into the overall revitalisation of Northeast China in the new era

The year 2023 is the first year to start the Bank's three-year plan of "revitalising entrepreneurship". In the face of the complex and evolving business environment and under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Bank thoroughly implemented the spirit of the 20th CPC National Congress, the Second Plenary Session of the 20th Central Committee and the key speeches and important instructions of General Secretary Xi Jinping during his inspection tour in Heilongjiang Province, resolutely implemented the decisions and deployment from higher authorities. Focusing on the three tasks of "serving the real economy, preventing and controlling financial risks, and deepening financial reform", and adhering to Party building guidance, the Bank accelerated reform, innovation and development under the theme of "high-quality development", achieved a good start for the three-year plan of "revitalising entrepreneurship".

Adhere to the original intention of serving the real economy and effectively support distressed enterprises. The Bank takes meeting the needs of the real economy as the starting point and foothold of high-quality development, firmly grasps the political and people-oriented nature of financial work, integrates business development into the grand background, landscape and strategy of local economic and social development, and actively serves regional economic and social development. The Bank effectively participated in the construction of Longjiang's modern industrial system, focused on "Developing Longjiang in Six Areas" and building "Cities of Seven Domains", and actively adjusted the credit structure to fully support the implementation of the "60 Measures for Longjiang's Innovative Development in the New Era" and the "4567" modern industry cluster. The Bank also actively adjusted the credit structure and guided credit funds to return to fundamental purpose of financial sector to support the construction of key areas and projects, supported the completion of many key projects of Heilongjiang Construction Group Co., Ltd., Heilongjiang Tourism Investment Group, Harbin urban and rural heating, Harbin Ice and Snow World, etc., actively explored public rental housing, forest rights revitalisation, guaranteed delivery of buildings, franchise pledge financing and other schemes, and vigorously supported technology-based enterprises, inclusive micro and small enterprises, green credit projects, industries related to cultural and tourism, and modern large-scale agriculture. As of 31 December 2023, the Bank's loan balance in Heilongjiang amounted to RMB181.3701 billion, representing an increase of RMB24.9291 billion over the end of the previous year.

During the Report Period, the Bank participated in the 32nd Harbin International Economic and Trade Fair with the theme of "serving Heilongjiang based in Harbin", where the Bank fully demonstrated the important measures and achievements of contributing financial strength to the promotion of the practice of Chinese-style modernisation in Longjiang and Harbin through the four major business sectors including cross-border finance, corporate finance, retail finance and inclusive finance, as well as the social welfare sector, provided exhibitors with product introduction, business consulting and other services, and tailored comprehensive service solutions for enterprises. The Bank participated in the sixth China International Advanced Materials Industry Exposition with the theme of "serving the whole country with roots in Longjiang", and signed a cooperation framework agreement with Harbin Tongchuang Purun Group Co., Ltd. to extend a credit of RMB2 billion to support the Group's construction and operation of the electronic materials industrialisation project of Longjiang Student Industrial Park. At the same time, a dedicated team was organised to communicate with exhibitors to specially promote the specialised and sophisticated financial products that support the high-quality development of the new material industry, effectively playing the role of finance in supporting the innovative development of the manufacturing industry and the new material industry. In addition, the "communication and exchange meeting of financial assistance for private enterprises" was held to promote the high-quality development of private economy in Longjiang, increase support for the real economy, and help private enterprises develop and grow.







Case

Harbin Bank offered financial assistance to the construction of the “capital of ice and snow culture”

In order to deeply implement General Secretary Xi Jinping’s important instruction that “ice and snow are also mountains of gold and silver”, focus on the development goals mentioned in the Heilongjiang Province’s Ice and Snow Economy Development Plan (2022-2030), and thoroughly implement the spirit of the 13th Party Congress of Heilongjiang Province and the 15th Party Congress of Harbin, Harbin Bank issued the 100 Measures to Support the High-quality Development of Local Economy and Society in April 2022, which formulated specific goals and measures to help Harbin build a “capital of ice and snow culture”, and granted a credit of RMB1 billion to support projects such as the four-season ice and snow project of Harbin Ice and Snow World. As of the end of 2023, Harbin Bank granted loans of RMB320 million to Harbin Ice and Snow World. The construction of the project mainly includes the dream ice and snow pavilion, ice and snow show field, ice and snow pavilion, ferris wheel, outdoor landscape plaza, etc. Harbin has realised the normal operation of ice and snow sports and tourism in four seasons. In addition, the Bank takes advantage of the full coverage of business institutions inside and outside the province to promote the ice and snow culture and tourism projects in Harbin.

In the future, Harbin Bank will continue to focus on key industries such as ice and snow tourism, ice and snow sports, and ice and snow equipment, make every effort to support the ice and snow industry development in Harbin, deeply explore the ice and snow resource endowment of Harbin, promote the expansion and upgrading of the ice and snow industry, give full play to the advantages of financial resources, expand and strengthen the ice and snow economy, actively work with leading enterprises in ice and snow equipment manufacturing, and deeply cultivate the ice and snow sports, culture, and tourism industry chains, so as to make financial contribution as a local corporate bank to making the ice and snow economy an important economic engine of Harbin.





Eight commercial banks, including Harbin Bank and other banks, held a summit forum on “Financial Assistance for Revitalising Northeast China in the New Era”

On 10 March 2023, the summit forum on “Financial Assistance for Revitalising Northeast China in the New Era” sponsored by eight commercial banks, including Harbin Bank, Shengjing Bank, Bank of Dalian, Bank of Jinzhou, Bank of Jilin, Jilin Jiutai Rural Commercial Bank, Longjiang Bank, and Liaoshen Bank, and organised by Harbin Bank was held in Harbin. Leaders of relevant departments of Heilongjiang Province and Harbin City, heads of the sponsors, representatives of financial peer institutions, heads of key provincial and municipal enterprises, and customer representatives attended the forum to jointly plan the financial assistance strategy for the revitalisation of Northeast China in the new era.

The forum is a concrete initiative to implement the spirit of important speeches and instructions of General Secretary Xi Jinping on Northeast China and Heilongjiang, and also a useful exploration to serve and integrate into the new development pattern, integrate regional financial resources, and accurately play a financial role to offer financial assistance in comprehensively revitalising Northeast China in an all-round way in the new era, develop “Longjiang in Six Areas” and build “Cities of Seven Domains” in Harbin. Commercial banks in Northeast China are rooted in Northeast China, with their focus of support in Northeast China. It is their duty-bound responsibility and mission to revitalise Northeast China in the new era, and also the inevitable requirement to return to the fundamental purpose of financial sector, focus on the main business, cultivate the local community business, serve the entities, and achieve high-quality development. Through this forum, the commercial banks in Northeast China will further achieve cohesion and collision of thinking, enhance communication, jointly supporting the revitalisation of Northeast China in the new era.

At the forum, eight commercial banks in Northeast China jointly issued the “Initiative for the Revitalisation of Northeast China in the New Era through Finance”, with the content as follows: to determine the right position and walk in the forefront of revitalisation of Northeast China in the new era by improving the political position; to keep in mind the political and people-oriented nature of financial work to meet the needs of the people for a better life; to put support and service for the development of the real economy in the first place, provide targeted financial support, and promote the loan volume, scale, price reduction and quality improvement for private micro and small enterprises; to improve the rural financial service system to help with rural revitalisation; to provide support to consumption recovery, expansion and upgrading, as well as normal circulation and healthy development of the real estate industry; to deepen the reform of the financial system and effectively release momentum and stimulate vitality, so as to devote to the tide of comprehensive and all-round revitalisation of Northeast China in the new era with an enterprising attitude and strive to write a new chapter in the revitalisation of Northeast China in the new era.



The first urban renewal loan was issued to improve the quality of urban functions. On 26 September 2023, the Bank successfully issued its first urban renewal loan to support the construction, expansion, renovation and purchase of urban renewal projects in key areas of Northeast China. In order to better support urban construction and governance, the Bank actively studied and formulated measures for the management of urban renewal loans, learned about the needs of governments and enterprises, organised capable forces, opened up green channels, and carried out front-end and back-end linked and parallel operations to assist enterprises in the calculation of the capital needed, project planning and other matters of urban renewal and renovation projects. After learning about the planning needs of urban renewal and renovation in key areas in Northeast China, the head office and branches of Harbin Bank worked together. Among them, Shenyang Branch actively responded, followed up on and promoted the effective linkage of the links including scheme design, project inspection, approval and implementation, etc., and extended the credit of more than RMB1.7 billion for the entities of urban renewal and renovation. The successful implementation of the urban renewal and renovation pilot project in the core areas of Northeast China consolidated the Bank's financial service capabilities to support urban renewal related projects, opened up the internal business response path, successfully verified the specific service model, and consolidated the basic capabilities for financial services to accelerate the construction of urban infrastructure and build a livable, resilient and smart city.

Boost market confidence and support consumption recovery in Longjiang. During the Reporting Period, the Bank set up a dedicated consumption credit department, integrated the three business sectors including credit card, Internet finance and self-operated consumer loan, and built a global product system development goal of "large-amount consumption, scenario-based consumption, credit card and small-amount consumption", so as to make every effort to promote the development of consumer credit. Proceeding from three dimensions including key customer groups, conventional consumption scenarios and local characteristic consumption scenarios, the self-operated consumer loan seized the opportunity of the recovery of the consumer market under the support of policies, tapped the large-amount consumption needs of individuals, families, characteristic customer groups and scenarios to design exclusive products, and developed the consumer credit service model in depth. The Bank promoted the continuous upgrading of online business, and created "Cheng e Dai", which was the Bank's first truly online self-operated consumer loan product to improve the service quality and efficiency. With the help of online + offline marketing channels, the Bank increases efforts in product promotion, stimulates residents' consumption willingness and potential, increases financial support for people's livelihood consumption, and offers diversified loans to support consumption recovery. By giving full play to the role of banks as the "main force" of consumer finance, the Bank deepened the linkage and cooperation with merchants in various subdivided scenarios, and actively organised and participated in various exhibitions, sales festivals and other activities. In 2023, the Bank expanded the cooperation by working with 28 new scenario-based merchants in various scenarios. Through advantageous products and professional services, the Bank assisted scenario-based merchants to acquire and activate customers and met the capital needs of residents, so that financial products and services can "ensure the improvement of people's livelihood and enhance people's well-being".





Drive development through diversified measures and continue to make breakthrough in cross-border characteristic business. During the Reporting Period, the Bank actively responded to the development strategies of the country and Heilongjiang Province to actively support the construction of the “Belt and Road”, and made breakthroughs in a number of indicators of cross-border financial business.

The strategy of “acquisition of customers in batch, specialised institutions, and integration of industry and finance” was effectively implemented. In terms of acquisition of customers in batch, the Bank continues to explore new methods for transformation from traditional marketing to batch marketing, with the customer group becoming increasingly extensive and covering large and medium-sized enterprises at home and abroad. In terms of specialised institutions, the Company continues to explore new models of large-scale, standardised and systematic operation and management from the two levels including head office and branches. At the head office level, in order to improve the professional service and risk control capabilities, the Company keeps optimising the professional management structure of “three departments + two centres”. At the branch level, the Company is actively preparing to set up specialised institutions in Heihe, Heixiazi Island and other places. In 2023, the Company set up a specialised sub-branch in the Harbin Area of the Heilongjiang Free Trade Zone to fully integrate financial resources in the free trade zone and comprehensively enhance the Company’s professional financial service capabilities in the free trade zone. In terms of the integration of industry and finance, the Company continues to explore new schemes for financial support for the real economy.

The cross-border online financial business develops steadily and rapidly. A variety of global payment, clearing and settlement methods can be supported to achieve real-time online payment, collection and settlement with more than 60 currencies. At the same time, the technology support for cross-border financial business has been continuously strengthened, and the cross-border clearing system has been launched to significantly improve the efficiency and accuracy of clearing.

Prioritise the protection of financial consumer rights, improving the management system and service management system of “Big Consumer Protection”


Harbin Bank actively practices the service philosophy of “people-centred”, responds to the call of “finance for the people”, adheres to the principles of equality, voluntariness, honesty and trustworthiness, fully respects and protects the basic rights of financial consumers, and promotes the popularisation of financial knowledge. We continuously optimise the service process, focus on customer experience, continuously improve the convenience, availability and coverage of financial services, and strive to build a “Reliable Bank by Your Side” to meet the financial service needs of different customers. We pay attention to the warmth, breadth and depth of services, and connect the “last mile” of financial services.

During the Reporting Period, the Bank strictly complied with the laws, regulations and regulatory requirements such as the Guiding Opinions of the General Office of the State Council on Strengthening the Protection of Financial Consumer Rights, the Administrative Measures for the Protection of Consumer Rights of Banking and Insurance Institutions, and the Implementation Measures of the People’s Bank of China on Protection of Financial Consumer Rights, so as to comprehensively improve the quality and efficiency of protection of consumer rights.

During the Reporting Period, the Consumer Rights Protection Committee of the Board of Directors held four meetings, at which seven proposals and reports were reviewed and approved, namely, the Proposal on the Self-assessment Report on the Supervision and Evaluation of Financial Consumer Rights Protection of Harbin Bank in 2022, the Proposal on 2022 Summary and 2023 Plan of Consumer Rights Protection Committee of the Board of Directors, the Proposal on the Report on Consumer Rights Protection of Harbin Bank in 2022, the Proposal on Consumer Rights Protection Plan of Harbin Bank in 2023, the Report on the Rectification of Issues Raised by Supervision and Evaluation of Protection of Consumer Rights of Harbin Bank in 2022, the Proposal on the Report of Consumer Rights Protection of Harbin Bank in the First Half of 2023, and the Report on the Investigation of Hidden Security Risks of Consumers’ Financial Information of Harbin Bank in the First Half of 2023.

Strengthen top-down design and establish a “Big Consumer Protection” work pattern. The Bank attaches great importance to consumer rights protection. In June 2022, the Bank incorporated all-aspect petition complaints, services, brands and consumer protection publicity and public opinion control into the overall management work of the Consumer Protection Department, covering both legal persons and natural persons. After more than a year of exploration and practice, we have given full play to the resource advantages after the adjustment of departmental responsibilities, and gradually established a working mechanism of “three collaborations and one linkage”. “Three collaborations” refer to the collaboration between the improvement of service quality and the reduction of the number of complaints, the collaboration between the increase in positive publicity and the negative public opinion control, and the collaboration between carrying out financial education and enhancing brand value, while “one linkage” refers to making the same arrangement and deployment of various risk investigation work such as petition complaints, reputation risks, and personal information protection, and carrying out comprehensive linked research and judgement of the identified risk problems.





Improve the institutional system to ensure the source management of consumer protection. In 2023, the Bank took a series of measures such as formulating the annual work plan and revising the administrative measures for the protection of consumer rights, as well as further improved the closed-loop management measures for consumer rights protection with pre-prevention, in-process control, post-event monitoring and correction, so as to ensure the organisation completeness, timeliness of communication and effective implementation of the Bank's consumer rights protection work. The Bank formulated the system for the protection of consumers' personal information, revised the Administrative Measures for Protection of Financial Data of Harbin Bank Consumers, and formulated the Emergency Plan for Protecting Financial Information of Harbin Bank Consumers with the purpose of preventing and responding to emergencies in the protection of personal financial information, which provided clear and operable processing and reporting processes and efficient solutions in the event of personal financial information leakage, tampering, damage and other emergencies to minimise the damage caused by emergencies to customers and the Bank and protect the interests of customers. The Bank formulated the Measures for the Administration of Information Disclosure of Financial Consumer Products and Services of Harbin Bank and the Measures of the Administration of Marketing and Publicity of Consumer Rights Protection of Harbin Bank to standardise the disclosure of information on financial products and services, as well as formulated the Measures for the Administration of Review of Financial Consumer Rights Protection of Harbin Bank to clarify the review subject, review scope, review points, and review process, review new or optimised consumer-facing financial products and services, identify and correct the problems in financial products or services that may damage the legitimate rights and interests of financial consumers in a timely manner, move forward the risk barrier, implement the whole-process management of consumer rights protection, and promote the in-depth integration of consumer rights protection philosophy with business development, operation management, and risk prevention and control.

Strengthen the core of consumer protection services and comprehensively improve the business level of employees. The Bank formulated an employee training plan on the protection of financial consumer rights, and organised a series of more than 10 sessions of training on the consumer rights protection during the year, to cover the content including the internal control management of consumer protection, the improvement of the ability to handle petition complaints, service management, public opinion control, etc. Based on the issuance of the Administrative Measures for the Protection of Consumer Rights of Banking and Insurance Institutions (Order No. 9 of 2022 of the China Banking and Insurance Regulatory Commission), the Bank invited well-known lecturers in the industry in a timely manner to organise and carry out a training session on the interpretation of the consumer protection order no. 9 under the new supervision authority, so as to effectively improve the awareness, business skills and performance abilities of all employees in consumer rights protection.

Enrich the consumer protection publicity and education system to comprehensively improve consumers' financial literacy. The Bank has always adhered to the starting point of resolving consumer complaints and improving the risk identification abilities of financial consumers from the source of publicising and popularising financial knowledge, followed the principle of "prevention first and education foremost", insisted on the combination of finance and public welfare, and implemented the publicity model of "dual-track parallel" normalised and centralised publicity, "equal emphasis" on offline and online publicity and "two-way efforts" in mass publicity and special protection, so as to fully respect the rights of consumers, pay attention to consumer needs, continue to strengthen consumers' awareness of financial consumption safety as the goal, and actively explore new carriers, channels and ways of financial literacy popularisation. Due to the innovative practice in the field of consumer protection publicity and education, the Bank was rated as an outstanding organiser in the activity of 2023 "3•15" Consumer Rights Protection Education and Publicity Week for Banking and Insurance Institutions in the Circular on the Relevant Status of the Outstanding Organisers of the 2023 "3•15" Consumer Rights Protection Education and Publicity Week for Banking and Insurance Institutions issued by the Heilongjiang Regulatory Bureau of the National Financial Regulatory Administration, and was the only urban commercial bank among the 8 banking institutions on the list.





Case

Campus anti-fraud short video collection activity with the theme of “youth without frauds” was held

During the month of consumer rights protection education and publicity, the Bank and China Youth Daily jointly sponsored the campus anti-fraud short video collection activity with the theme of “youth without frauds” for students from more than 100 universities and colleges across the country, under the professional guidance of the Heilongjiang Regulatory Bureau of the National Financial Regulatory Administration and the Heilongjiang Branch of the People’s Bank of China and with the co-organisation of the Harbin Joint Conference Office for Combating and Governing New Telecommunications Network Crimes. The activity was carried out through online collection and offline campus promotion. As for online collection, the announcement on collection was issued simultaneously on the platforms such as the client of China Youth Daily and the official media of the Bank to achieve slight access of financial consumers. As for offline promotion at campuses, the Bank promoted this activity at Harbin Engineering University, Northeastern University and Tianjin University, as well as popularised financial knowledge at the campuses by distributing leaflets to college students, popularising the top ten high-incidence forms of fraud, the risks and harms of illegal campus loans, and how to prevent illegal campus loans, etc., which created a lively atmosphere of the activity. Students from 199 universities and colleges in 98 cities across the country were inspired and submitted nearly 1,500 short video works, covering 31 provinces (autonomous regions and municipalities directly under the central government) and the Xinjiang Production and Construction Corps. After three rounds of selection by experts, a total of 13 high-quality and excellent works were recommended. The work covered the warning content of various fraud methods such as campus loans, online dating, click farming, AI face swapping, etc. in various forms such as singing and dancing, mime, allegro, comics and role-playing, with wide coverage, great fun, and many innovative ideas. The activity showed the extraordinary creativity and responsibility assumption of contemporary university and college students, and created an anti-fraud learning atmosphere to guard campus safety. The Bank and China Youth Daily jointly disseminated the collected shortlisted outstanding works to the whole society to improve the coverage and influence of the activity.



News link:

Campus anti-fraud presentation and campus anti-fraud short video collection activity with the theme of “youth without frauds” was successfully held
https://h5.newaircloud.com/detailArticle/22907319_28239_jrsb.html?app=1&relPicRatio=0&source=1

Case

“Branch Presidents Talk about Consumer Protection” series of micro-videos received wide attention

Harbin Bank comprehensively studies, understands and implements the spirit of the 20th CPC National Congress and the Central Economic Work Conference, continues to deepen the “people-centred” development philosophy, always adheres to the “customer-centred” service concept, and integrates the development of consumer protection and business operation. During the “3•15” Consumer Rights Protection Education and Publicity Week, the upper and lower levels of the Bank worked together in planning, deployment and promotion, and took multiple measures to build a solid shield for the protection of the rights of financial consumers.

In March, the Bank launched the activity of exhibiting and playing the “Branch Presidents Talk about Consumer Protection” series of micro-videos, which actively played the leading role of the presidents of all branches within the jurisdiction, popularised financial knowledge to financial consumers, introduced the beneficial measures which have been protecting the legitimate rights of consumers and the direction of the next step. As a result, the activity formed a bank-wide cultural atmosphere that “everyone cares about, supports, participates in and integrates into consumer protection”, and built a strong awareness of consumer protection for all employees. The “Branch Presidents Talk about Consumer Protection” series of micro-videos with the participation of presidents of 17 branches were broadcast in multiple channels such as business outlets within the jurisdiction, mainstream media, and Harbin Bank’s Weibo official account and WeChat official account, which received wide attention from financial consumers and set off an upsurge of protecting the legitimate rights of consumers throughout the Bank.

**News link:**

Harbin Bank’s “Branch Presidents Talk about Consumer Protection” series of micro-videos received wide attention

<https://app.xinhuanet.com/news/article.html?articleId=02def972c3f9be8aef289ee9683d8da4×amp=17146>

Adhere to problem-oriented contradiction resolution to see a noticeable reduction in consumer complaints. The Bank pays particular attention to effective communication with customers and timely feedback of customer information. The Bank's national unified customer service telephone numbers 95537, 400-60-95537 and 400-66-95537 (credit card customer service telephone numbers) can provide consumers with 24/7 uninterrupted telephone banking services including business consultation, complaints and suggestions. During the Reporting Period, the Bank handled 2.1 million transactions through the voice channel of the customer service hotline, with the receipt of 50,000 customer interactions through the online channel (text customer service); and handled 1.35 million business transactions through the voice channel of the credit card customer service hotline, with the receipt of 130,000 customer interactions through the online channel (text customer service). In 2023, the Bank thoroughly implemented the spirit of General Secretary Xi Jinping's important instructions on strengthening and improving the complaint letters and visits of people, actively adapted to the new situation, new changes and new requirements, adhered to the people-oriented principle, acted in accordance with the law, and adhered to multiple measures to maintain stability. During the Reporting Period, the Bank focused on the special work of dispute risk investigation and complaint resolution, continued to implement the Work Plan on Financial Dispute Risk Investigation and Complaint Resolution, adhered to the combination of source governance and classified policy implementation, established a ledger for conflict and dispute investigation and resolution, and carried out dynamic management and real-time follow-up, with a conflict and dispute resolution rate of 99.44%. Heilongjiang's regulatory authorities transferred 622 consumer complaints, representing a year-on-year decrease of 14.80%. The business categories of the complaints mainly included credit card business, loan business, local/foreign currency savings, debit card use, etc., and the regions of the complaints mainly included Harbin, Shenyang, Chongqing, etc., with an annual complaint settlement rate of 100%. As reflected by the Circular on Consumer Complaints of Banking and Insurance Institutions in 2023 issued by the Heilongjiang Regulatory Bureau of the National Financial Regulatory Administration on, the Bank saw a noticeable reduction in consumer complaints, ranking third in the total number of consumer complaints, with a year-on-year decrease of 108 consumer complaints; the Bank's ranking in terms of the number of consumer complaints of 100 outlets dropped from fourth to fifth; and the number of complaints of RMB10 billion of deposits declined from fifth to eighth.

By adhering to the service concept of “paying attention to details and treating customers well” and focusing on the development idea of “standardisation of service actions, refinement of service management, systematisation of service evaluation, and specialisation of service benchmark”, the Bank has reshaped the “365” service management system and steadily improved the service management work. The Bank won the honour of “Top Runner” in enterprise standards in the field of banking business outlet services; obtained the dual certification of green banking business outlet service and banking business outlet service suitable for the elderly for the first time as the first financial institution in Northeast China to obtain green financial service certification; had 8 outlets obtain the five-star certification of banking business outlet services as a urban commercial bank with the largest number of five-star business outlets in Northeast China; was successfully shortlisted in the list of “1+N” new model demonstration institution for banking business outlets in China; and won the honorary title of “Demonstration Organisation for Innovative Service of Banking Business Outlet”.

Optimise the service standard system to improve the quality of both service standards and processes. The Bank improved service environment standards, customer service standards, and service process standards, strengthened service benchmark demonstration and guidance, created the first batch of characteristic service demonstration outlets, formulated Plan for creating demonstration outlets with characteristic service of Harbin Bank in 2023 which focused on five creation standards for five major categories including finance for the elderly, finance for the disabled, social security finance, green finance and star-rated characteristic service demonstration outlets, continued to promote the integrated development of services and business, and strove to improve financial service experience for customers. The Bank built a service supervision system platform with the goal of service quality grading, quantitative assessment, and visual supervision, and built an intelligent service inspection visualisation platform and a service quality data monitoring platform to realise the traceability of service problems, visualisation of analysis data, and process-oriented service improvement of the four levels of institutions including the head office, branches, sub-branches, and outlets, transforming service quality management from traditional “passive management” to “active management”.

Establish a service quality system to improve the efficiency of both service management and mechanism. The Bank comprehensively established a “three-in-one” service inspection mechanism, upgraded and optimised unannounced inspection by the “mystery person”, and added on-site open visit inspection and off-site monitoring inspection. The Bank carried out service inspection with unified standards, diversified channels and full coverage for all bank-wide business institutions, carried out targeted correction of service pain points identified by the inspection and reported by customers, and improved services and optimised processes in a timely manner. Meanwhile, a dual “positive and negative” customer service experience evaluation mechanism was established. In terms of positive service experience evaluation, the



customer service satisfaction evaluation function was launched on the counter interactive terminal; and in terms of negative service evaluation, the “online + offline” omni-channel monitoring and evaluation of service customer complaints was carried out to analyse the causes in multiple dimensions of the difficulties and blockage issues intensively reported by customers, to handle the problems in collaboration with branches, sub-branches and relevant departments, and to strengthen the post-event management, supervision and prevention of service complaints. The Bank carried out the “1+3” series of service improvement competition activities, and continuously strengthened the “supervision” and “guidance” of service management by adopting the method of “data guidance + experience transmission + concept promotion”.

Improve the institutional system for service and improve both service operation and development. The Bank formulated five systems, namely the Measures for the Management of Services of Harbin Bank’s Business Institutions, the Measures for the Management of Assessment and Evaluation of Service Quality of Harbin Bank’s Business Institutions, the Measures for the Management of Service Inspection of Harbin Bank’s Business Institutions, the Measures for the Service Emergency Management of Harbin Bank’s Business Institutions, and the Measures for the Management of Special Customer Service of Harbin Bank’s Business Institutions, and put forth efforts to build a service standard system with a complete system, normative standards and effective operation, so as to effectively improve the level of service management. The Bank also organised and carried out special service training such as the annual meeting for interpreting service quality inspection standards for business institutions in 2023, and the annual meeting for interpreting service standards for business outlets in 2023. In addition, in order to improve the service emergency rescue capacity of business institutions, the Bank established the first batch of service emergency rescue teams, and specially invited the Red Cross Society of Heilongjiang to carry out special training on emergency rescue knowledge and skills for the service personnel of the outlets.

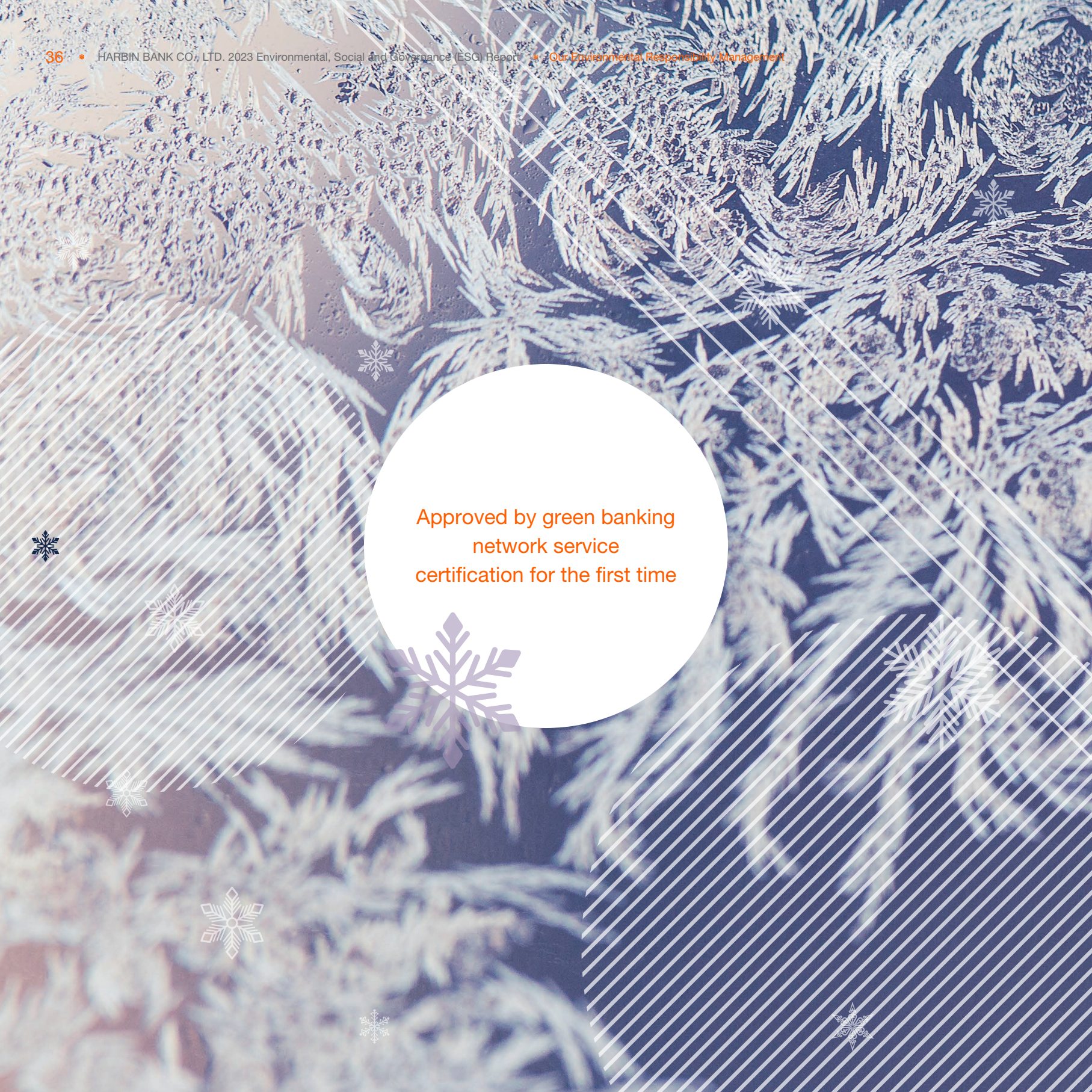
Case

Harbin Bank Chengdu Jinsha Sub-branch: Upgrading services for the elderly and providing warm financial services

Providing financial services that meet the needs of the elderly is an inevitable requirement for promoting the elderly to share the fruits of informatisation development, an issue that needs to be considered in financial technology innovation, and also an important issue faced by the banking industry. In October 2023, Harbin Bank Chengdu Jinsha Sub-branch actively implemented the relevant requirements of the head office on characteristic service demonstration outlets, and was successfully selected as the “Demonstration Outlet for Financial Services Suitable for the Elderly” among national banking institutions amid the national business outlet service certification in 2023.

Harbin Bank Chengdu Jinsha Sub-branch, as a commercial bank from another city, has elderly customers account for 25% for all its customers. In active support and response to the call of Chengdu’s “10 major projects for a happy life” and under the guidance of the Specifications and Requirements for the Evaluation of Characteristic Service Demonstration Outlets on Finance for the Elderly issued by the head office, the sub-branch has adhered to the service criteria of combining traditional services, and extended services and intelligent innovative services to build financial services suitable for the elderly with “comprehensive functions + friendly experience”, so as to provide the elderly customers with convenient, intimate and warm financial services. The sub-branch has arranged a dedicated person and three Red Cross ambulancemen according to the actual situation to provide first aid, guidance, consultation and assistance services to the elderly. In the hall, employees take the initiative to inquire and offer guidance and services, allowing the elderly and special groups to experience financial services with dignity. Outside the hall, the sub-branch staff go to the communities to care for the elderly and provide financial services, and go into the nursing homes to publicise payment security, anti-fraud and anti-gambling, anti-counterfeit currency, protection of the rights of financial consumers and other services suitable for the elderly, so as to enhance the risk prevention awareness of the elderly customers and create a respectful, caring, and suitable environment for the elderly.





Approved by green banking
network service
certification for the first time

Our Environmental Responsibility Management

Green credit
Low-carbon operation
Green charity

In 2023, the Board of Harbin Bank attached great importance to the building of ESG management capability to continually explore and implement the development path of green finance that is commensurate with current development stage of the Bank, strengthened the top-level design, promoted sustainable development with a high sense of responsibility and mission to assist the realisation of the national carbon peaking and carbon neutrality goals.

The Articles of Association of the Bank clarified that “the Board is responsible for determining the green credit development strategy, reviewing and approving the green credit objectives set by the Senior Management and the green credit reports submitted, and supervising and evaluating the implementation of the green credit development strategy”. Summary of Proposal on the 2021-2023 Strategic Development Plan of Harbin Bank, which was approved at the general meeting, clarifies that “transform us into a ‘green bank’ that develops green finance gradually and improves green credit policies to guide the deployment of credit resources” shall form part of the “Strategy for Reshaping the Foundation”.

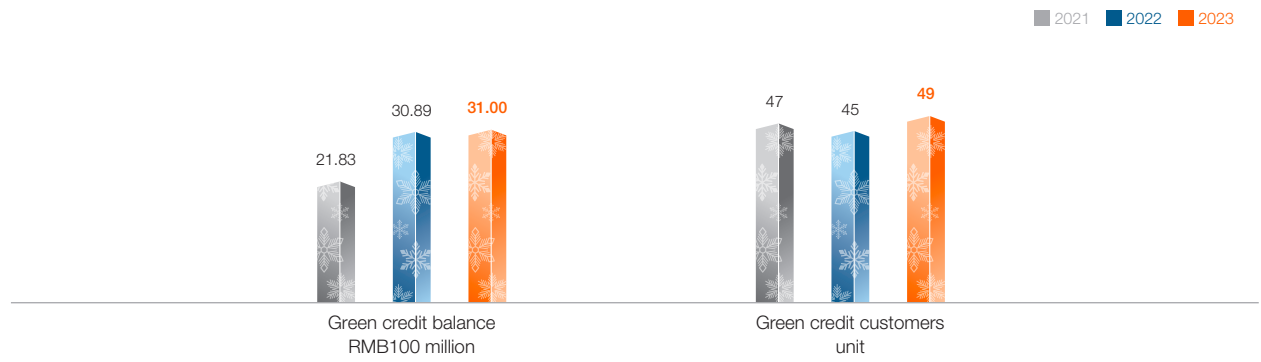
Also, it is worth noting that during the Reporting Period, aiming to promote those in governance and the management to actively improve ESG performance by means of “linked remuneration” evaluation and incentive, the Board and the Development Strategy Committee of the Board considered and approved the Proposal on the 2023 Senior Management Performance Evaluation Indicators, setting the “proportion of green credit” evaluation indicators in the development transformation indicators, with the goal that the proportion of green credit balance at the end of the year in all the loan balance, being a weight of 2%, shall not be lower than the level at the beginning of the year. We established “ESG KPI disclosure” as one of our social responsibility indicators, with the weighting of 1% for the disclosure of KPIs in the environmental and social indicator systems applicable to the Company in the annual ESG report. We also set the “Green Credit Growth Rate” as an assessment indicator in the Departmental Performance Assessment Indicator System for Head Office for the year 2023. Moreover, we have added “green credit support balance” in the comprehensive evaluation index system for branches in 2023 to promote the green financial business of our branches.



Green credit: Actively promote the construction of a green financial system to enhance the capability of green financial

In 2023, with an aim of building a “green bank”, the Bank constantly centred on the national “dual-carbon” objectives coupled with the goal of “extensively developing a green production and living style” set out in the “14th Five-Year Plan”, for which we thoroughly implemented the spirits of the Guidance Opinions of the State Council on Accelerating the Establishment of a Sound Green, “14th Five-Year Plan for Energy Conservation and Emissions Reduction”, Low-Carbon and Recycling Economic System, the Guidelines on Green Finance for Banking Insurance Industry, the Green Finance Evaluation Program for Banking Financial Institutions, the Guidelines on Environmental Information Disclosure for Financial Institutions, the Implementation Plan for Green Finance Work in Heilongjiang Province, and other documents. In order to build up the Bank’s green finance policy and system, we strategically allocated credit resources and actively developed green credit, with aim to supports the development of green, recycling, and low-carbon economy with great efforts.

As at the end of 2023, the green credit balance of the Company was RMB3,099.7412 million, representing an increase of RMB11.0079 million as compared with the beginning of the year. Among which, the balance of corporate loans and personal loans was RMB3,062.3205 million and RMB37.4207 million, respectively. The loans for green upgrading of enterprise infrastructure were RMB1,640.6206 million, loans for energy-saving and environmental protection industry were RMB1,128.9448 million, loans for ecological and environmental protection industry were RMB258.8545 million, loans for clean production industry were RMB4.70 million, and green service loans were RMB6.7213 million. The number of green credit customers was 49, and the contribution to energy saving and emission reduction was 83.24 tonnes of sulphur dioxide.



Cementing system foundation. The Risk Management Policy of Harbin Bank for the Second Half of 2023 of the Bank proposed that the risk management work throughout the Bank shall adhere to the principle for sustainable development, which requires the Bank to keep a close eye on the national strategy and the overall goal for high-quality economic development by maximising economic benefits and social value aiming at long-term and sustainable value creation. It also outlined the policy direction for green finance to actively build a positive connection between financial supply and climate and environment, and to pay ongoing attention to the risks, challenges and opportunities brought by climate and environmental changes to the various business activities of the Bank. The 2023 Credit and Investment Business Strategy Rules of Harbin Bank proposed to develop green finance anchoring on carbon emissions, and to further build a green financial standard system, which require the Bank to further enrich the green financial product system to capture the green and low-carbon financial transformation under the “dual carbon” scenario, and to give full play to the role of finance in promoting greenhouse gas emission reduction. In addition, it highlighted its support in green finance sector by providing integrated financial services for green development and transformation and upgrading, increasing its efforts in green business credit, accelerating the restructuring in green credit business, speeding up the matchmaking of business processes, increasing product innovation and

services and actively allocating resources, with aim to enhance support for green economy, low-carbon economy and recycling economy coupled with increased service level. It encourages investment in environmental protection, energy conservation, clean energy, green transportation and green construction by phasing out sunset industries overly dependent on resources and the environment. The Guidelines for Harbin Bank's 2023 Regional and Industry Credit Investments fully revealed the industrial development features, present landscape and development trend in the green credit sector, and formulated development strategies in terms of industry, region, customers, products, risk prevention and control and other aspects. In order to grasp the opportunities of green recovery and green development, the Bank will progressively develop green finance by shifting the credit focus from traditional industries to emerging industries including green industries, optimising the credit structure, and promoting the green and low-carbon transformation and upgrading in Heilongjiang Province. In addition, the Bank will rationally utilise green finance-related tools such as the supporting tool for carbon emission reduction launched by the People's Bank of China to support the growth of key areas such as clean energy, energy conservation and environmental protection, and carbon emission reduction technology in a stable, orderly and precise manner, and to promote carbon emission reduction by leveraging more social capital. We will progressively build an "ecological bank" by supporting green and ecological agriculture, ice and snow tourism, culture and sports, as well as certain emerging strategic industries. By implementing the development of forest carbon credits in Heilongjiang Province, we will accelerate the cross-regional trading on carbon credits in addition to promote green technology innovation, energy conservation and environmental protection, clean energy and other green and environmental protection industries as new pillar industries in Heilongjiang Province. Besides, the Bank pays attention to the Green Manufacturing Demonstration Actions, Green Transformation in Major Industries and Key Sectors, the Green Building Leadership Actions, and the Green and Low-Carbon Transportation Networks of Heilongjiang Province. Furthermore, we will pay attention to the full application of the pollution permit system in Heilongjiang Province, the pilot construction of coal-to-gas reform in the new districts of Harbin, and support heating projects utilising clean energy such as biomass, geothermal heat, and hot dry rock.

Intensifying mechanism construction. At the head office level, a green credit working group was established, creating a coordination mechanism of green credit, strengthen supervision, resource allocation, close coordination, accountability, further refining the green credit management system and accelerating the transformation of green finance and growth of scale benefits. We implemented the green channel priority approval mechanism; adopted exclusive service modes such as prior intervention, parallel operation and flexible discussion; strengthened the linkage operation among the head, branch and sub-branch offices, achieved quick response and differentiated services, accelerated examination and approval, and improved quality and efficiency; meanwhile, priority was given to matching the loan scale and lending, and a certain preferential interest rate was offered to qualified projects.

Accelerating product innovation. In order to thoroughly implement the national arrangements of "carbon peaking" and "carbon neutrality", the Bank actively promoted the innovation of green financial products, further enriched the green financial product system and exerted the functions of financial support in promoting GHG emission reduction. During the Reporting Period, the Tianjin Branch of the Bank granted a liquidity loan of RMB50.00 million to an environmental protection enterprise, which was secured by carbon emission reductions, becoming a branch out of province for implementing first dual-carbon financial loan business. In addition, Tianjin Branch, as a syndicate bank, granted a loan of RMB112.65 million for the Concession Project of Green, Intelligent and Low-Carbon Comprehensive Energy Facilities, which utilises gas-fired boilers as the main heat source, and improves the thermal efficiency of the boilers by using residual heat recovery technology, thus achieving the dual functions for energy conservation and environmental protection. By actively pursuing green financial policy tools, the Bank obtained the eligibility to apply for the supporting tool of carbon emission reduction from the People's Bank of China during the year, and actively explored reserve projects.

In order to actively implement the relevant credit policies issued by various ministries, commissions and supervisory authorities in response to national policy directions, the Bank, on the one hand, proactively connected with environmental protection, energy conservation, clean energy, green transportation, green construction and other sectors by leveraging its advantages in local presence to seek possibilities of providing investment and financing as well as risk management and other financial services to enterprises and projects in the sectors. On the other hand, the Bank thoroughly implemented the relevant requirements of Document No. 1 of the Central Government in 2023 on comprehensively promoting the key work of "rural revitalisation", and on the basis of traditional agricultural production groups, it incorporated new agricultural production scenarios and groups such as black soil protection, smart agriculture, green agriculture, eco-agriculture, and high-standard farmland construction, aiming to satisfy the capital demand for technical equipment, infrastructure and other inputs required to realise green agricultural production and operation.





Since 2020, the Bank has cooperated with China UnionPay to develop weather-related financial products and services, exploring measures to reduce the potential impact of physical credit cards on the ecosystem from the source. On 1 September 2021, the Harbin Bank's "UnionPay" "borderless theme" platinum credit card was officially launched as a digital form to cater to the needs of users via digitised services. The release of "borderless theme" cards helped reduce the impact on the ecological environment arising from the replacement and loss of discarded cards, and subconsciously guides financial consumers to be concerned about the ecological environment protection, which means to choose an eco-friendly lifestyle to reduce the environmental costs in financial services. As of 31 December 2023, the release number of "borderless theme" cards reached 17,000. In addition, the Bank keeps promoting the deep integrated digitisation, intelligence and environmental protection, realising the core product cards with digital mode, meeting customers' demand for immediate use of financial services in consumer scenarios, thus enhancing consumers' card-use experience, reducing the environmental cost associated with financial services, and fully implementing the green and low-carbon financial concept of "no card payment".

Prioritising conceptual advocacy. During the Reporting Period, the Bank actively responded to the relevant requirements of the national and regulatory authorities by further promoting the concepts of green finance and green development, the green finance policy of Heilongjiang Province, the green credit policy and green financial products of the Bank, coupled with the promotion and application of the Longjiang Green Jinyun Platform. The Bank also proactively launched green finance business trainings to reinforce the green finance marketing skills among its frontline employees, so as to achieve a precise positioning for targeted enterprises and promote the sustainable and rapid development in green finance business.

Improving environmental data disclosure. Since 2016, the Bank has constantly incorporated "green bank" into its annual ESG material issues, showcasing the practical exploration of the Bank's green credit, green bonds, green offices, low-carbon operations, green public welfare and other aspects, and presenting a panoramic view of the green financial development in terms of environmentally responsible management. Meanwhile, as the second batch of environmental information disclosure units of banking and financial institutions in Heilongjiang Province, during the Reporting Period, the 2022 Annual Environmental Information Disclosure Report of Harbin Bank Co., Ltd. was compiled and published for the first time, fully displaying the effective green financial construction practices and highlights for 2022, and further enhancing the environmental information disclosure quality. By relying on the relevant shared information and functional modules of the "Yangtze River Green Finance" system of the Chongqing Branch of the People's Bank of China, the Chongqing Branch of the Bank prepared and disclosed the Report on Disclosure of Climate and Environmental Information of Financial Institutions of the Chongqing Branch of Harbin Bank under the organisation of the Chongqing Municipal Finance Association.



Harbin Bank Financial Leasing, a subsidiary of the Company, focused on inclusive “agriculture, rural areas and farmers” and green finance, with its lending proportion maintaining a steady growth. Founded in June 2014, Harbin Bank Financial Leasing is a holding subsidiary of the Bank. The Company has strategically positioned the development path featuring “corporate + retail” dual driving forces and “agricultural machinery + green” leasing, and adhered to the development path of green finance and inclusive finance. As at 31 December 2023, the total assets of Harbin Bank Financial Leasing amounted to RMB24.664 billion. During the Reporting Period, its total investment was RMB15.616 billion. Specifically, it invested RMB9.160 billion in the fields of electricity, heat, gas and water production and supply, RMB3.528 billion in the agriculture sector, and RMB2.198 billion in the fields of water conservancy, environment and public facilities management, accounting for 58.66%, 22.59% and 14.07% of the total annual investment, respectively.

During the Reporting Period, Harbin Bank Financial Leasing persisted in the development of agricultural specialisation and developed a new model to serve the core manufacturers of agricultural machinery, and has established a leading position in the agricultural machinery leasing sector in the PRC. Harbin Bank Financial Leasing accelerated its transformation and development for green leasing, solidified its own advantages, and actively expanded into new markets. It firmly expanded into the green energy sector comprising photovoltaic power plants and hydropower, as well as the green environmental protection sector comprising water resources, sewage treatment and garbage disposal. In the green environmental protection sector, it actively offered finance leasing services for customer projects in the sewage and garbage treatment segments, and the cumulative investment in the sewage treatment segment, garbage and solid waste treatment and other green leasing segments was nearly RMB1.5 billion in 2023. Meanwhile, leveraging on its experience in photovoltaic business, it continued to explore the research and exploration of distributed photovoltaic, energy storage, new energy vehicles and other segments, and continued to promote green transformation and development. In 2023, it invested in new energy vehicles by utilising the opportunity to further explore business model in electrical charging and swapping of operational vehicles, thereby achieving a breakthrough in electrical charging and swapping of new energy vehicles, and contributing to the electrical swapping mode development of new energy passenger vehicles in Long Jiang and its low-carbon industry.

Distribution of key investment areas of Harbin Bank Financial Leasing

- Electricity, heat, gas and water production and supply
- Water conservancy, environment and public facilities management
- Agriculture sector
- Other
- Subtotal



- 91.60RMB100 million/ 58.66%
- 21.98RMB100 million/ 14.07%
- 35.28RMB100 million/ 22.59%
- 148.86RMB100 million/ 95.32%



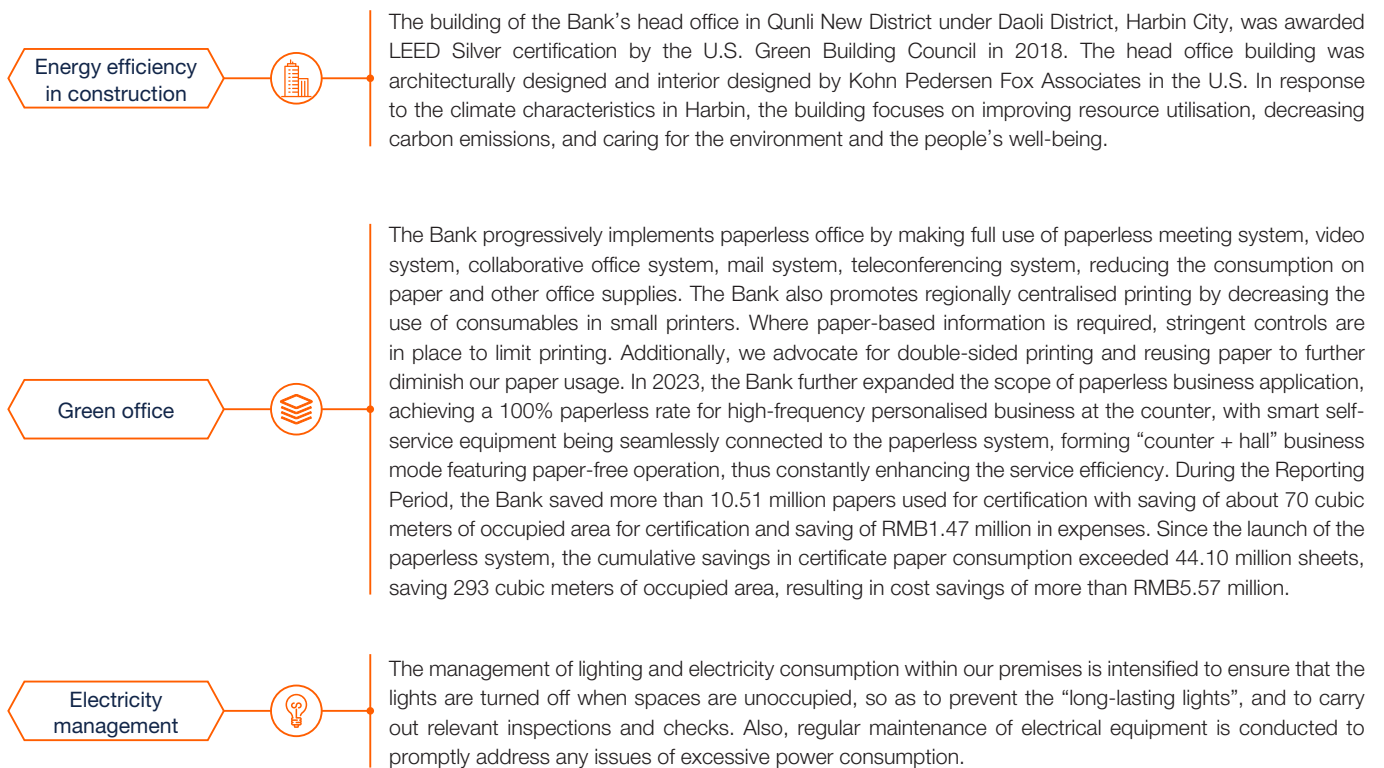
- 48.90RMB100 million/ 48.47%
- 5.00RMB100 million/ 4.96%
- 40.01RMB100 million/ 39.66%
- 93.91RMB100 million/ 93.09%

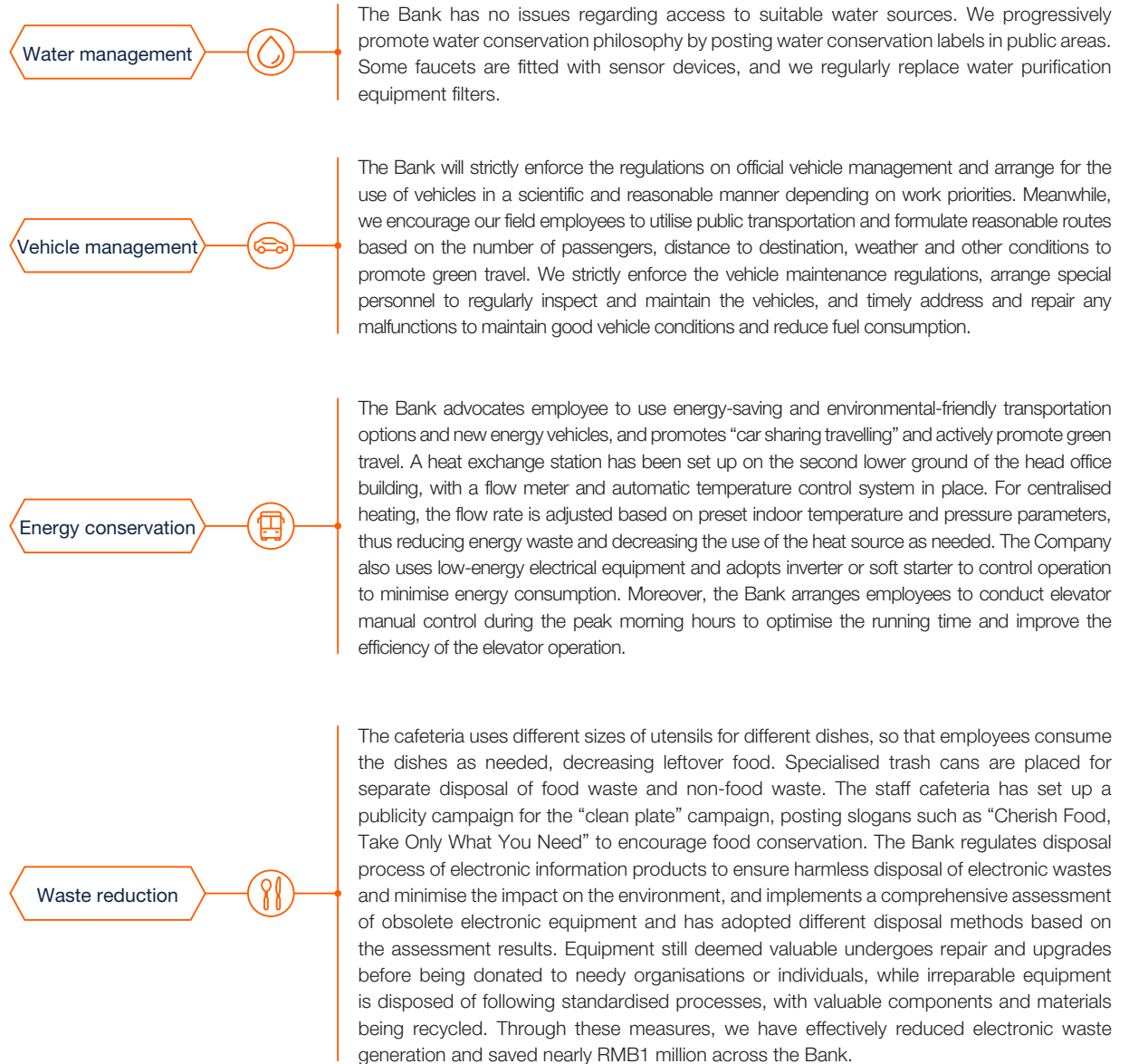


- 56.80RMB100 million/ 55.29%
- 14.80RMB100 million/ 14.41%
- 21.13RMB100 million/ 20.57%
- 92.73RMB100 million/ 90.27%

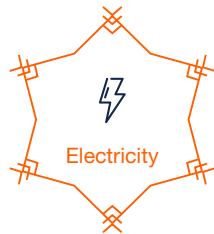
Low-carbon operation: Thoroughly implement low-carbon transformations by widely promoting decarbonisation actions within operations

The operations and management of the Bank have complied with the Environmental Protection Law of the People’s Republic of China, the Law of the People’s Republic of China on Conserving Energy, the Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, and other laws and regulations in combination with relevant local environmental protection requirements. The principles of “Being Prudent by Reducing Costs and Increasing Efficiency and Practising Strict Conservation” were implemented, coupled with the application of various measures to reduce costs and expenditures. We issued the “Proposal on Effectively Implementing the Philosophy of ‘Living in a Tight Budget’ and Strictly Practising Thrift”, by strictly controlling travel expenses, reducing the number of meetings, and advocating online training. In addition, the Bank has strictly implemented the provisions on strict economy in Party and government bodies, strictly controlling the approvals for hospitality expenses and standardising hospitality expenses. We will enhance the sense of economy among our employees by decreasing the expenditure on office consumables and equipment maintenance and strictly controlling the construction expenditure for organisation outlets, so as to enhance the operating efficiency for business outlets. The Measures for Centralised Procurement Management of Harbin Bank (Revision) specified that centralised procurement should procure energy-saving and environmentally friendly commodities. For procurement projects involving green environmental protection, energy saving and water saving, as well as emission reduction and carbon reduction, clear requirements for relevant products and services should be specified. During the Reporting Period, the Bank improved energy efficiency and practised low-carbon operations via building energy conservation, green office, electricity management, water management, vehicle management, energy conservation and waste reduction.





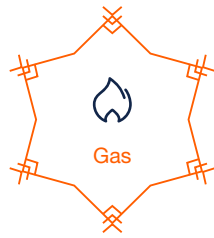
Energy Saving and Emission Reduction Objectives



- * Progressively replace non-energy-saving lights fixtures on all floors by installing automatic sensor devices in stairwells, ensuring the use of energy-saving lighting fixtures on all floors and the installation of automatic sensor devices in stairwells. Priority is given to the procurement of power-saving and energy-saving products for the lights to be replaced, thereby enhancing the coverage rate of energy-saving lighting equipment in the head office buildings.
- * By analysing the installation of self-sensing devices on escalators in the head office building, gradually install self-sensing devices to enhance coverage of self-sensing devices on escalators, and promptly adjust the control system of the sensing devices based on actual operational conditions to minimise the idle running of escalators when there is low traffic, thereby reducing the wear and tear of the escalator components and fatigue damage while saving energy.
- * By adopting the central air-conditioning control system, we set desired temperature values and modes to enable scheduled activation of air-conditioning in the office area of the head office building, with automatic conversion between winter and summer modes.
- * Launch technical renovation for chilled water system, use low-temperature water from the cooling system for switching to cooling during the seasonal transitions, and reduce the start-up of chilled water units, and lower electricity consumption by optimising chilled water system.
- * Purchase energy-saving drinking water equipment and progressively realise the provision of direct drinking water dispensers in the office areas on each floor of the head office building, so as to save energy and electricity while improving drinking water quality for the employees.



- * Formulate a reasonable route to control fuel consumption by reasonably arranging the use of official vehicles. Also, add or replace vehicles based on the official vehicle configuration and procurement standards, and control the emission at source to reduce the fuel consumption from official vehicles.
- * Strict management is in place to require drivers to promptly report real-time mileage and fuel tank volume for departure and arrival at the garage. To minimise instances of high fuel consumption, we calculate actual monthly fuel consumption for vehicles based on refuelling and mileage, and with reference to the upper limit of the fuel consumption standard, establishing a unified vehicle performance assessment ledger to manage fuel consumption of official vehicles systematically.



- * Conduct monthly analyses by establishing gas consumption accounts to promote accurate statistics on natural gas consumption and use, to reduce energy wastage and improve energy utilisation efficiency.
- * Address problematic pipelines in a timely manner through regular inspections of natural gas appliances and pipelines to prevent natural gas leakage and inefficient combustion due to faulty equipment.
- * Switch off valves in time during daily use, rationally regulate natural gas usage based on actual needs to reduce gas wastage.



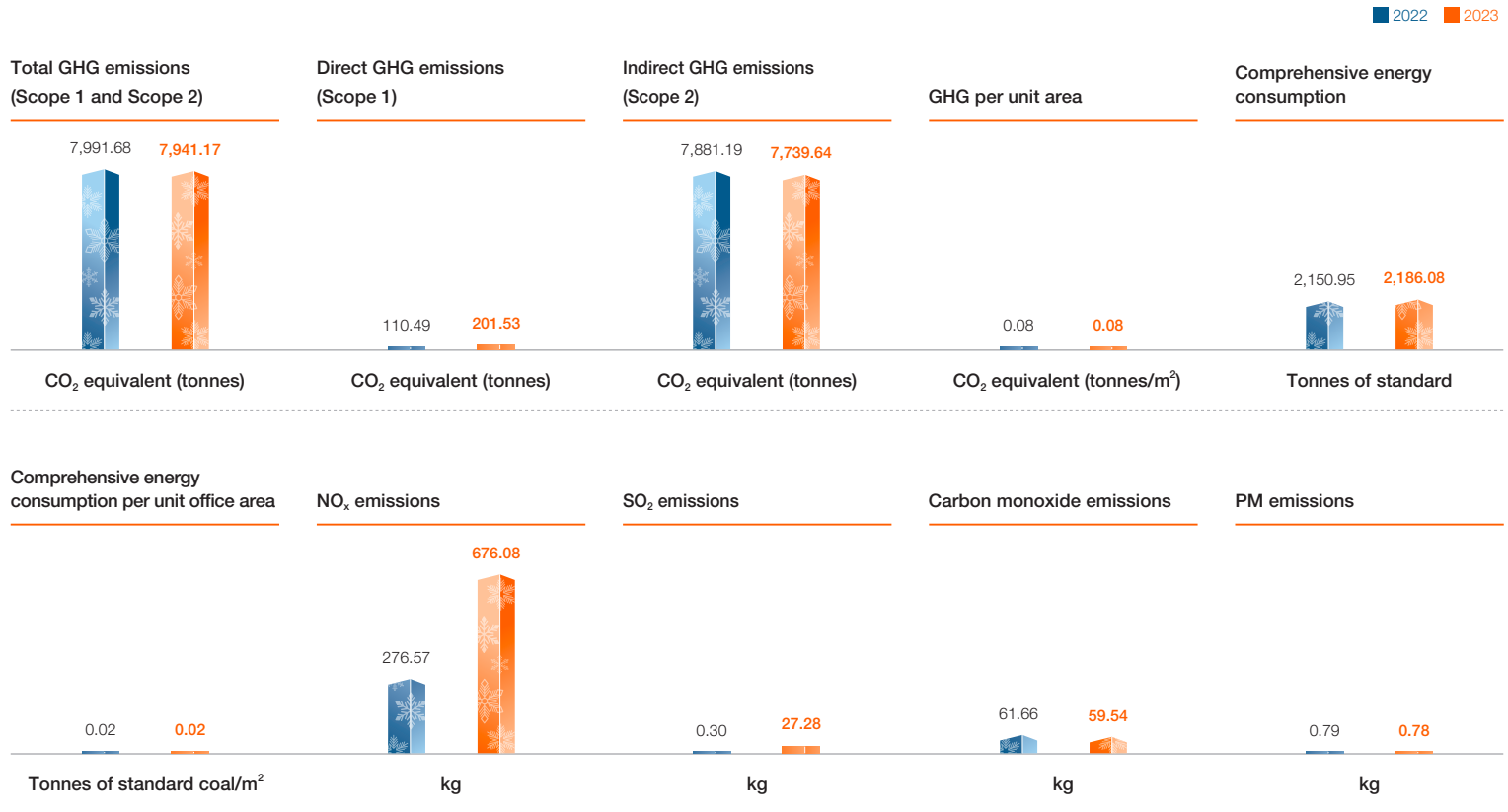
- * Reduce pre-dinner food waste generation through rational processing and control of raw materials used in catering. To avoid excess food preparation, process and set the food portion according to the daily needs. In addition, active launch the “clean plate campaign” to supervise and encourage employees to save food and reduce food waste generation.
- * Strictly implement the official dining system, tightly control reception standard according to regulations, exercise strict economy, and enhance the official dining management.
- * Further deepen the process of disposal of electronic information product waste, and maximise the value of electronic equipment by decomposing effective parts and components of the electronic equipment for reuse, reducing the environmental requirements for reuse, and donating them for reuse.



- * Regularly inspect, repair and maintain water equipment to eliminate the phenomena of running, bubbling, dripping, leaking and long-running water, reduce the water resources wastage, and improve the management level of water equipment in the head office building.
- * Choose water-saving appliances for new or replaced water equipment, increase the utilisation rate of water-saving appliances, and gradually install sensor taps in all office restroom areas of the head office building.



Resources Consumption and GHG Emissions (Head Office Scope)



Notes:

- The data in 2023 is based on the energy and resource consumption of the head office and the area used by the head office.
- The sources of air pollutant emissions include the use of stationary and mobile sources. Emissions from stationary sources are calculated in accordance with the First National Pollutant Census Manual for Urban Source Discharge Coefficients; emissions from mobile sources are calculated in accordance with the Technical Guidelines for the Compilation of Air Pollutant Emission for Road Vehicles (Trial).
- GHG emissions data is presented on a CO₂ equivalent basis and is accounted for with reference to the Environmental, Social and Governance Reporting Guide (2022) of The Stock Exchange of Hong Kong Limited, the Guidebook on the Methods of Accounting and Reporting Greenhouse Gas Emissions for Corporations Operating Public Buildings (Trial) issued by the National Development and Reform Commission, the General Guidelines for the Comprehensive Calculation of Energy Consumption (GB/T-2589-2020) issued by the State Administration of Market Supervision and Administration and the State Standardisation Administration, the 2006 IPCC Guidelines for National Greenhouse Gas Inventories issued by the United Nations Intergovernmental Panel on Climate Change and the Circular on Doing a Good Job in Managing the Reporting of Greenhouse Gas Emissions by Enterprises in the Power Generation Sector for 2023-2025 issued by the Ministry of Ecology and Environment of the PRC.
- Direct GHG emissions mainly come from natural gas, gasoline and diesel consumption.
- Indirect GHG emissions mainly come from the consumption of purchased electricity, purchased heat and fresh water. The data for 2022 have been updated in parallel with the new GHG emissions from purchased heat during the year.



Head Office

2021 2022 2023



Office paper consumption (tonnes)

13.11 13.30 13.11



Electricity consumption (kWh)

7,044,280 6,479,800 6,013,400

Electricity consumption per unit office area (kWh/m²)

68.41 63.49



Water consumption (tonnes)

31,520 25,110 30,710

Water consumption per unit area (tonnes/m²)

0.27 0.32



Natural gas consumption (cubic metres)

50,158 27,426 67,388



Sewage discharge (cubic metres)

31,520 25,110 30,710



Toner cartridges used (pieces)

232 189 179



Diesel consumption (litres)

2,175 2,125



Gasoline consumption (litres)

28,278 20,441.79 22,180.7

Gasoline consumption from office vehicles (self-owned)



Harbin Branch



Office paper consumption (tonnes)

102.17 137.68 141.51



Electricity consumption (kWh)

6,941,449 7,066,858 6,234,114



Water consumption (tonnes)

40,504.65 51,064.24 43,492.61



Diesel consumption (litres)

621.89 1,193 0



Gasoline consumption (litres)

88,272.97 27,446.84 199,150.52



Natural gas consumption (cubic metres)

14,924.63 12,531.28 12,755.02



Sewage discharge (cubic metres)

36,898.76 44,859.58 40,757.82



Toner cartridges used (pieces)

9,446 7,807 7,304

Case

Chengdu and Chongqing Branches of Harbin Bank: approved by green banking network service certification for the first time

During the Reporting Period, the Bank regarded the development of green service outlets as one of the main channels for practising “Finance for the People” and further enhancing its green financial services. In the 2023 national bank network service certification, the Chengdu and Chongqing branches passed the green bank network service certification for the first time, resulting the Bank as the first financial institution in the Northeast region to be certified for green financial services. For service environment, the two outlets installed charging stations for new energy vehicles, motion sensor lights and LOW-E glass to reduce energy and carbon consumption, thus facilitating efficient use of energy; for service functions, the outlets streamlined their business processes, promoted the reform of paperless counter services, and set up fast-tracks to prioritise green financial services; for social responsibility, the outlets set up low carbon and environmental protection publicity and education zones, and promoted the concept of environmental protection, ecological benefits, energy saving and emission reduction among customers, which served as an exemplary leading role; for internal training, the outlets actively stepped up training for employees on green and low carbon operations, and played a leading role in promoting the concept of green and low carbon operations; for internal training, the Bank have progressively strengthened training on green and low-carbon operations for our employees, instructing them on the proper use, maintenance and management of on-site green facilities, with aim to promote green development philosophy among our employees. Meanwhile, the Bank also reinforced energy saving and emission reduction, promoted green travel and encouraged employees to use public transportation.



Harbin Bank Consumer Finance, a subsidiary of the Bank, continued to promote low-carbon operation. Harbin Bank Consumer Finance officially opened for business in April 2017. It is the 19th licenced consumer finance company in China with the Bank as the main promoter, and is committed to building a consumer finance company that “Makes Life Better for People”. As at the end of 2023, total assets of Harbin Bank Consumer Finance amounted to RMB21.374 billion, representing a year-on-year increase of 40.27%; loan balances amounted to RMB20.267 billion, representing a year-on-year increase of 34.46%; and operating income amounted to RMB1.233 billion, representing a year-on-year increase of 19.59%.

Harbin Bank Consumer Finance has always been committed to promoting sustainable development, progressively exploring low-carbon operations and business models, and pushing forward the research and development and application of cutting-edge technologies such as artificial intelligence, big data and cloud computing. By building capacity in digital intelligence, the company strives to promote an improved green and inclusive financial services, so as to provide customers with more environmental friendly and sustainable financial solutions. In order to promote green financial services, we have integrated informatisation, automation and intelligence into our business operation model, with an aim to build an all-channel, seamless and paperless customer contact channel covering APP, H5, mini programmes, official accounts, API, etc. The Bank enables fully automated and intelligent decision-making and management systems over the customer lifecycle using advanced technologies to improve processing efficiency, optimise customer experience, and constantly reduce energy consumption. In 2023, the number of digitised contracts signed online reached 23.00 million, representing a total of 174 million pages, and saved approximately 760 tonnes of paper and paper-based products. The company advocates and promotes a “paperless” green campaign involving all employees, and proactively implements a fully automated online paperless workflow, which resulted in a completion of 15,200 online workflows in 2023 and saved approximately 228,000 paper sheets, with an aggregate of 456,000 sheets of paper saved, representing an aggregate saving of approximately 2.1 tonnes of paper and paper-based products.



Green charity: Practise green civilisation in concrete actions to illuminate low-carbon lifestyle

During the Reporting Period, the Bank constantly focused on environmental protection to promote green and low-carbon lifestyles by leveraging on the “Happiness Community” development program, which was jointly launched with Harbin Bank Charity Foundation. In addition, certain branches of the Bank also progressively organised activities such as tree planting, hiking, and urban environmental clean-up to implement the green and environmental protection philosophy and create a civilised and healthy life.

Case

On 10 March 2023

Chongqing Branch conducted the party daily activity on Arbour Day theming at “New Journey for Planting with You”.



On 29 March 2023

Harbin Bank Charity Foundation, Technology and Professional Branch Bank in Harbin New District, Yangguang Social Workers, Rongchuang Community, and Social Work Station of Songxiang Community jointly organised the theme activity of “Happy Community, Starting with Me” featuring garbage separation and smart technologies.



On 12 July 2023

Qiqihar Branch launched the 2023 Energy Saving Promotion Week Walking Activity for Public Institutions in the Province at Sunshine Culture Park. The walk activity covered a total of 5 kilometres distance participating by the members of the branch management team, all middle-level cadres and some young employees.



On 19 August 2023

Suihua Branch joined hands with the Communist Youth League Suizhou Municipal Committee to launch the “Beautiful China, Youth Action” city-wide volunteer service activity.



On 26 and 27 October 2023

Shuangyashan Branch organised Party members to carry out the volunteer service activity theming at “cleansing small advertisements to protect environment”.



The Bank's total expenditure
on social charity initiatives was

RMB **17.2031** million



Our Social Responsibility Management



Talent team build-up
Supply chain management
Product responsibility
Anti-money laundering and anti-corruption
Community investment and voluntary culture



In 2023, while strictly implementing the requirements of the Environmental, Social and Governance Reporting Guide of the Hong Kong Stock Exchange, the Bank continued to improve ESG management, deepen the brand connotation of “Trust, Warmth, Connected and Commitment”.

During the Reporting Period, the Bank commenced a full-scale talent team building program to reinforce its talent development strategy. The Bank constantly focused on employees’ health and safety by refining its internal management mechanism, improving employee compensation and welfare protection, setting a clear direction of “valuing practical work and commitment”, emphasising talent recruitment and sustainable cultivation, thereby creating a corporate culture system centred on “compliance, stability, innovation and development”. The Bank focused on cultivating a healthy work style of being down-to-earth, hard-working and truth-seeking, and pushed forward with capability and work style building by leveraging the “Year of Work Implementation” initiative. By concentrating on our main duties and responsibilities, the Bank always considering providing financial services that meet societal needs, especially local needs, as our top priority. In addition, the Bank will accelerate the building of digital inclusive finance and well-being finance system, engage in ongoing public welfare and charity activities to fulfil its social responsibility.

In 2023, the Bank ranked 183rd in the “Top 1000 World Banks 2023” according to The Banker of United Kingdom; 264th in the “2023 Top 500 Banking Brand Value List” of Brand Finance (a famous UK-based branded business valuation consulting firm); 41st in the “2023 China Banking Top 100 List” of the China Banking Association. The Bank is honoured with the “2022 Excellent News Award in Serving Agriculture, Rural areas and Farmers for Banking Financial Institutions” issued by the China Banking Association, the “2023 China Financial Institutions Golden Prize List • Golden Dragon Prize – Best Bank of the Year for Rural Revitalisation Services” issued by the Financial News, and the “21st China Finance Billboard: Socially Responsible Pioneering Bank Award” issued by Hexun.com. In the 37th Global Best Annual Report Competition (2023 ARC Awards Competition), the Bank was honoured with “Best in China”, “Best Interior Design”, “Gold Winner of Interior Design” and other awards. In addition, the “Good Life Account” product launched by the Bank was awarded the “2023 Best Deposit Product in Regional Finance Award” China Awards issued by the Asian Banker.



News link:

Harbin Bank was awarded the “2023 Best Deposit Product in Regional Finance Award” China Awards issued by the Asian Banker
http://www.hlj.xinhuanet.com/zt/2023-08/04/c_1310735524.htm

Talent team build-up: The Bank will deeply care for employees' health and safety and career progress by building a harmonious working environment and development atmosphere

The Bank strictly complies with the Labour Law of the People's Republic of China and the Law of the People's Republic of China on Employment Contracts and other related laws and regulations regarding employee compensation and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination and other benefits.

Guaranteeing the physical and mental health as well as legitimate rights and interests of the employees. The Bank strictly abides by the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, the Social Insurance Law of the People's Republic of China, and other laws and regulations, and formulates internal regulations such as the Compensation Management Measures of Harbin Bank, the Management Measures of Harbin Bank for Deferred Payment and Recover of Performance Bonus and Compensation (Revised), the Measures for the Management of Employee Benefits Leave of Harbin Bank and other relevant implementation rules, and establishes scientific and reasonable salary management mechanisms which aligns with development strategies, risk management, overall efficiency, position responsibilities, social responsibilities, and corporate culture coupled with the remuneration system consisting of fixed remunerations, variable remunerations and welfare incomes and the adoption of the deferred payment of performance-based remuneration for senior management and other employees whose positions have an important impact on risks, with a view to integrating their positional responsibilities with their risk management responsibilities. In addition, the Bank will recover the performance remuneration of senior management and other key staff whose behaviours of obvious negligence or failure to fulfil their prudent management obligations led to the risk exposures beyond the limited levels within the scopes of their duties.

The Bank keeps enhancing the protection of the rights and interests of employees by honouring their legitimate rights and interests with the opposition to any form of forced labour and discrimination, and strictly following the relevant policies of the state and local governments to properly set the working hours of employees and protect their rights to rest and leave. In addition, our employees are provided with legal entitlements such as annual leave, marriage leave, and maternity leave, among others. The Bank also protect the rights of our employees to enjoy equal promotion by adopting the performance appraisal results bonus system, under which the results of the annual performance appraisal are directly credited into bonus points, which can be used to exchange their qualification for promotion of ranks or salary grades, thus to ensure a "fair, open, and transparent" promotion regime for all ranks and salary grades, and all employees eligible are entitled to enjoy promotion. In 2023, over 2,800 employees achieved promotion in their ranks or salary bands. The Bank strictly abided by the relevant national laws and regulations and complete recruitment procedures fairly, justly, and openly and ensure that all employees sign labour contracts. During the recruitment process, the Bank rigorously checked the identity documents of the applicants to prevent forced labour or child labour. Employees who have not reached the retirement age stipulated by the state but voluntarily retire from their positions 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 have reached state-mandated retirement age. In 2023, the Bank's days of absence due to work was 176 days, involving a total of 5 employees in Harbin Branch, Chengdu Branch and Tianjin Branch. In addition, the number and rate of work-related fatalities occurred in each of the past three years (including the Reporting Period) were both zero.



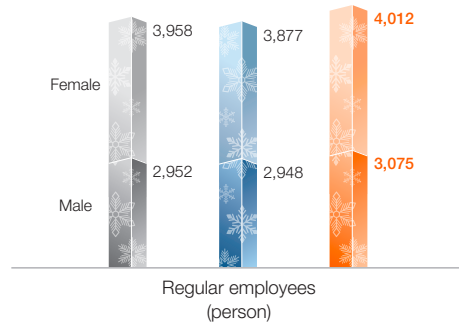
In 2023, the Bank thoroughly implemented the spirits of the important discussions and key instructions of General Secretary Xi Jinping on production safety by firmly bearing the political responsibility for safety work, solidifying the main responsibility by level, forming an interdependent chains of responsibility, strictly implementing the construction of security standards, constantly promoting the implementation of various security measures and safety management work, and practically guaranteeing a compliant safety work for operating sites. Also, the Bank constantly improved fire safety management and fire safety awareness, and strictly uphold the red line of non-fire accidents. We constantly optimised the fire emergency plan, promptly updated plan contents, enriched the pre-set scenarios, clarified role assignments, and carried out fire drills at all levels of the head office, branches and sub-branches based on site-specific conditions, so as to practically improve the ability to handle emergencies and the coordinated response capability of all employees, and uphold the bottom line and ensure safety by resolutely eliminating fire accidents. Meanwhile, the Bank also paid attention to water safety, environmental safety, electricity safety and food safety by focusing on the trivial matters to prevent potential risks.

Endeavouring to build a home for employees and protect their democratic rights and interests. During the Reporting Period, the Bank convened four employee representative meetings, at which eight proposals were considered and approved, including the Administrative Measures for Subsidiaries of Harbin Bank (Trial), the Regulations for the Formulation of the Work-Matching Programme for the Customer Manager Grade, the Administrative Programme for the Revision of Total Annual Performance Salary of Branches, the Administrative Measures for the Revision of Employee Performance of Harbin Bank, the Regulations for the Formulation of the Guiding Opinions on the Employee Performance Assessment of Harbin Bank for 2023, and by-elected two employee supervisors. During the Reporting Period, “I Offer My Advice for Harbin Bank’s Development” and other reasonable suggestions were launched in line with the Implementation Plan on Discussing Harbin Bank’s Promotion of High-Quality Development with Emancipation of Thoughts, which extensively pooled together employees’ wisdom to offer advice and suggestions for the reform and development of the Bank. There were a total of 59 suggestions and recommendations in terms of business development, technological empowerment, process optimisation, manpower and organisational management, corporate culture construction, education and training, among others, of which 46 have been implemented and 13 have been included in the long-term planning.

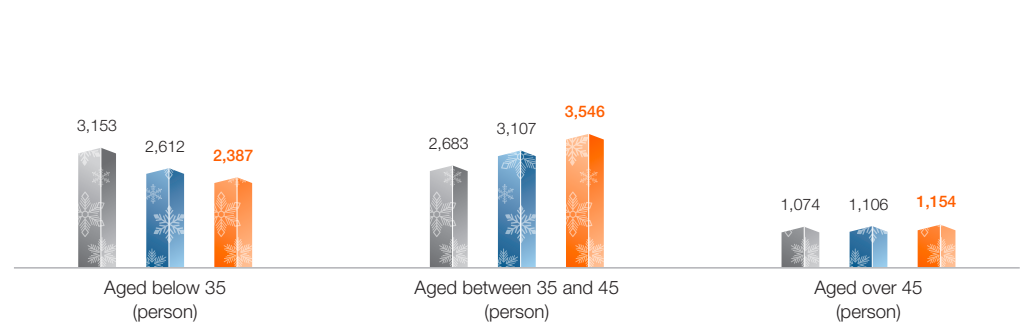
Establishing a multi-dimensional development system to promote the career development of our employees. During the Reporting Period, the Bank placed the talent team building at a strategic level by implementing three talent development programs of “new staff training”, “staff growth” and “top talents development”. Focusing on the development needs of the Group, the Bank emphasised the training needs of staff from different levels with respect to post competency and core capability improvement, particularly focusing on the “two new” groups, namely new recruits and newly promoted managerial staff. The Bank continued to advance the professional capabilities of the staff by initiating the “Ten Hundreds” construction project and creating the “Embark, Endure, Guide, Escort, Voyage, Cruise, Pilot” training system with online and offline integration for further creation of excellent training programs. During the Reporting Period, the annual training completion rate and coverage rate reached 100%. In 2023, the Company (excluding subsidiaries) arranged 673 training sessions in total, including 545 internal training sessions, and 128 external training sessions for selected staff of the Company, accumulating a total training duration of 3,785 hours.



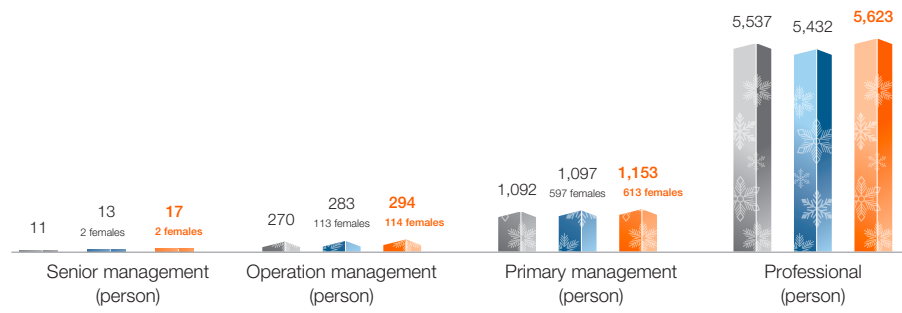
Total number of employees by employment type/by gender



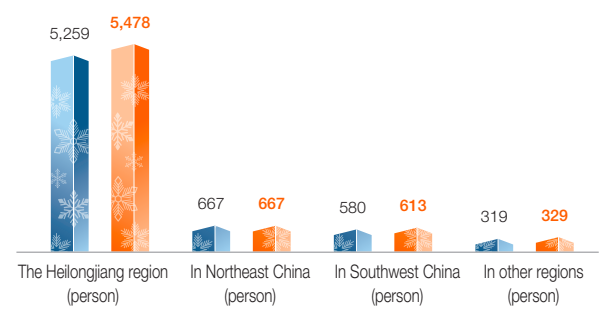
Total number of employees by age group



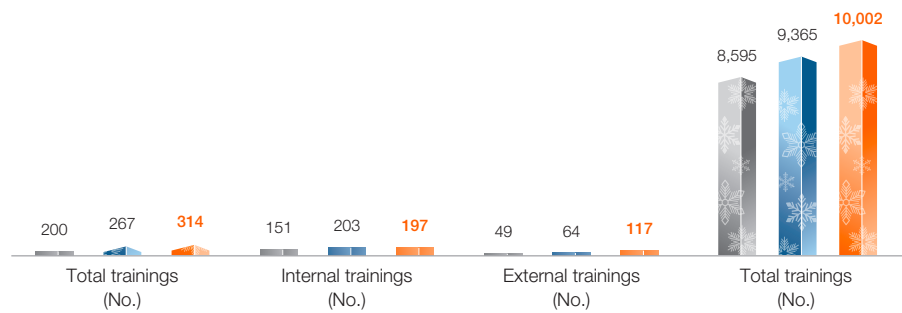
By rank



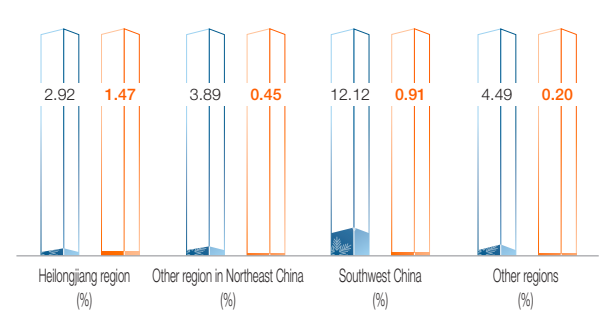
By geographical region



Training of departments of the head office of the Bank



Employee turnover rate by geographical region

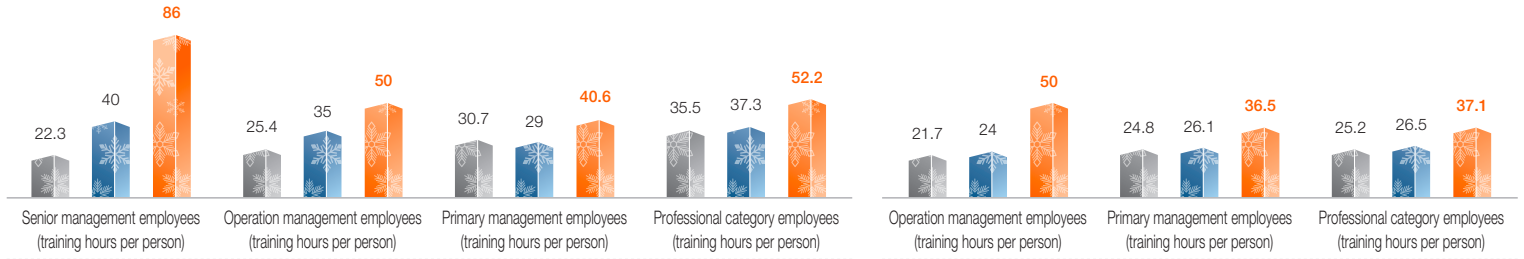


Training hours per capital by employment type

■ 2021 ■ 2022 ■ 2023

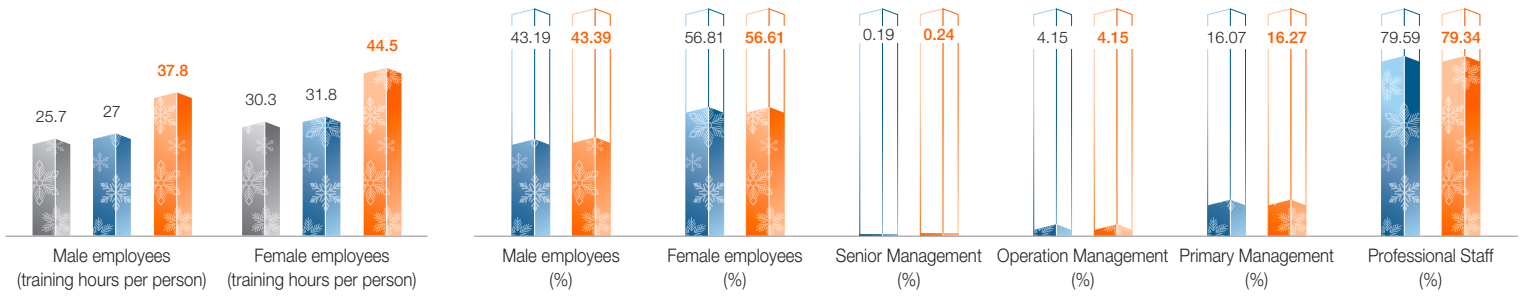
Head office

Branches



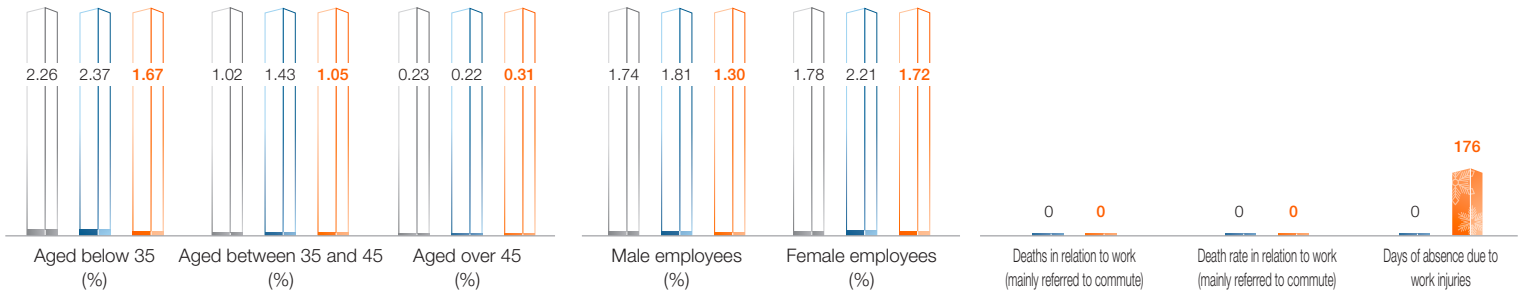
Average training hours by gender

The percentage of employees trained by gender and employee category (number of employees trained in the category/total number of employees trained during the Reporting Period)



Employee turnover rate by age group

Employee turnover rate by gender



With the Party building as a banner to guide the restructuring and upgrading of corporate culture. Harbin Bank has built a corporate culture system of “compliance, stability, innovation and development” and issued the Three-Year Plan Implementation Programme on Reshaping Harbin Bank Corporate Culture to provide ideological assurance, spiritual impetus and cultural supports for revitalising entrepreneurship. The Bank has also organised cultural creation activities by launching a series of corporate culture co-construction activities and showcasing its achievements, and organised 24 sessions of the “Talks on Culture” column to fully guide and encourage all employees to participate as protagonists in co-creating the corporate culture. The Company organised a corporate culture debate competition entitled “Describe the Development Journey of Harbin Bank and Debate the Young Talent Voice” to promote culture via activities and facilitate development via culture, with a view to deepening the new corporate culture philosophy in people’s minds. The Company also held an exhibition of works theming at “Calligraphy to Build Culture and Shape the Future”, collecting more than 500 works in calligraphy, painting, photography, handicrafts, literature, and other audio and video categories. The Company constantly promoted the construction and operation of the “Culture and Art Exhibition Centre”, and broadcast a total of 54 sessions in the weekly news column, namely “Panoramic View on Harbin Bank”.

During the Reporting Period, the Bank paid close attention to the pioneering role of Party members and business backbones when deepening the Bank’s brand connotation of “Trust, Warmth, Connected and Commitment”, and focused on creating a positive corporate atmosphere to enhance employees’ sense of belonging and honour. The Bank organised and launched activities such as the selection of advanced groups and individuals for 2022, the 2022 “May Fourth” Award for outstanding achievements, the 19th Post Skills Competition and the first “Anti-Money Laundering” Knowledge Competition, which fully demonstrated the spirit of dedication and devotion of the Bank’s employees and their commitment to pursuing excellence and the progressive spirit and charisma of the era. Meanwhile, the Bank has progressively organised a wide range of cultural and sports activities. The “Harbin Bank Book Garden” located in the head office building remains open to employees daily, and the long holiday (Spring Festival/National Day) brand activity “Reading Plan” launched by the official Weibo of the Bank is constantly ongoing, allowing employees from all levels to share books with friends while demonstrating to the public a reading atmosphere in Harbin Bank. The second badminton tournament and the first Taichi Boxing performance tournament were held at the head office, and employees were supported to participate in marathon races.





In 2023, the Bank also continued to promote its campaign philosophy of “Accompany All the Way with Customers and Employees” through posters on the 24 Solar Terms. As a distinctive symbol of Chinese culture, the 24 Solar Terms carry the genetic code of Chinese civilisation and highlight the wisdom and spiritual pursuit of the Chinese nation. By designing and distributing 24 exquisite posters across the year, along with a year-end retrospective video of the 24 Solar Terms posters, the Bank enriches the employees’ daily cultural life, while embodies Harbin Bank’s continuous and intimate companionship with its employees.



Supply chain management: Focusing on the whole chain by constantly stepping up the standardised management of suppliers

During the Reporting Period, the Bank revised the Measures for Centralised Procurement Management of Harbin Bank to further standardise the centralised procurement standards and procedures. During project procurement, the Bank comprehensively assess the implementation ability of suppliers based on factors such as business reputation, professional service, etc., promptly issue the notification of winning the bid to qualified suppliers and sign procurement contract. The Bank promptly track the performance of suppliers, conduct annual supplier performance evaluation. The Bank strengthened the management of suppliers, investigated whether suppliers have been listed as dishonest judgement debtors, or subject to abnormal operation, and ensured that suppliers actively perform their social responsibilities.

In 2023, there were a total of 273 cooperative suppliers for centralised procurement of the Bank. According to regional division, there are 128 in Northeast China, 62 in North China, 40 in Southwest China, 25 in East China and one in Central China.



Product responsibility: Centring on customers, the Bank will firmly uphold the political and people-oriented nature for financial work

In 2023, the Bank fully recognised the importance of inclusive finance in improving people's livelihoods and promoting the real economy. The Bank specifically clarified the main content of "inclusive finance", which is the first major issue at the beginning of the year, to be "supporting real economic development, facilitating rural revitalisation, and enhancing products and services through financial technology". During the Reporting Period, the first major issue was implemented on all fronts. On the one hand, the Bank proceeded to adjust the credit structure by guiding credit funds to return to their local origins and enhancing the quality and efficiency of its services to the real economy in its entirety. On the other hand, the Bank adopted various measures to enable Heilongjiang Province to steadily assume the responsibility of safeguarding national grain safety by serving as the "ballast", to promote the county-level economic development and the financial market prosperity to staunchly support rural revitalisation. Meanwhile, the Company has made full use of cutting-edge financial technology to accelerate the digital transformation of inclusive financial services, striving to enhance the coverage, accessibility and satisfaction of inclusive financial services. As of the end of 2023, the balance of the Bank's microcredit loans reached RMB197,866.5 million, representing 61.2% of the Bank's total loans to customers.

Financial assistance to enterprises in difficulty: Constructing a long-term service mechanism for small and micro private enterprises and further enhancing the practical effects of financial support by keeping abreast of the national policy direction



Harbin Bank adheres to the positioning of serving the local economic development by stepping up proactive visits and service matching, and reaching out to the full-scale diversified financial needs of inclusive customers in terms of the whole life-cycle pattern of small and micro customers and the features of customer group segments. In line with the operating features and financing needs of inclusive small and medium-sized customers, we iteratively optimised a number of standardised inclusive credit products, such as Express Business Loan, Micro Loan and Jinshui e-Loan, to meet the financing needs of small and medium-sized enterprises at different stages. We conduct in-depth analyses of customers in industries such as "pharmaceuticals", "purchase of agricultural machinery", "food trade" and "environmental protection". Based on their operating characteristics and financing needs, we have created precise customer profiles and formulated differentiated and specialised financial service plans. In order to solve the financing difficulties of small and medium-sized enterprises, we have progressively participated in loan investment for "assisting enterprises and stabilising jobs", focusing on supporting small and medium-sized customers for resumption of work and production in catering, accommodation, wholesale and retail industries, and have invested a total of RMB18.8 billion loans for "dual stabilisation", which has helped stabilise jobs for over 10,000 positions for more than 2,000 enterprises. The Company constantly provided "one-stop" guaranteed loan financial services for business start-up to college graduates, veterans and urban unemployed, among others, and granted a total of more than RMB3.3 billion of guaranteed loans for business start-up, favouring nearly 50,000 market entities, which provided financial support for expanding employment, promoting business start-ups and improving people's livelihoods. During the Reporting Period, the Company granted RMB28.2 billion in inclusive small and micro-enterprise loans, and the number of customers were 210,000 at the end of the year, with an average pricing of 7.31% of the loans granted during that year, which achieved the full-scale objective of "Two Growths, Two Controls".

Finance benefiting rural area: Accelerating product and service innovations, boosting the implementation of the “rural revitalisation” strategy and promoting the modernisation of agricultural and village construction

Harbin Bank has been implementing the strategic arrangements for the full-scale promotion of rural revitalisation and the acceleration of the construction of a strong agricultural country by assuming the responsibility of steadily facilitating the national food security by Longjiang serving as the “ballast”. Under the objectives of “preserving both harvest and spring ploughing”, we have ensured the priority of ploughing loan investment in advance, and the reserved amount of spring ploughing loan investment granted has already exceeded RMB12.0 billion this period. We insisted on cultivating and supporting the transformation of small farmers into new agricultural entities, with the proportion of investments in new agricultural entities reaching 90%, resulting a “triple rise” in such proportion, and effectively facilitating the transfer of more than 20% of large-scale land in Heilongjiang Province. The Company also promoted the technological transformation in agricultural loans, constantly promoted smart agricultural loans, and upgraded to Version 5.0 for online farmer-benefiting product “Agricultural Flash Loan”, with a total of RMB4.6 billion invested in the product. With the development of modern agriculture as the main direction, centring around featured agriculturally related customer groups of three main lines featuring “grain, agricultural machinery, livestock and poultry”, Harbin Bank launched the “Autumn Action for Harbin Bank’s financial support for the upgrading of the agricultural industry in Longjiang”, to assist Heilongjiang Province in building a cluster of deep processing for agricultural products. In 2023, the Bank was the sole city merchant bank in Northeast China from the Northeast region listed in the “2023 China Financial Institutions Golden Prize List • Golden Dragon Prize” issued by the Financial News, winning the “Best Bank of the Year for Rural Revitalisation Services” for the second consecutive year.

Harbin Bank Financial Leasing has fully organised and opened up the key points of its agricultural machinery business by constantly upgrading the digital intelligence of its agricultural machinery leasing business, creating online service channels for quick response and efficient services, and enhancing its ability to provide services to farmers. We have progressively built an information technology system with retail features to improve decision-making and management efficiency and enhance customer experience. By building a technology platform with stable operation, strong innovation capability, flexible structure and scientific management, the Bank will be able to adapt to and support the needs of diversified business scenarios and provide strong technical backing for the ongoing development of its agricultural machinery leasing business. The Bank also paid a further attention to the application of new digital technologies such as block chain and Internet of Things in the financial sector, and constantly empowered the whole life cycle of its agricultural machinery leasing business services by leveraging its technology system and digital technologies. Focusing on benefiting and supporting agriculture, Harbin Bank Financial Leasing, with agricultural machinery as the platform, has constructed a financial ecosystem for agricultural machinery leasing, assisted farmers to enhance their ability to purchase agricultural machinery, and the recovery rate of accounts of small and medium-sized enterprises at the production and marketing ends of agricultural machinery, so as to further enhance the service ability to serve the entire agricultural machinery industry chain. The Company has enhanced negotiations with manufacturers and distributors, strived for price reductions and concessions for farmers on the basis of transparent market prices, and provided customers with more convenient and low-cost financing solutions for some machine types, which has saved tens of millions of yuan in financing costs for users of machine purchases. Guided by central and local policies such as the policies on enhancing the agricultural development and benefits as well as subsidies for purchasing agricultural machinery, the Company promotes the implementation of these policies with financial support, and fully supports the supply of agricultural machinery and the distribution of machinery in the province during the spring ploughing and autumn harvesting seasons. Over the past five years, the Company has granted more than RMB8.8 billion in farm machinery leasing loans to farmers across the country, thereby supporting farmers in updating their farm machinery and facilitating agricultural mechanisation and modernisation.



As at the end of 2023, the balance of agricultural loans granted by the Bank amounted to RMB27,068.8 million, and the balance of the loans to farmers amounted to RMB14,297.9 million. The business covered the majority of rural markets of 11 cities and six major agricultural cultivation bureaus of Heilongjiang and some rural villages of Chengdu, Chongqing, Shenyang, Tianjin and Dalian outside Heilongjiang Province, greatly promoted the economic development and the prosperity of rural financial markets in the counties.



Consolidating and expanding the achievements in poverty alleviation: Further strengthening the endogenous momentum for development in poverty-stricken areas and people living in poverty

The Bank further promoted the effective connection and smooth transition of financial precision poverty alleviation policies and work systems with financial services for rural revitalisation. By fully considering the actual conditions of the supporting regions and the conditions of the farmers, the Bank focused on the agricultural industrial features to achieve the increase income objectives, and supported, benefited and aided agriculture at the level of the industrial system and production technology. The Company has also enhanced the innovation of financial products featuring rural revitalisation, reinforced technology-enabled financial services, clarified the positioning of the 33 county sub-branches in Heilongjiang Province as professional rural agriculture-benefiting sub-branches, set up professional rural benefit customer service teams, and ensured the matching of staff for rural benefit business development, so as to further improve the quality and efficiency of rural financial services. Meanwhile, the Bank constantly exerted its financial support power in supporting rural education, increasing the poverty-stricken household income, and facilitating centralised purchasing of poverty-stricken products, so as to cement the results of poverty alleviation. As at the end of 2023, the balance of the precise supporting loans of the Bank was RMB330 million.





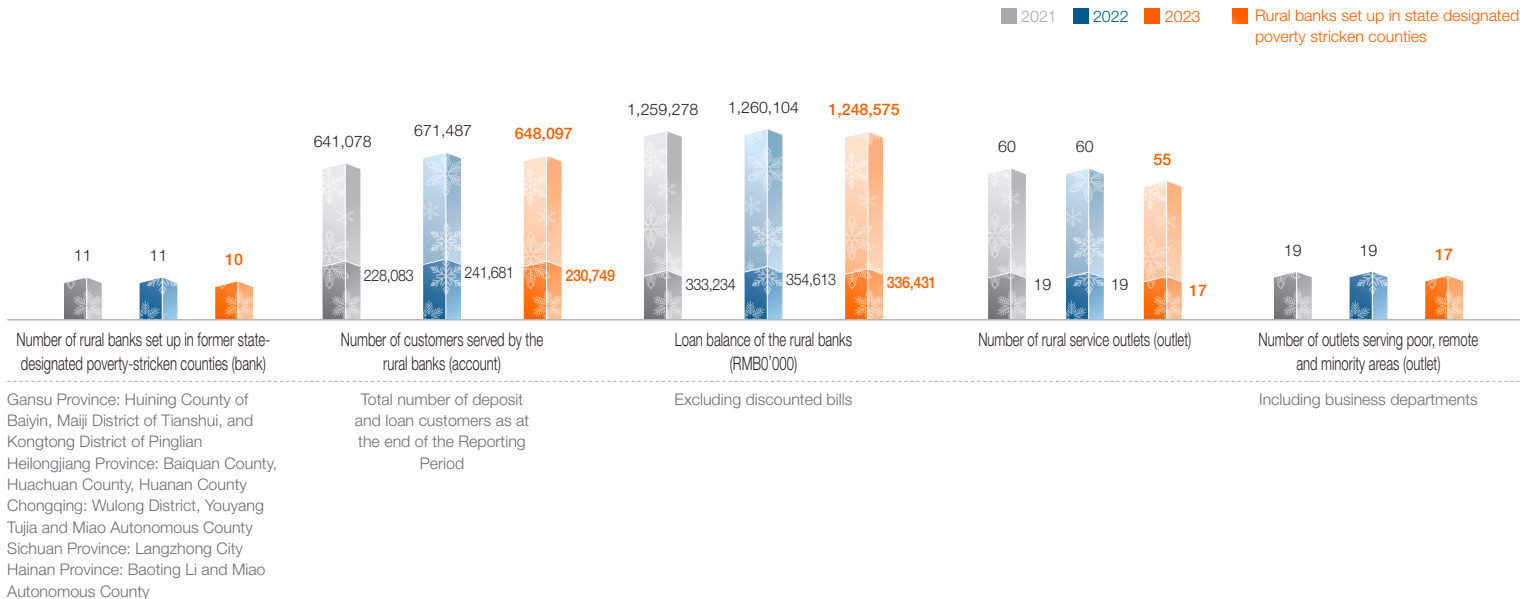
Case

The “Rongxing’s Efforts” Consolidates and Expands the Achievements in Poverty Alleviation

As at 31 December 2023, Harbin Bank has established 30 rural banks in 14 provinces and municipalities, including Beijing, Guangdong, Jiangsu, Jilin, Heilongjiang, etc., among them, 28 rural banks are named by “Rongxing”, so they are represented by “Rongxing’s Efforts” to insist on being locally oriented with trickle-down features and characteristic operations and serving agriculture, rural areas and farmers and SMEs, and enrich county-level financial services, contribute to the local economic development and consolidation and expansion of the achievements in poverty alleviation.

As at the end of Reporting Period, 30 rural banks had 45 branches, 55 rural service outlets; and 17 outlets serving poor, remote and minority areas. Among them, 10 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, Baiquan County, Huachuan County and Huanan County in 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 of the end of 2023, the 30 rural banks had total assets of RMB27.148 billion, the total loans amount of RMB12.486 billion and total customer deposits of RMB21.644 billion, and served 648,097 customers.





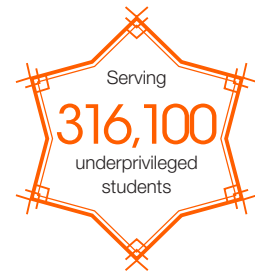
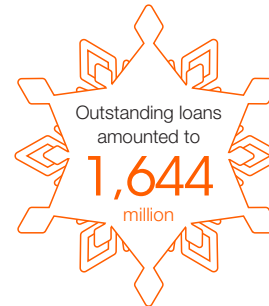
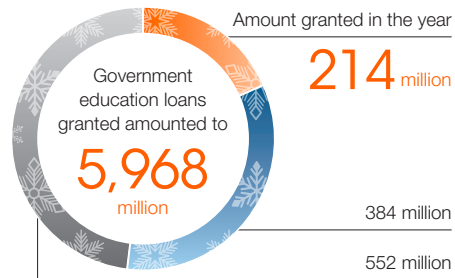
Case

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 bureaus and over 80 schools in 14 regions.

As at the end of 2023, the government education loans granted amounted to RMB5,968 million, of which RMB214 million was granted in the year. Outstanding loans amounted to RMB1,644 million, serving 316,100 underprivileged students. Meanwhile, the Bank has granted Student-Origin Based Loans to graduate students since 2014, assisting nearly 57,100 graduate students with education loans of RMB736 million.

■ 2021 ■ 2022 ■ 2023



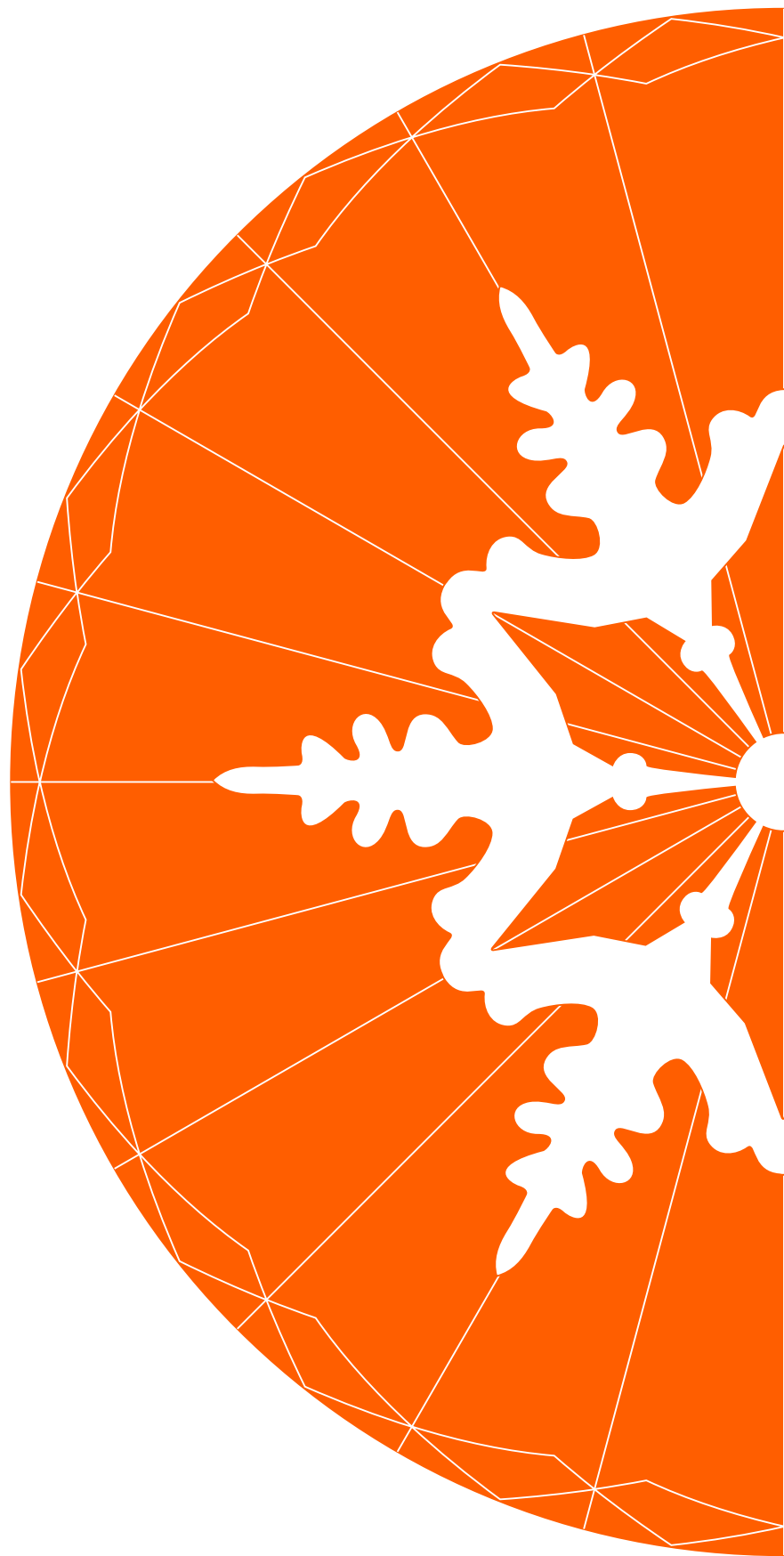
Technology empowerment: continuously optimising digital inclusive financial services, committed to meeting the people's pursuit of a better life and providing efficient and convenient financial service experience

During the Reporting Period, the Bank continued to promote the implementation of the information technology strategy and committed to build its digital banking capacity, accelerated its digital transformation, cultivated new momentum led by science and technology, and created a new pattern of financial services. In accordance with the requirements of the "Digital Inclusive Financial" strategy, the Bank focused on solving the implementation capacity problems in six major areas, namely, application management, event management, production change, data management, information security management and emergency management, and enhancing the scientific of system implementation and management. We formulated the Overall Work Plan for Digital Transformation of Harbin Bank, determined the transformation objectives, and drew up the organisational structure, transformation cycle and main work. We organised special training on digital transformation to clarify the background, objectives, strategies and methods of transformation as well as the ideas of supporting the development of digital economy, so as to lay the ideological and theoretical foundation for the transformation work. At the same time, focusing on the Bank's strategic key products and services, we concentrated on business operation and management, data and technology capacity building, and risk prevention, and determined the key tasks for the transformation, highlighted the key points and difficulties, and focused on practical results.

The Bank actively practised the political and social responsibilities of a city commercial bank, integrated our development into the broader context, picture and strategy of local economic and social development, adhered to the positioning of serving the local economy, urban and rural residents, and small and medium-sized enterprises, and carried out useful explorations in the areas of social security, medical insurance and other livelihood, built a full system of social security card issuance, explored new scenarios of cross-provincial services, expanded the social-banking integrated service, provided multi-channel subsidy inquiry and one-stop comprehensive services for more than 8.6 million insured people. As one of the first financial institutions to cooperate with the Heilongjiang Provincial Department of Human Resources and Social Security in issuing the third-generation social security cards, Harbin Bank has actively responded to the construction of the "all-purpose card" social security card service for the residents, continuously upgraded its product management capability, expanded the coverage of social security card services, enriched the channels for social security card issuance, and promoted the mobile door-to-door issuance of social security cards, which has been extended to enterprises, communities, and rural villages to meet the diverse service needs of the masses; Harbin Bank has become the first city commercial bank in China to open the cross-provincial processing of social security cards in Heilongjiang province by launching the innovative cross-provincial social security card instant processing service model to provide extended social security services for outbound workers, pensioners and sojourners; it has continued to deepen the "government-banking cooperation", hosted the signing ceremony for the "Social Security Bank" integration cooperation in Harbin City, and establishing 51 "social and banking integration service zones" in the region of Heilongjiang Province, it has included 13 categories and 24 high-frequency social security businesses into the scope of business handling in bank outlets; it has continuously broadened the information disclosure channels of subsidies benefiting urban citizens and farmers, and provided the people of Longjiang with inquiry services on policies of subsidies benefiting urban citizens and farmers and individual subsidy information in the hall self-service and on-line channels. As of the end of 2023, 182 social security card service outlets have been established in Heilongjiang province, 7 social security card service outlets have been set up in areas outside the province, 359 card-making machines have been put in place, and 1,217,400 residents have been provided with third-generation social security card issuance and replacement services.







Cases

Harbin Bank became the first city commercial bank in China to open the cross-provincial processing of social security cards in Heilongjiang province

The 20th CPC National Congress points out that the social security system is the safety net of people's lives and the stabiliser of social operation. The Heilongjiang Provincial Party Committee and the Provincial Government, the Harbin Municipal Party Committee and the Municipal Government have always placed social security work in an important position, requiring that practical work for the people be taken as an important part of the thematic education for learning and implementing Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, ensuring that work benefiting the people's livelihoods, warming their hearts, and satisfying the public opinion rooted in the hearts and minds of the masses. To address the difficulties faced by Heilongjiang residents in handling social security business outside the province, under the guidance and support of the Heilongjiang Provincial Department of Human Resources and Social Security, Harbin Bank innovatively launched the cross-provincial instant card issuance service of social security card in Heilongjiang province. Heilongjiang Residents outside the province can handle the whole process of social security card business such as opening, replacing, password maintenance, loss and unlinking of Heilongjiang social security card through Harbin Bank's branches in Dalian, Chengdu, Chongqing, Tianjin and Shenyang, realising the upgrading of the process of social security card handling from "running between two places" to "doing it nearby", which is an effective attempt to deepen "social-bank cooperation" using the Bank's off-site channels.

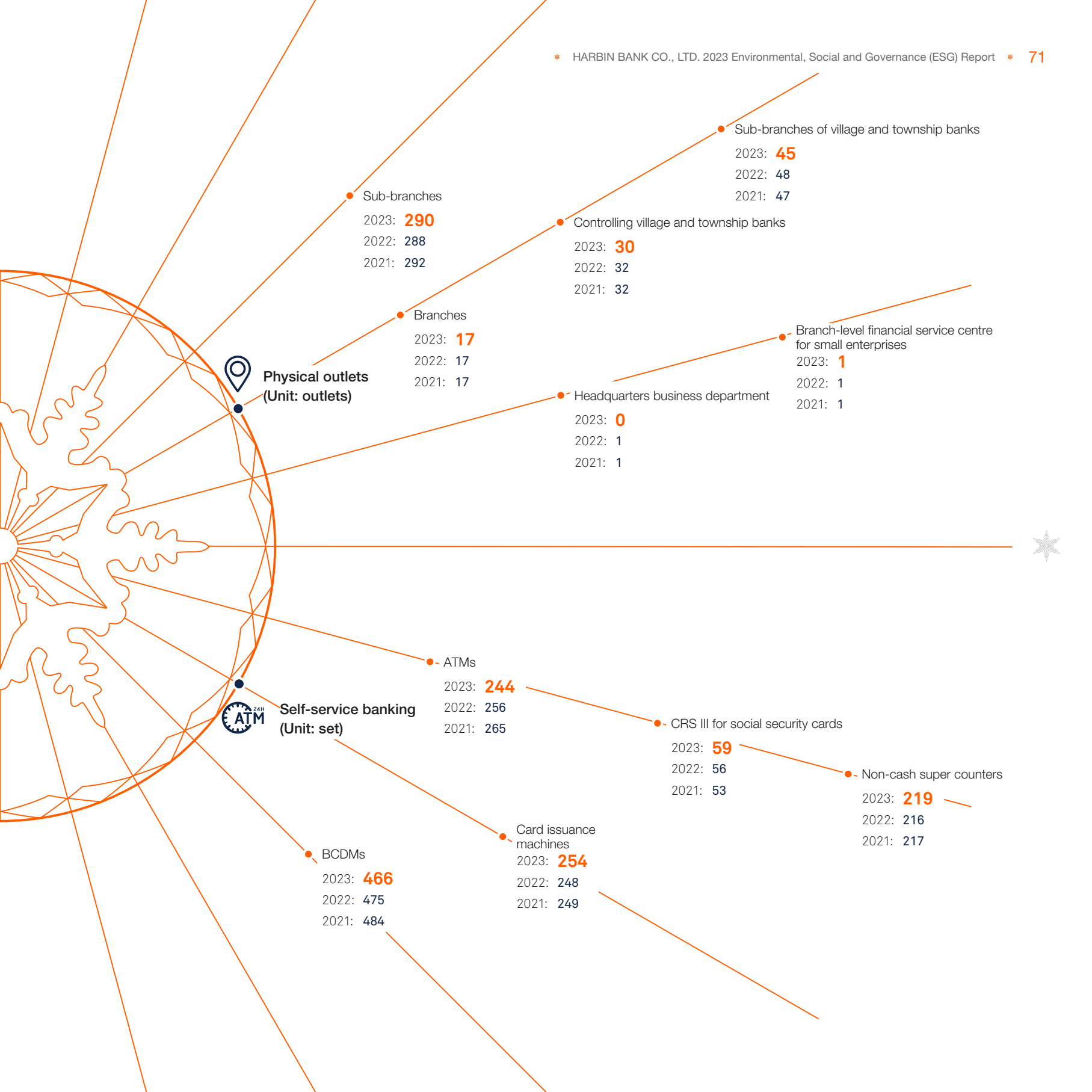


Information table of Harbin Bank's social security card service outlets outside of Heilongjiang Province

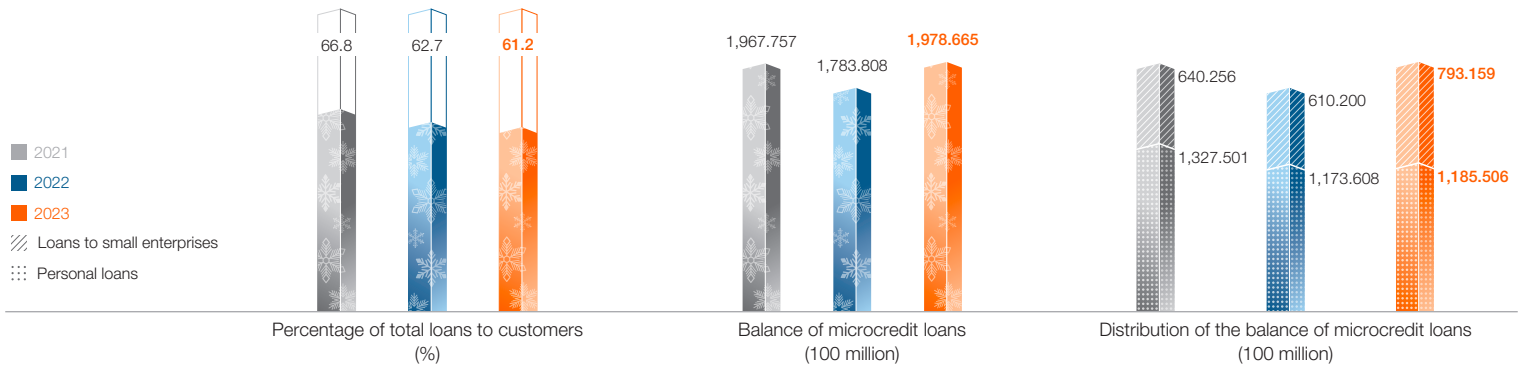
No.	Area	Social security card service outlets	Address
1	Dalian City	Dalian Zhongshan Sub-branch of Harbin Bank Co., Ltd.	Floor 1-2, Yinzhou International Building, No. 11, Qiyi Street, Zhongshan District, Dalian City
2	Dalian City	Dalian Xigang Sub-branch of Harbin Bank Co., Ltd.	No. 240, Zhongshan Road, Xigang District, Dalian City
3	Dalian City	Dalian Development Zone Sub-branch of Harbin Bank Co., Ltd.	Block A, Changlin Business Building, No. 232, Jinma Road, Economic and Technological Development Zone, Dalian City
4	Tianjin	Tianjin-Hebei Sub-branch of Harbin Bank Co., Ltd.	Ground Floor, News Building, No. 88, Kunwei Road, Hebei District, Tianjin City
5	Tianjin	Tianjin-Wuqing Sub-branch of Harbin Bank Co., Ltd.	Area 3, Jingjin Fashion Plaza, East of North Jianguo Road, Wuqing District, Tianjin
6	Shenyang City	Business Department for Shenyang Branch of Harbin Bank Co., Ltd.	No. 3, 200 A, Shifu Road, Heping District, Shenyang City
7	Chongqing	Business Department for Chongqing Branch of Harbin Bank Co., Ltd.	No. 197, Wuyi Road, Yuzhong District, Chongqing
8	Chengdu City	Chengdu High-tech Sub-branch of Harbin Bank Co., Ltd.	No. 661, No. 665, No. 102 attached to Building 2 of No. 669, No. 210 attached to Building 2 of No. 669, South Wanxiang Road, Gaoxin District, Chengdu City
9	Chengdu City	Chengdu Tianfu Sub-branch of Harbin Bank Co., Ltd.	No. 267-269, Shuhui Road, Qingyang District, Chengdu City

During the Reporting Period, the Bank completed the construction of the intelligent double-recording system, the access to the new national health insurance platform, and promoted the construction of the Golden Tax Phase III Project to improve business efficiency and customer service level. The Bank carried out the construction of a new generation of intelligent queueing machine system, strengthened the intelligence of the customer service system of bank outlets, and realised the functions of on-line reservation and number picking for customers, message push, linkage call at outlet counters, etc., which effectively reduces the waiting time of customers. The Bank has completed the upgrading and transformation of its bill trading system and developed on-line self-service discounting products, enterprises users can apply for on-line discounting bills, and the funds will arrive at the account "in seconds", which further provides SME customers with fast on-line financing channels for bills. The Bank also continued to develop service scenarios and developed and applied cutting-edge technologies to improve the customer acquisition, risk control and product operation capabilities of its consumer finance business, thereby expanding the scenarios and customer coverage of its consumer finance services and enhancing its inclusive consumer finance services.

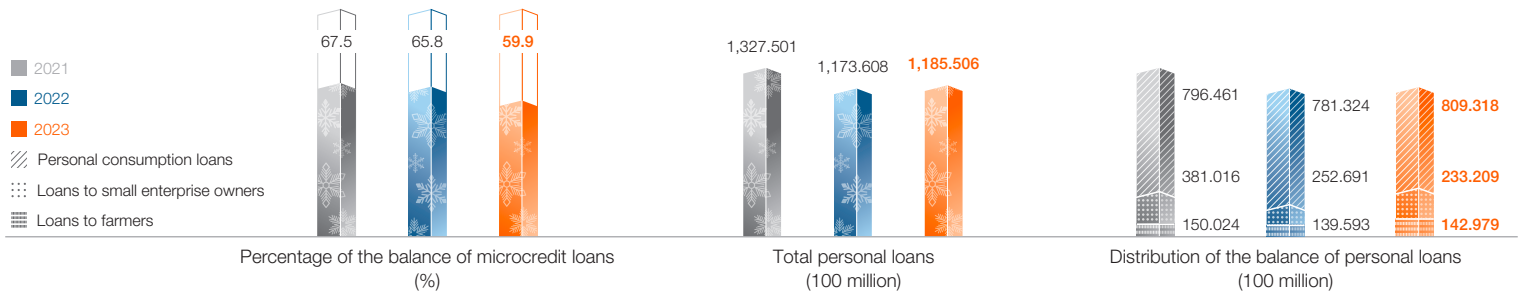




Distribution of the balance of microcredit loans



Distribution of the balance of personal loans





95537/
400 60 95537

The Bank provides customers with 24/7 uninterrupted telephone banking services through the nationwide unified customer service telephone number.



 Credit card



400 66 95537

Customer service number for credit cards



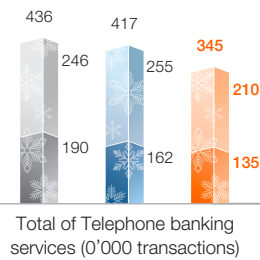
E-members

■ 2021 ■ 2022 ■ 2023

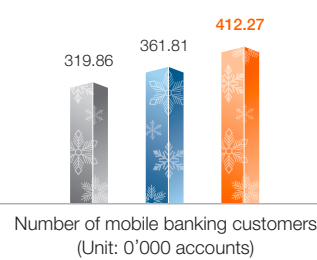



 Telephone banking

■ Remote Banking Centre Processing
■ Credit Card Customer Service Processing




 Mobile banking






 WeChat official account





Deep focus on customer data security to ensure stringent protection of information sharing. In 2023, the Bank strengthened the construction of information security management system, set up additional information security professional team and established information security management process. We constructed the organisational structure of branch technology special posts and sub-branch technology part-time posts to extend tube control to the front line. Policies and preferences for information technology risk were established to enhance the effectiveness of preventive and control measures. We improved the information technology risk indicator system and formed a monitoring indicator database of 44 indicators, which enhanced the monitoring level of risk prevention and control. By constantly strengthening the construction of the Bank's fault recovery plan for critical information systems, as well as conducting emergency combat drills in relation to important business and information systems in an orderly manner as planned, ensuring that the Bank shall continue to operate on an ongoing basis through local and nonlocal fault recovery drills. We established audit and management strategies for the database audit system to realise on-line auditing of important production data, constructed a terminal protection system to promote the construction of a security protection system that includes virus protection, patch management, peripheral management, access management, etc., avoided security risks caused by XC terminals, and realised the deep defence of information security. We carried out network security risk investigation, completed penetration testing of 15 Internet systems, and discovered and blocked 129 phishing websites. We conducted branch information security compliance inspections to enhance the compliance level of terminal security management. We implemented a bank-wide terminal security network access mechanism to effectively safeguard the security of application systems and information. With a focus on channel service upgrading, platform intelligence innovation, customer digital operation and security foundation consolidation, the on-line financial business continued to accelerate the pace of on-line channel construction and operation, while regularly carrying out on-line legal education campaigns and policy explanations, increasing customer privacy protection, safeguarding the legitimate rights and interests of consumers, and comprehensively enhancing the customer service capability of on-line channels.

Continuously enhance the awareness of intellectual property protection among all employees and strengthen the ability of intellectual property risk prevention and control. In accordance with the Administrative Measures for Intellectual Property Rights of Harbin Bank, the Bank conducted a comprehensive review of the bank's intellectual property rights, clarified the current status of the Bank's existing intellectual property management, and enhanced the legality and compliance of the existing intellectual property rights. We organised a thorough investigation of potential intellectual property infringement risks across the Bank, and provided risk tips on relevant operations to reduce the risk of intellectual property infringement. We conducted judicial practice training on computer software copyright disputes, enabling employees to have an in-depth understanding of intellectual property laws and regulations, prevent relevant legal compliance risks and improve ability to defend intellectual property rights.



Anti-money laundering and anti-corruption: The Bank will firmly tamp its foundation with proactive implementation by steadfastly maintaining a high-pressure stance

Reinventing the management system and continuously improving the quality and efficiency of anti-money laundering work. During the Reporting Period, the Bank always took the “risk-based” approach in its anti-money laundering efforts, strictly followed various laws, regulations and regulatory provisions, actively fulfilled anti-money laundering obligations to continuously improve the effectiveness of money laundering risk management. We strengthened the management foundation and continuously improved the anti-money laundering management mechanism. According to the actual situation of money laundering risk and business development, we have set up an anti-money laundering centre to comprehensively improve the quality and efficiency of anti-money laundering work. Technological empowerment was emphasised to enhance system intelligence in risk control. The Bank has established a monitoring system dominated by the anti-money laundering system and guaranteed by the unified blacklist system of the Group, continuously increased investment in science and technology in the field of anti-money laundering, carried out customer risk rating, optimised the system and process of reporting large-value suspicious transactions, and initiated and accelerated the promotion of a new anti-money laundering monitoring system. Refined management was paramount in compliance management functions. The Bank actively advocated regulatory policies, conducted ongoing anti-money laundering monitoring and analysis, timely released compliance tips, regularly followed up and supervised the performance of each unit. Stricter controls were imposed on the entry of new products and businesses, effectively improving the level of money laundering risk management. We strengthened publicity education to practise “finance for the people”. We intensified public awareness campaigns to cultivate anti-money laundering awareness among the populace and were honoured with the “Best Organisation Award” for the publicity work for Anti-money Laundering Compulsory Institutions in Heilongjiang Province in 2023. We raised the level of internal risk prevention and control by enhancing our capability to perform duties. During the year, we organised the Group’s first anti-money laundering business knowledge competition and conducted more than 70 anti-money laundering special training sessions, which comprehensively covered directors, supervisors, senior management, heads of departments at the head office, leaders of branches, anti-money laundering post holders at all levels, relevant personnel of business departments and newly recruited employees. The Bank upheld the bottom line of compliance, built a strong protection network against money laundering and terrorist financing, and maintained the safety and stability of financial order. During the Reporting Period, the Bank promptly reported suspicious card opening and fund transfer leads to the public security authorities, assisted the public security authorities in arresting 14 suspects, recovered RMB1.45 million in capital loss for customers, effectively intercepted or rejected transactions involving disciplined persons and persons involved in crimes issued by the People’s Bank of China, the Public Security Bureau and other authorised authorities, and actively safeguarded the personal interests of the people.

The Bank attaches great importance to anti-money laundering training and considers it a necessary prerequisite and an important initiative for anti-money laundering work. Anti-money laundering training was incorporated into the Group’s “Anti-Money Laundering Governance Capability Enhancement Project” in collaboration with relevant departments, and a series of “Learning, Training, Lectures, Examinations and Competitions” anti-money laundering were conducted across the Bank. In particular, special emphasis was placed on the “Sailing – New Employee Induction Training”, with significant portions dedicated to legal compliance training, anti-money laundering training, case risk prevention and control and warning education, helping new employees establish compliance awareness, regulate personal behaviours, and maintain professional standards.



Case

Harbin Bank Launched “Anti-Money Laundering for All, Everyone Against Anti-Money Laundering” Campaign

To thoroughly implement the spirit of the 20th CPC National Congress, accelerate the construction of a new pattern of anti-money laundering work, solidly promote anti-money laundering publicity work, strive to enhance the quality and effectiveness of anti-money laundering work, effectively improve the public’s understanding of anti-money laundering work, mobilise the whole society to maintain a good financial order, and actively play an important role in anti-money laundering publicity work in safeguarding local financial security and social stability, Harbin Bank conscientiously implemented the requirements of the People’s Bank of China on anti-money laundering publicity work, attached great importance to it and carefully deployed it. From July to September 2023, a series of publicity activities on the theme of “Anti-Money Laundering for All, Everyone Against Anti-Money Laundering” were carried out.

With the theme of “Anti-Money Laundering for All, Everyone Against Anti-Money Laundering”, and adheres to the ideological concept of “service for the people”, this publicity and education activity aimed at enhancing the public’s awareness and ability to prevent money laundering risk. It focused on daily life scenarios and the hazards of money laundering crimes, covering 17 branches, with the participation rate reaching 100%, and more than 500 publicity and education capability were carried out, effectively reaching more than 2 million customers. Focused on the weak links of financial services in remote rural areas, the anti-money laundering publicity was extended to grass-roots farmers, truly bringing anti-money laundering education to the countryside. Through on-site visits and lectures, in the form of “the case of the law”, education was provided through real-life examples. We tailored “case-specific speech” for corporate employees, with real and vivid cases to restore the means of money laundering characteristics and its dangers. Over 200 educational activities were conducted during the campaign period, further expanding the influence and dissemination of anti-money laundering propaganda, and demonstrating the Bank’s commitment to “finance for the people” in practice.



Consistently and thoroughly advancing the cultivation of discipline and conduct. In 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 guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Bank comprehensively implemented the spirit of the 20th CPC National Congress, thoroughly implemented the spirit of the Central Commission for Discipline Inspection, provincial and municipal Commission for Discipline Inspection Plenums, deeply comprehended the decisive significance of the “two establishes”, enhance the “four consciousnesses”, firmly maintained the “four confidence”, achieved “two upholds”, vigorously carried forward the spirit of self-revolution, resolutely implemented the strategic plan of unswervingly governing the Party strictly in an all-round manner, deeply implemented the main responsibility and supervisory responsibility of comprehensive strict Party governance, strived for progress while maintaining stability, adheres to principles while innovating, comprehensively deepened the reform of Harbin Bank's disciplinary and inspection system, pushed for the improvement of comprehensive strict Party governance and carried out in-depth construction of Party conduct and integrity, and the fight against corruption, providing a strong guarantee for Harbin Bank to write a new chapter of high-quality development.

The Bank carried out solid integrity education, and created a good atmosphere of clean financial culture. Middle and senior party members and leaders of the Group are organised to visit the provincial integrity education base, with real-life examples to educate the people around them to enhance the warning effect. We published special journals on discipline inspection and supervision theory and examples to educate the majority of employees on integrity covering multiple sectors and dimensions. We produced thematic warning education videos, gave full play to the warning role of negative examples of education, guided and supervised cadres and workers to learn from cases and kept warning bells ringing. We strengthened the party spirit cultivation to integrate clean financial culture and clean culture, hence built a new ecology of clean finance.

The Bank has established a hotline and an email address for offence reporting matters related to corruption, bribery, etc. In case of letter reporting of corruption and bribery, the Bank shall deal with it in accordance with the Rules for the Supervision and Enforcement of Discipline by the Discipline Inspection Organs of the Communist Party of China and the Working Rules for the Dealing with Offence-reporting and Charging by Discipline Inspection and Supervision Organs and other rules and regulations, and corresponding punishment shall be given in accordance with relevant systems.

During the Reporting Period, the Bank invited Ernst & Young Hua Ming LLP (Special General Partnership) and Hong Kong SWCS Enterprise Institute to provide anti-corruption training to all directors on the impact and risk of corrupt practices, anti-corruption in ESG perspective, financial anti-corruption management, anti-corruption roles and responsibilities, and integrity culture, etc., to guide the Bank in enhancing its anti-corruption management capability and further deepening its understanding of Party discipline and integrity regulations, in raising awareness of party discipline and anti-corruption, and in enhancing the sense of responsibility and legal awareness of clean practices.



Community investment and voluntary culture: By intensifying the public welfare practice and voluntary culture construction, the Bank will propel harmony and co-prosperity between financial institutions and community in the new era

Harbin Bank has always focused on the needs of society and the desires of the masses as its mission. The Bank continued to cooperate with the Harbin Bank Foundation and made sustained efforts and achieved results in promoting rural revitalisation, community welfare and innovative volunteer services, etc. During the Reporting Period, the Bank initiated 35 “Happy Community” charity projects in collaboration with 34 public welfare organisations in five cities, including Shenzhen, Harbin, Tianjin, Dalian and Shenyang. During the period, a total of 168 activities of various types were carried out online and offline, covering 129 residential communities, with the participation of nearly 950 volunteers and 85 bank employees, benefiting over 60,000 people. By sponsoring or supporting city marathons such as Harbin Marathon and Dalian Marathon, the Bank deeply promoted the cross-border integration of financial service culture and marathon culture and the in-depth exchange of urban culture. Since 2019, members of Heilongjiang Financial Calligraphers Association have been invited to grassroots outlets to write Spring Festival couplets and send “blessings” during the Spring Festival every year, giving full play to the role of culture to “unite people, warm hearts, and strengthen confidence”, thus inheriting traditional Chinese culture and prospering financial culture. Through volunteer cultural construction and social charity activities such as supporting education and poverty alleviation, the Bank’s responsibility for social charity has been continuously demonstrated. During the Reporting Period, the Bank’s total expenditure on social charity initiatives was RMB17.2031 million.

Alleviating poverty and assisting education, Harbin Bank always offers warmth. In 2017, the Bank continued to work through its resident poverty alleviation team stationed in Shuanglong Village, Liutuan Town, Yanshou County, Harbin City, Heilongjiang Province. The Bank completed the construction of Shuanglong Village Technology Farming Lecture Hall, playing a positive role in enhancing the level of Shuanglong villagers’ scientific farming and planting techniques, and increasing the villagers’ economic income. In addition, branches of the Bank have also continued to carry out targeted assistance to effectively prevent the occurrence of returning to poverty. During the Reporting Period, for the 13th consecutive year, the Bank made donations to the Harbin Institute of Technology Education Development Foundation to support the educational development of the university. By the end of 2023, the cumulative amount of donations exceeded RMB30 million. The Bank also hosted the “Lilac Blooming•Project Hope” Scholarships Ceremony and the Fifth Anniversary Summary Conference, providing assistance to 900 outstanding but impoverished students to complete their studies. The Bank actively organised the “Autumn Assistance to Education” donation campaign, a total donation of over RMB150,000 was made to help difficult students in Heilongjiang Province overcome educational challenges.



Case

The project “Lilac Blooming•Children Harbour” was launched

“Lilac Blooming•Children Harbour” is a care program specifically targeting rural left-behind children and children in difficulties. Since 2022, Harbin Bank has been donating to the Heilongjiang Youth Development Foundation to support the “Children Harbour” program in Heilongjiang and promote the establishment of a multi-department, multi-resource joint mechanism where the program located, forming an effective service network directly accessible to children and ensuring the implementation of the children welfare policy and protection of children’s rights. In 2023, 50 “Children Harbour” were open for a total of 4,091 days, 28,397 hours, with 4,990 home and school visits, 1,892 featured activities of various kinds, serving nearly 2,000 registered left-behind children, and benefiting 13,860 rural children. It carried out 14 provincial music, physical and aesthetic thematic activities of multi-form model, and formed a research report titled “Study on How to Play the Role of ‘Children Harbour’ in Regularly Serving Left-behind Children in Difficulties”. On 7 April 2023, the launching ceremony of the Heilongjiang Youth League’s project “Lilac Blooming•Children Harbour” for caring for left-behind children in rural areas was held in the central school of Lalin Manchu Township of Wuchang City. In September 2023, the “Children Harbour” program of the Communist Youth League was honoured the 12th China Charity Award by the Ministry of Civil Affairs.



For five consecutive years, the Bank sponsored the Harbin Marathon and held a wide range of volunteer activities. The 2023 Harbin Marathon of Harbin Bank was successfully held on 27 August 2023, which is the fifth consecutive year that the Bank sponsored the Harbin Marathon. As the advocate and promoter of the Harbin Marathon, and also the beneficiary of the marathon, the Bank's staff runners formed a team of 500 employees to participate in the event, actively creating a warm atmosphere of national fitness. Jointly organised with the Heilongjiang Youth Development Foundation, the "Children Assist Harbin Marathon" painting competition was held with the theme of "Cheering for the 2023 Harbin Marathon of Harbin Bank", received a total of 165 "Children Harbour" works from children and juniors, expressing the juniors' good wishes for the 2023 Harbin Marathon of Harbin Bank, also deepening juniors' understanding of the marathon culture, therefore creating an inclusive atmosphere for the community to engage in marathon event. At the same time, the Bank continued to support the development of the "Harbin Marathon" economy and cultural and sports industries, organically integrating the "Harbin Marathon" event with financial products by designing and debuting the Harbin City Commemorative Medal, offering the "Harbin Marathon" commemorative medals and tailored-designing the "2023 Medal Edition Marathon Credit Card". Focusing on online services, we built a registration mini program integrating race services and financial services, and carried out a series of activities for the benefit of the public.

Notably, the Bank dispatched 15 volunteers (all of whom received professional emergency rescue training, of which 13 hold valid Red Cross first-aid certificates) evenly distributed between each medical observation point from the 41-kilometre mark to the finish line of the current Harbin Marathon, as a supplement to the stationary observation points to ensure the smooth progress of the event. During the Reporting Period, the Bank also participated in the "Longjiang Is My Home" thematic activities initiated by the Provincial Communist Youth League and the Hope Project's Blue Sky and Blue Water Action, promoting and popularising financial knowledge, presented its corporate image, and carried out the "Protecting the Mother River – White Garbage Collection Activity". On the occasion of the 60th "Lei Feng Day", we issued an "Initiative Letter" on Lei Feng Day, calling on the youth of Harbin Bank to carry forward the spirit of Lei Feng and actively engage in the practice of learning from Lei Feng. The Bank organised the "doing practical things for the public" blood donation activity in 2023, with a total blood volume of 25,400cc.



Case

Harbin Bank is deeply involved in the front line of flood fighting and provides financial services for flood control and disaster mitigation

During the Reporting Period, due to the impact of typhoons, Harbin experienced extremely severe weather such as torrential rain and heavy rainstorms in various areas, which resulted in the damage of farmland and flooding of farmhouses in some areas, adversely affected the production and livelihoods of farmers. Harbin Bank fully implemented the important instructions of General Secretary Xi Jinping on flood control and disaster reduction, quickly implemented the arrangements and deployment of Heilongjiang Province, Harbin City and the regulatory authorities on flood control and disaster mitigation, firmly established the sense of "people first, life first" by instantly convening a group-wide special work conference on flood control and disaster reduction, further raising the political awareness, assuming social responsibility, taking the initiatives, and quickly engaging in various financial services for flood control and disaster reduction, exerting all efforts and maximum capacity to provide financial services to affected areas, the public, enterprises, and taking practical actions to safeguard the vital interests of the people.

First, a special leading group and task force were set up and "Harbin Bank Flood Relief and Post-Disaster Reconstruction Pairing Support Work Plan" was promptly issued. Second, the material donation work was carried out with donated materials delivered to the people in disaster-stricken areas such as Shahezi Town and Xiaoshanzi Town in Wu Chang City, Shangzhi Town and Yimianpo Town in Shangzhi City, Jiaxin Town in Yanshou County, Dancheng Town in Shuangcheng District. The Bank issued a group-wide voluntary donation initiative, and employees donated a total of RMB870,000, all of which was used for the post-disaster reconstruction and solving production and living difficulties for the people in North Shahezi Village, Sanrenban Village and Dagui Village in Shahezi Town, Wuchang City. Branches in Shangzhi, Shuangcheng, Tonghe and other areas actively responded to the call of local party committees and governments, took turns to guard the dykes, assisted in evacuating the disaster-stricken crowds, and dispatched 29 volunteers. Third, the Bank took in-depth research on the disaster, had a comprehensive understanding of the flood relief financing needs, developed differentiated financial service programs based on different degrees of disaster, the affected area and survey results, to support and help farmers quickly restore production and livelihoods. Fourth, combining with the disaster situation in each area, the Bank developed and implemented "Nine Measures on Financial Support to Flood Control and Disaster Reduction of Harbin Bank", ensuring the continuous operation of financial infrastructure. Fifth, the Bank promptly responded to the deployment of the Organisation Department of municipal Party committee "Urgent Notice on Rapidly Engaging in Flood Control and Relief to Fulfill Guaranteed Pair-up Task", quickly deployed six cadres and employees to the front line of flood relief in Shahezi Town, Wuchang City to implement the specific guaranteed and pairing task, and actively coordinated resources to fully support the work of the task force.



The Bank considered and approved

359

major proposals and reports

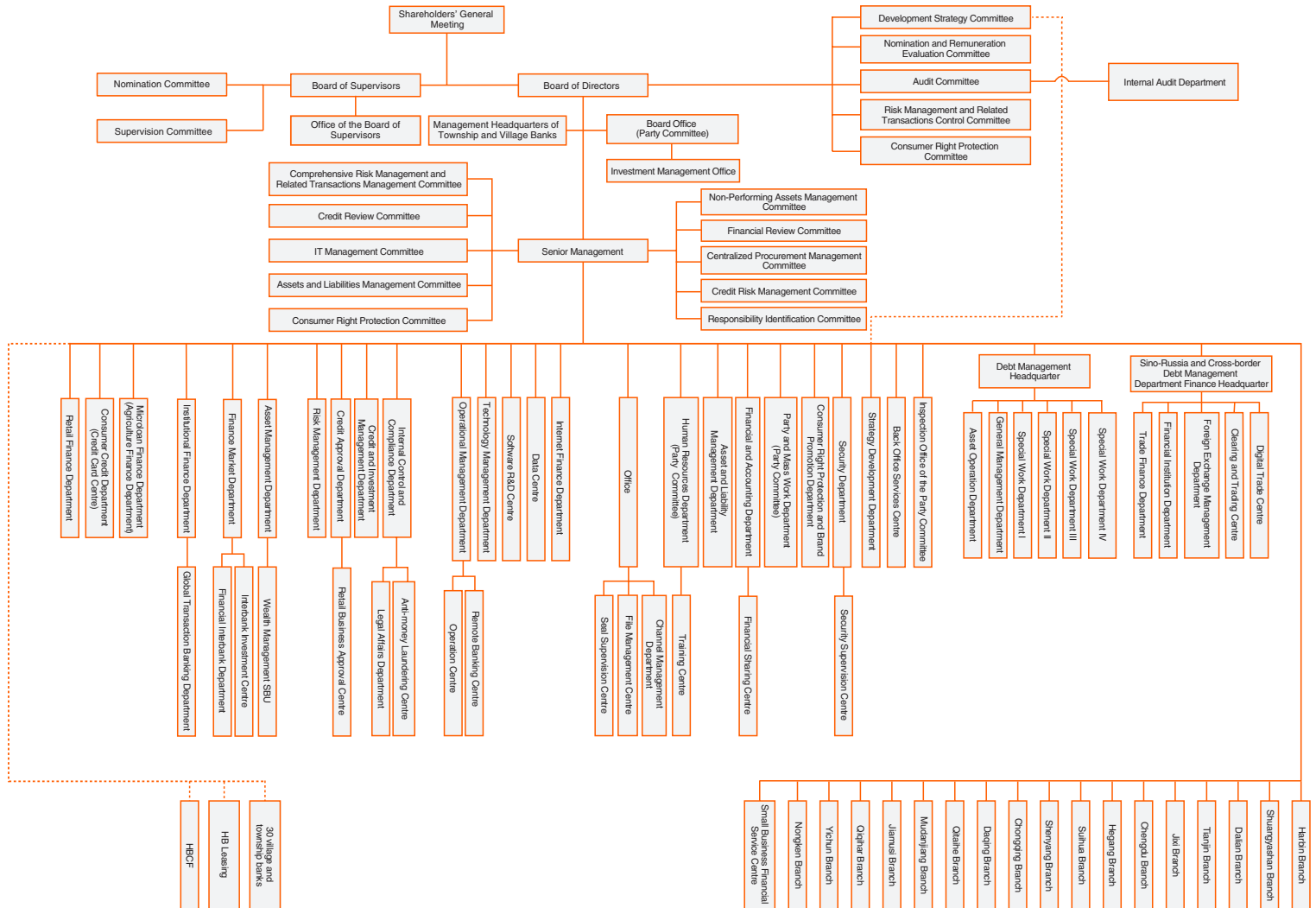
Our Governance Responsibility Management

Corporate governance

Risk management and
internal control

Corporate governance

Organisation Chart



Related links:

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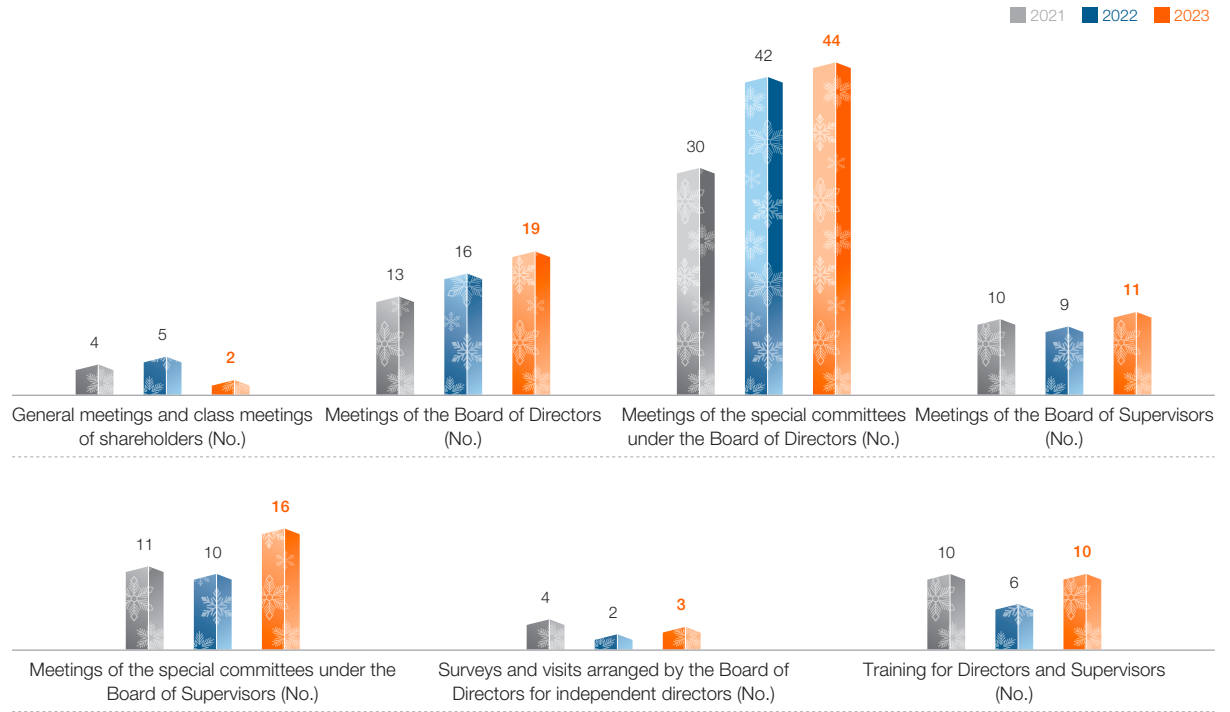
The Bank issued its 2023 Annual Results Announcement on the website of Hong Kong Stock Exchange on 27 March 2024, and the relevant issues are fully disclosed in the “Report of the Board of Directors”, the “Corporate Governance Report” and the “Report of the Board of Supervisors”. The contents in this “Our Governance Responsibility Management” report are extracted from the contents of the above two chapters, with supplements on other relevant contents.

Solidly promoted Party building in the new era with scattered initiatives bear significant results. The Bank continued to strengthen the political construction of the Party, and gave full play to the leading role of Party construction by comprehensively learning and implementing the spirit of the 20th CPC National Congress as the main focus. The Bank also initiated high-quality education on the theme of Xi Jinping Thought on Socialism with Chinese Characteristics in the New Era. By firmly holding the general requirements of “studying ideology, strengthening Party character, emphasising practice, and achieving new results”, we are pushing the thematic education to deeper and more practical levels. The central role of the Party Committee in setting the right direction, managing overall situations and ensuring implementation of Party policies and principles was more prominent, with a commitment to study and discuss of the Party Committee on major operation and management matters beforehand. Following the requirements of the “Four Systems”, the Bank refined and introduced a mechanism for the implementation of key tasks, and strengthened the supervision and follow-up of Party committee decisions. The Bank strengthened the construction of Party work style and a clean bank, and ensured that the Bank’s Party secretary effectively performed the role as the first responsible person and that Party committee members assumed dual responsibilities for one position. We coordinated efforts to push forward with comprehensive and rigorous Party governance, the construction of political ecosystem and the implementation of the accountability system for Party work style construction. The Discipline Inspection and Supervision Group stationed in the Bank leveraged its role in disciplinary supervision to promote integrity and discipline throughout the Bank, and transitioning towards systematic rectification and comprehensive governance improvement. The Bank issued a reform program for the discipline inspection system and mechanism, established a mechanism for the Party Committee and the Discipline Inspection and Supervision Group stationed in the Bank to work together and hold regular meetings, forming a working pattern that emphasises comprehensive and strict Party governance, as well as collaborative interactions. We improved the inspection system, formulated an inspection plan, carried out solid inspection work, and effectively played the role of inspection.

Sound corporate governance is the essential responsibility of the Board of Directors of the Company. In 2023, 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 the Corporate Governance Code in Appendix C1 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. Currently, 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 Terms of Reference of the Development Strategy Committee of the Board of Directors, the Terms of Reference of the Risk Management and Related 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 of the Board of Directors, the Terms of Reference of the President, the Administrative Measures for Shareholding, the Administrative Measures for Related Transactions, the Information Disclosure Administrative Measures, etc.

In 2023, the Company arranged and held a total of 92 important meetings of all kinds (such as general meetings, meetings of the Board of Directors and its special committees, and meetings of the Board of Supervisors and its special committees), including two general meetings, 19 meetings of the Board of Directors, 44 meetings of the special committees of the Board of Directors, 11 meetings of the Board of Supervisors and 16 meetings of the special committees of the Board of Supervisors. At the meetings, the Company considered and approved 359 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 Report, the Final Account Report, the Profit Distribution Plan, the Performance Evaluation Index of Senior Management, the Operation Plan, the Report on the Implementation of Related Transactions, the Risk Management Report 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, etc., 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 Board of Supervisors 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.



Placing great emphasis on Board diversity policy. 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 talents, skills, experience and background comprehensively; 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 ten current members of the Board of Directors of the Company, two are executive directors, four are non-executive directors and four are independent non-executive directors. These two executive directors have been engaged in bank operation and management for a long period of time with 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. The Board of Directors of the Company currently has no female director, and will elect female director no later than 31 December 2024, so that the Board of Directors of the Company can meet the gender diversity of the Board of Directors as soon as possible.

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.

Conducting special training and research for directors and supervisors to enhance their capacity to discharge duties. During the Reporting Period, the Board of Directors arranged all Directors and senior management to participate in trainings on management of consolidated financial accounts, anti-money-laundering management, anti-corruption for fully understanding how banks strengthen their capability in management of consolidated financial accounts and the importance of management of consolidated financial accounts in enhancing the efficiency of corporate management; have better understanding of the indicator system and the latest regulatory policies on anti-money laundering management, anti-corruption with an adequate appreciation of the duties and liabilities of a listed company, thereby promoting the professionalism of directors in performing their duties. The Board of the Company also arranged independent directors to carry out investigation and research on its branches and subsidiaries. In-camera meetings of independent directors were convened to listen to directors' opinions and suggestions in time.

During the Reporting Period, the Board of Supervisors of the Company arranged all of its Supervisors to study the regulatory requirements, relevant national laws and regulations, understand the spirit of supervision and their responsibilities. The head office departments were arranged to conduct training for Supervisors on financial market, asset management, corporate, inclusive finance and other business areas. Supervisors were arranged to participate in trainings conducted by the Bank on the interpretation of policies on the new capital agreement and sharing of cases of peer practice, anti-money laundering, interpretation of policies on the expected credit loss method, etc., so as to further improve Supervisors' understanding and mastery of the Bank's business and to improve their theoretical level and performance capability. The Board of Supervisors conducted interviews with five branches, five rural banks and five 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.

Purposive investor relationship 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 relationship management with investors. During the Reporting Period, through 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, 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.

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

Unit: Share(s)

	1 January 2023		Increase/Decrease during the Reporting Period (+/-)					31 December 2023	
	Number	Percentage	Private placement	New shares issued	Bonus issue	Others	Subtotal	Number	Percentage
Domestic shares									
1. Non-listed shares held by corporations	7,908,966,550	71.93%	-	-	-	-	-	7,908,966,550	71.93%
Including: (1) Shares held by state-owned enterprises	6,886,196,734	62.63%	-	-	-	-	-	6,886,196,734	62.63%
(2) Shares held by private enterprises	1,022,769,816	9.3%	-	-	-	-	-	1,022,769,816	9.3%
2. Non-listed shares held by natural persons	63,063,003	0.57%	-	-	-	-	-	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 and Investment Company Limited, Heilongjiang Financial Holdings Group Co., Ltd., Harbin Hadong Investment Co., Ltd., and Harbin Industrial Investment Group Co., Ltd., etc.



Shareholding of Top 10 Shareholders of the Company as at the end of this Reporting Period

Name of shareholder	Nature of shareholder	Number of shares held (shares)	Shareholding percentage (%) ³	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	725,712,000	6.60%	–	H shares
4 Huaxia Life Insurance Co., Ltd.	Private enterprise	486,702,000	4.43%	–	H shares
5 Harbin Heli Investment Holding Co., Ltd. ¹	State-owned	397,000,000	3.61%	–	Non overseas-listed shares
6 Finance Bureau of Daoli District, Harbin	State-owned	386,025,859	3.51%	–	Non overseas-listed shares
7 Finance Bureau of Nangang District, Harbin	State-owned	378,941,968	3.45%	–	Non overseas-listed shares
8 Harbin High-tech Industrial Development Zone Infrastructure Development and Construction Co., Ltd. ²	State-owned	301,315,846	2.74%	–	Non overseas-listed shares
9 CITIC Capital HB Investment, L.P.	Foreign investment	284,212,000	2.58%	–	H shares
10 Beijing Xinrun Investment Co., Ltd.	Private enterprise	255,418,587	2.32%	–	Non overseas-listed shares

Notes: 1. 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.

2. 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

The Board of Directors is responsible for supervising the Company's risk management and internal control systems on an ongoing basis, upholds responsibility for the Bank's risk management and internal control system and takes responsibility to review the effectiveness of such risk management and internal control systems. The Board of Directors reviews the effectiveness of the Group's risk management and internal control systems through its special committees on an annual basis.

During the Reporting Period, the Company strictly implemented the normative requirements of laws and regulations on internal control of enterprises such as the Guidelines for Internal Control of Commercial Banks, followed the principles of comprehensiveness, prudence, effectiveness and independence, resolutely carried out the strategic requirements of risk prevention, strict internal control and strong compliance, and practised a series of internal control optimisation and improvement work around the five internal control elements of internal environment, risk assessment, control measures, information and communication and internal supervision, so as to reasonably ensure the Company's operation and management was compliant with laws and regulations.

The Board of Directors has reviewed the effectiveness of the Group's risk management and internal control systems were effective or not for the year ended 31 December 2023 through its special committees. The Company carried out internal control evaluation in accordance with the requirements of the Guidelines for Internal Control of Commercial Banks. The Board of Directors is of the view that 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 during the year.

The Bank has basically established and implemented the control procedures and measures. The Bank has established various risk management policies and human resources policies. There are specific units and personnel that are responsible for handling reputation, strategic, legal, compliance, credit, market, operational, liquidity and interest rate risks. There are also procedures and internal controls for the handling and dissemination of inside information. The Bank has set up mechanisms to identify, evaluate and manage all the major risks (including the environmental, social and governance risks) in a timely manner, and has established corresponding internal control procedures.

Established and maintained a stable and prudent internal control environment in compliance with laws and regulations. The Company's internal control management framework is clear and reasonable. In particular, the Board of Directors is the decision-making body, which is responsible for ensuring the establishment, soundness and effective implementation of internal control; while the management of institutions of all levels are the coordinating bodies, which are responsible for organising and coordinating the establishment, implementation and day-to-day work of internal control; all branch offices and departments are responsible for establishing and continuously improving their own internal control systems in accordance with the requirements of laws and regulations; compliance management departments and independent internal audit departments at all levels are responsible for supervising and evaluating the Bank's internal control system. Therefore, an internal control governance and organisational structure with reasonable division of labour, specific duties and responsibilities, and clear reporting relationship has been established. At the same time, the Board of Directors and senior management of the Company attached great importance to the construction of compliance culture, persistently made compliance culture construction normal, systematic and intensive, and firmly established the internal control and compliance philosophy of "honesty, integrity, lawfulness and compliance", and helped the Company comprehensively build a culture of "compliance, stability, innovation and development".

Continued to improve its risk assessment policy. The Company's Board of Directors, senior management and relevant management staff were fully aware of the credit risk, market risk, liquidity risk, compliance risk, operational risk, legal risk, reputation risk and other risks assumed in the course of operation and management, and helped to establish comprehensive risk management appropriate for the Bank. Through inspection and checking, corrective measures and accountabilities, performance appraisal, internal audit and other working mechanisms, a work pattern in which operating units and business departments, specialised departments for internal control and compliance management, internal audit and other supervision departments were jointly managed. Such three lines of defence performed their respective roles, adopted scientific risk management techniques and methods, identified, monitored, assessed and dealt with risks associated with its operations, to ensure the synergy and effectiveness of the risk assessment work.

Multiple measures were taken to implement practical and effective risk control measures. The Company adhered to the principles of full coverage, checks and balances and matching, and established sound, comprehensive, systematic and standard business rules and management rules for all operations and management activities, promoted the implementation of uniform business flows and management procedures by institutions at all levels. At the same time, through the effective combination of internal control process, business operating system and management information system, it continued to build an integrated internal control management system combining on-site inspection with off-site monitoring, monitored, warned about and prevented from various potential risks in a multi-dimensional, all-round and accurate manner in the process of business development, and firmly upheld the bottom line of zero systematic risks.





Standardised and reasonable in the establishment of information transmission and communication channels. The Company established information reporting systems such as compliance reports, clarified the reporting responsibility mechanism, reporting path, reporting content, reporting frequency and reporting paradigm, ensured that branches, business departments, internal control management functions and other internal control personnel promptly report the internal control results and potential risks in the operation and management work to the Board of Directors, management or relevant departments, and ensured that the decision makers could convey in a timely and effective manner all information on the strategies, policies, systems and relevant requirements to the employees so as to firmly establish a two-way internal communication mechanism from two dimensions, namely top-down and down-top communication. Regarding external disclosure and information gathering, the Company also specified responsible departments, relevant processes and document circulation mechanisms to ensure compliance thereof and timely circulation of official documents.

Continuously strengthened its multi-level, multi-dimensional and multi-channel internal supervision mechanism. “The Board of Directors, Board of Supervisors and the senior management” continuously and regularly analysed, monitored and guided the internal control compliance management across the Bank, giving full play to the roles of leadership, decision-making, supervision and management. At the same time, all units of the Bank work together to ensure the independence, synergy and effectiveness of the supervision work. In view of the internal control defects found in internal supervision, the Company timely carried out rectification, improvement and upgrading, actively promoted the matching of supervision quality with the actual situation of risk prevention and control, comprehensively improved the quality and efficiency of internal control monitoring and promoted the effective operation of internal control mechanism.

Adhered to the core philosophy of “creating value through risk management”, and fostered a risk-aware culture of “compliance and steadiness”. The Bank promoted in a coordinated manner the construction of an Enterprise Risk Management system that is commensurate with its development strategy, business scale, organisational structure and risk characteristics. The Bank integrated risk management throughout the entire process of strategic development, performance objectives and value enhancement, and into all aspects of business development to ensure the effective operation of the management mechanism. It also continued to optimise its risk identification, measurement, monitoring and control processes covering the whole scope, process and cycle, effectively strengthen its internal control mechanisms of pre-prevention, in-process control, post-event monitoring and correction to promote sustained improvement in risk management ability. During the Reporting Period, the Bank further improved its comprehensive risk management system, maintained strategic focus, strengthened risk analyses, dynamically adjusted its strategies, actively prevented from and responded to various types of risks to safeguard the sound and sustainable development of the Bank’s businesses.

In terms of credit risk management, the Bank closely monitored the macroeconomic situation and kept abreast of the changes of market environment and regulatory policies to improve its credit risk systems and policies. With the national strategies and cutting-edge technology in high-tech industry development as its guidance, the Bank actively contributed to the sectors of “new infrastructure and new urbanisation initiatives and major projects”, green finance as well as “agriculture, rural areas, and farmers”, increased policy guidance and financial assistance for the real economy especially small and micro enterprises, technological innovation, and green development. The Bank continued to refine its internal evaluation systems and enhance the accuracy of risk trend judgements. Moreover, the Bank continued to improve the standardised, normalised and refined management of the collateral risk valuation system, and actively strengthen risk control over weak links in the entire process of collateral management, thus effectively reducing potential credit risk and losses. The Bank established a risk control model of preliminary risk control, strengthened the management of potential risks from customers, reinforced the pre-management of existing businesses before their maturity, and developed a joint consultation mechanism on the risks from legal entity customers, supervision and disciplinary mechanisms for the performance of duties as well as a mechanism for early warning of new delinquency, thereby improve its risk control quality and efficiency with various measures. The Bank deepened the reform of the unified credit granting system and raised the refined management level of credit risk. The Bank further strengthened unified credit management, clarified the return of credit approval to the main responsibility and business, and realised the effective integration of retail and non-retail approval. The Bank carried out in-depth follow-up research on major and difficult projects, predicted and effectively responded to business risks in advance, and put risk management and control first. It strengthened timeliness management to improve service efficiency; summarised and upgraded templates to standardise review and approval exercises; and used non-local committee mechanism to correct deviations in risk checks and balances. The Bank strictly followed national policies, regulatory guidance, and related systems inside and outside the Bank, gave full play to the role of examination and approval in risk disclosure and risk control, and effectively identified and controlled various types of risks. The Bank increased the efforts to dispose of non-performing assets, and identified all underlying risks. The Bank followed the principles of marketisation and rule of law. It broadened the disposal channels of non-performing assets, enhanced the quality and efficiency of non-performing asset disposal and firmly promoted the collection and disposal of non-performing assets by strengthening the collection and disposal measures, optimising assessment mechanisms, establishing external communication mechanisms, intensifying the collection and disposal efforts, and innovating methods of collection and disposal.

With regard to market risk management, the Bank conducted in-depth studies on the measurement of market risk-weighted assets under the requirements of the new capital agreement, refined the standards for dividing account books and the boundaries of account books, and implemented the management requirements of the new capital agreement.



Adhering to the system first, the Bank continued to consolidate the foundation of market risk management by reestablishing rules and regulations, checking for deficiencies and making up for omissions. It diversified its measurement methods of market risks by conducting stress testing, sensitivity analysis, duration analysis and PVBP analysis, etc., to refine market risk measurement according to the actual conditions. The Bank continually improved the market risk quota system, regularly assessed and optimised the setting up of market risk quota system, strengthened market risk analysis and early warning capabilities. During the Reporting Period, daily monitoring and reporting of market risk was carried out in accordance with the Board's risk appetite and market risk limits.

In terms of liquidity risk management, the Bank adhered to the red line of no regional or systemic financial risks, strengthened liquidity risk control, and made its efforts to safeguard financial security and stability through early identification, warning, exposure and disposal of liquidity risks. The Bank regularly analysed the economic and financial situation, financial market conditions and relevant policy trends, paid close attention to specific situations or events that may trigger liquidity risks, prudently assessed their impact on the liquidity of asset, liability and business, and identified potential sources of liquidity risks. The Bank established a compliant, reasonable and effective liquidity risk management mechanism through the integration and optimisation of the liquidity risk framework and system to identify, measure, monitor and control liquidity risk, and to control the safety of its liquidity risk. Liquidity risk was measured through indicator analysis, scenario simulation, cash flow analysis, stress testing and other methods. The Bank continuously monitored liquidity risk through the establishment of a limit management system and a reporting system based on liquidity risk appetite, operating status, management level and changes in the external conditions, and also continuously monitored compliance with liquidity risk limits, provided timely warnings, and took timely and effective measures to control liquidity risk in the event of over-limit situations. The Bank regularly counts and monitors the scale and structure of qualified high-quality current assets in bonds, and information on bonds that are readily realizable and can be used for collateralised repurchase financing. Therefore, in the normal operating environment or under stress, the Bank can have sufficient daytime liquidity positions and financing arrangements to meet the needs of asset allocation and liability repayment upon maturity in a timely manner.

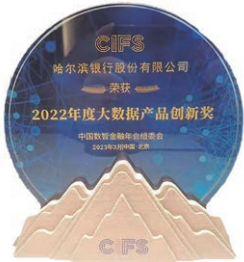


With respect to compliance risk management, the Bank was committed to preventing from and resolving financial risks with a focus on the tasks of improving the comprehensive governance of internal control and compliance, and promoting clearer planning, more optimised systems, better processes and more effectiveness of internal control and compliance management. The Bank continuously established a system with a scientifically designed, stringent and clear structure to standardise system management. The Bank established a sound legal risk prevention and control process and system with clear responsibilities and mutual checks and balances, implemented process control mechanism, such as pre-audit, in-process follow-up, post-evaluation and full support. It strengthened the overall management and system construction for hiring lawyers and litigation matters, established an efficient delegation of authority mechanism, and launched a series of training courses called "New Legal Forum". It deepened internal control and compliance governance, strongly promoted reform and resolution of risks, comprehensive rectification of internal and external risk issues, effectively implemented the comprehensive inspection and monitoring mechanism for internal control and compliance, and conducted in-depth investigations and resolved potential risks in key business operations. The Bank actively built an accountability mechanism with an integration of punishment and linkage and cooperation, a due diligence exemption mechanism, optimised the accountability review architecture and improved the compliance performance assessment indicator system. The Bank continued to promote the handling of cases and risk mitigation, strengthened the investigation of case risks, convened case warning and education conferences, and continuously optimised the operational risk management system to prevent the occurrence of major operational risk events. The Bank actively optimised its anti-money laundering organisational structure, work system and technology system, fully exerted monitoring efficiency of the anti-money laundering related systems, and carried out standardised customer identification and suspicious transaction monitoring and analysis. The Bank continued to refine its internal control and compliance culture construction system, established a mechanism for emergency response to compliance risk events and lawsuits, improved the system of employee conduct standards, rolling out regular advocacy on compliance culture, so as to firmly establish the internal control and compliance philosophy of "integrity, honesty, lawfulness and compliance".

Regarding operational risk management, the Bank gradually enhanced its operational risk management system, including the governance structure, policies and systems, management tools, and measurement methods, and in light of the management requirements of the new regulatory rules, sorted out the status of the operational risk management, further consolidated the foundation of operational risk management, built up a solid line of defence for the idea of internal control compliance, and strengthened the awareness of the bottom line of risk prevention and control, effectively prevented the occurrence of operational risk events in high-risk areas. At the same time, the Bank continued to strengthen the identification, assessment, monitoring and control of operational risks, improve the capability of prior warning, risk prevention and control of operational risks, and help institutions further improve the effective checks and balances of management mechanisms and management responsibilities, and build an operational risk management system with reasonable division of labour, clear powers and responsibilities, mutual support and effective supervision. The Bank conducted regular investigations on misconduct of employees and actively used intelligent systems to implement off-site monitoring and effectively strengthen the management of employee's conduct. The Bank actively responded to the complex and volatile internal and external environments, continuously optimised the IT risk management system, improved the information security protection capability, and effectively safeguarded the safe and stable operation of the Bank's businesses.

Concerning information technology risk management, the Bank constantly strengthened the top-level design of IT risk, optimised the organisational structure for information technology risk management, enhancing the Bank's information technology risk management expertise. In order to ensure that the IT regulatory requirements are fully implemented, the Bank carefully analysed opinions on IT regulatory ratings and continued to promote their implementation, sort out the priorities of IT risk management, focus on the weaknesses of the IT risk management, and formulate rectification plans and track the progress of rectification and implementation. The Bank strengthened the construction and optimisation of IT risk management indicators and effectively identified and mitigated IT risks by deepening the assessment of the effectiveness of key IT risk indicators, reconstructing the system of key IT risk indicators, enriching and improving the key points of IT risk assessment. The Bank continuously increased its efforts in monitoring IT security operations. For the system operation during crucial periods, the Bank flexibly deployed network security resources and strengthened its full-time operation security capability. During its daily operation, the Bank continuously enriched and optimised the monitoring and warning rules, improved the security protection capability of network defence equipment, and timely dealt with the problems found on the monitoring platform, so as to ensure the safe and stable operation of business and systems. The Bank strengthened the IT outsourcing risk management, further increased control over the quality of service provided by outsourcers and risk management efforts, endeavored to build up its high-quality technical team and improve the ability to independently develop and maintain the system, therefore effectively preventing and mitigating outsourcing risks.

As at the end of the Reporting Period, there was no amount involved in outstanding material legal proceedings against the Bank (as a defendant or a third-party defendant) and the subject amount for single dispute of which exceeded RMB0.01 billion. During the Reporting Period, 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, material 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 a material 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	264th in "2023 Brand Finance Global 500"	Brand Finance	February 2023
2	"Leader" of Corporate Standards in Bank Outlet Service	National Financial Technology Certification Centre (Beijing)	February 2023
3	2022 Good News Award for Banking Financial Institutions "Serving Agriculture, Rural Areas and Farmers"	China Banking Association	March 2023
4	The "Unified Intelligent Risk Control Platform" of Harbin Bank won the "Big Data Product Innovation Award of the Year"	China Digital Intelligence Finance Conference	March 2023
5	"2022 China Financial Institutions Golden Prize List • Golden Dragon Prize – Best Bank of the Year for Rural Revitalisation Services"	Financial Times	April 2023
6	The "Outstanding City Commercial Bank in Wealth Management" and "Outstanding Bank in Transformational Development" in the 3rd Golden Honour Awards	P&E Standard	June 2023
7	Intelligent Marketing Innovation Award of the 6th (2023) FinTech Innovation Contest	Cebnet.com.cn, Digital Finance	July 2023
8	Top 1000 World Banks 2023: ranked 183rd	The Banker of the United Kingdom	July 2023
9	41st in "2023 China Banking Top 100"	China Banking Association	August 2023
10	"2023 Best Deposit Product in Regional Finance" in China granted by The Asian Banker	The Asian Banker	August 2023
11	2023 Annual China Star: The Best Domestic Bank of Renminbi Internationalisation	Global Finance	September 2023
12	"HARBIN BANK 2021 ESG Report", the Awards including "Best in China", "Best Interior Design" and "Gold Winner of Interior Design"	ARC (International Awards Competition)	September 2023
13	2023 Excellent Case of Enterprise Integrity Construction Practice	China Enterprise Confederation, China Enterprise Directors Association	November 2023
14	Demonstration Organisation for Green Financial Service Certification and Elderly-centred Service of Banking Business Outlet	National Financial Technology Certification Centre (Beijing)	November 2023
15	"2023 China Financial Institutions Golden Prize List • Golden Dragon Prize – Best Bank of the Year for Rural Revitalisation Services"	Financial Times	December 2023
16	2023 Digital Transformations Leading Bank Award of the 21st China Finance Billboard	Hexun.com	December 2023
17	2023 Socially Responsible Pioneering Bank Award of the 21st China Finance Billboard	Hexun.com	December 2023
18	Demonstration Organisation for "1+N" Banking Business Outlet	National Financial Technology Certification Centre (Beijing)	December 2023



Prospects

In 2024, Harbin Bank will adhere to Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as our guiding principle, and fully implement the spirit of the 20th CPC National Congress, the Second Plenary Session of the 20th Central Committee, the Central Economic Work Conference and the Central Financial Work Conference. We will implement the new vision on development accurately and thoroughly, and actively serve and integrate into the new development pattern. We will unwaveringly follow the path of socialist finance with Chinese Characteristics, and deeply understand the political and people-oriented nature of financial work. We will uphold and strengthen the Party's overall leadership, seek progress while ensuring stability, promote stability with progress, and formulating before reforming. We will actively integrate into the national, provincial and municipal-level development strategy, support the construction of "Developing Longjiang in Six Areas" of Heilongjiang Province and "Cities of Seven Domains" initiative of Harbin. We will promote "Eight Revitalisations" of Heilongjiang Province, and vigorously engaged in building a new highland of opening-up to the north. We will strengthen governance and management, firmly safeguard the bottom line against risks, and solidify the basis for high-quality development. We will improve the operation and management level in an all-round way and strive to break new ground for high-quality development.

Amidst China's vigorous promotion of green transformation and sustainable development, Harbin Bank will actively respond to climate changes, and accelerate green products and services innovation. The Bank will partner with all external parties to promote green transformation, fulfil social responsibility, create social value, improve corporate governance and fully facilitate ESG work. The above actions are not only in line with the requirements of international and domestic market trends, but also strategic choices to realise business transformation, explore new development models and promote ecological civilisation. As we have always been aware of the importance of ESG management for optimisation of development strategy, realisation of goals and improvement of process management efficiency, we are actively optimising ESG management structure and related systems, improving staff's ESG awareness, and fully disclosing ESG-related information. Our aim is to contribute the wisdom and strength of Harbin Bank for the green and low-carbon transformation and sustainable development of economy and society, demonstrating our active actions and strong determination in promoting sustainable development.

The year 2024 marks the 75th anniversary of the founding of the People's Republic of China, and is also a critical year for achieving the goals of the 14th Five-Year Plan and systematically deepening reform to achieve high-quality development. The Bank will anchor on the goal of high-quality development, work diligently and resolutely, unite willpower, and look forward in unity, advancing courageously in the direction of the "New Harbin Bank". Embracing a more open mindset, we will actively collaborate with various parties to jointly drive the development of the ESG initiatives and contribute our efforts towards building a better social environment.



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

Aspect	KPI	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.)	Low-carbon operation
	A1.1 The types of emissions and respective emissions data.	Low-carbon operation
	A1.2 Direct (scope 1) and energy indirect (scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Low-carbon operation
	A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Not applicable as the Bank is a financial enterprise
	A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Low-carbon operation
	A1.5 Description of emissions target(s) set and steps taken to achieve them.	Low-carbon operation
	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.	Low-carbon operation
	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.)	Low-carbon operation
	A2.1 Direct and/or indirect energy consumption by type (e.g., electricity, gas or oil) in total (in '000 kWh) and intensity (e.g. per unit of production volume, per facility).	Low-carbon operation
	A2.2 Water consumption in total and intensity (e.g., per unit of production volume, per facility).	Low-carbon operation
	A2.3 Description of energy use efficiency target (s) set and steps taken to achieve them.	Low-carbon operation
	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.	Low-carbon operation
	A2.5 Total packaging materials used for finished products (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume).	Not applicable as the Bank is a financial enterprise
	General disclosure: Policies on minimising the issuer's significant impacts on the environment and natural resources.	Green credit Low-carbon operation
	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green credit Low-carbon operation





Aspect	KPI	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.	Green credit Low-carbon operation Corporate governance
	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.	Green credit Low-carbon operation Corporate governance
Social: Employment and Labour Practises	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.	Talent team build-up
	B1.1 Total workforce by gender, employment type (for example, full – or part-time), age group and geographical region.	Talent team build-up
	B1.2 Employee turnover rate by gender, age group and geographical region.	Talent team build-up
	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.	Talent team build-up
	B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Talent team build-up
	B2.2 Lost days due to work injury.	Talent team build-up
	B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Talent team build-up
	General disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. (Note: training refers to vocational training. It may include internal and external courses paid by the employer.)	Green credit Talent team build-up Product responsibility Anti-money laundering and anti-corruption Corporate governance
	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Talent team build-up
	B3.2 The average training hours completed per employee by gender and employee category.	Talent team build-up
	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.	Talent team build-up
	B4.1 Description of measures to review employment practises to avoid child and forced labour.	Talent team build-up
B4.2 Description of steps taken to eliminate such practises when discovered.	Not applicable as the hiring process has ensured that this situation will not occur	



Aspect	KPI	Corresponding section
Social: Operating Practises	General disclosure: Policies on managing environmental and social risks of the supply chain.	Low-carbon operation Supply chain management
	B5.1 Number of suppliers by geographical region.	Supply chain management
	B5.2 Description of practises relating to engaging suppliers, number of suppliers where the practises are being implemented, and how they are implemented and monitored.	Supply chain management
	B5.3 Description of practises used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Low-carbon operation Supply chain management
	B5.4 Description of practises used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Low-carbon operation Supply chain management
	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.	Topic: Our Focus in 2023 Product responsibility
	B6.1 The percentage of products that shall be recalled for safety and health reasons in all products sold or shipped.	Not applicable as the Bank is a financial enterprise
	B6.2 Number of products and service-related complaints received and how they are dealt with.	Topic: Our Focus in 2023
	B6.3 Description of practises relating to observing and protecting intellectual property rights	Product responsibility
	B6.4 Description of quality verification process and product recalling procedures.	Not applicable as the Bank is a financial enterprise
	B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	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.	Anti-money laundering and anti-corruption Corporate governance
	B7.1 Number of concluded legal cases regarding corrupt practises brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	Anti-money laundering and anti-corruption Risk management and internal control
	B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-money laundering and anti-corruption Corporate governance Risk management and internal control
	B7.3 Description of anti-corruption training provided to directors and employees.	Anti-money laundering and anti-corruption Corporate governance
	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.	Community investment and volunteer culture
B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community investment and volunteer culture	
B8.2 Resources contributed (e.g. money or time) to the focus area.	Community investment and volunteer culture	



Independent Assurance Report



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Independent accountant's assurance report

安永华明(2024)专字第70135252_A01号
Harbin Bank Co., Ltd.

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

Scope

We have been engaged by Harbin Bank Co., Ltd. (the "Bank") to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on Harbin Bank's identified subject matter (the "subject matter") in the 2023 Environmental, Social and Governance Report (the "2023 ESG Report") as of 31 December 2023 and for the year ended 31 December 2023.

Subject matter

The subject matter in the ESG Report of Harbin Bank for 2023 that is covered by this report is as follows:

- Total staff (person)
- Proportion of female staff (%)
- Proportion of female management staff (%)
- Number of work-related injury and loss of working days (days)
- Balance of loans to small enterprise (RMB million)
- Number of customers served by village banks (accounts)
- Balance of agriculture-related loan (RMB million)
- National student loan distributed during the year (RMB million)
- National student loans granted amounted (RMB 100 million)
- Total number of e-member customers (0,000 people)
- Total customers of mobile banking (0,000 people)
- Total charity donation (RMB 0,000)
- Balance of precision assistance loans for rural revitalization (RMB million)
- Green credit balance (RMB million)
- Number of individual customer complaints (cases)
- Number of individual customer complaints change year-on-year (cases)
- Head office direct GHG emissions (Scope 1) (tons of CO2 equivalent)
- Head office indirect GHG emissions (Scope 2) (tons of CO2 equivalent)
- Head office total GHG emissions (Scope 1 and Scope 2) (tons of CO2 equivalent)
- Head office sewage discharge (cubic metres)
- Head office paper consumption (tons)
- Head office toner cartridges used (pieces)





Independent accountant's assurance report(continued)

安永华明（2024）专字第70135252_A01号
Harbin Bank Co., Ltd.

Our assurance was with respect to the selected data as at 31 December 2023 and for the year then ended only and we have not performed any procedures with respect to earlier periods or any other elements included in the 2023 ESG Report.

Criteria applied by Harbin Bank

In preparing the Subject Matter, Harbin Bank applied the criteria which is set out in the "Appendix : Basis of Key Data Compilation" of 2023 ESG Report.

Harbin Bank's responsibilities

Harbin Bank's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised) ')*. The standard requires that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in the ESG Report in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.





Independent accountant's assurance report(continued)

安永华明 (2024) 专字第70135252_A01号
Harbin Bank Co., Ltd.

EY also applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the subject matter and related information, and applying analytical and other appropriate procedures.

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

- 1) Conducted interviews with personnel to understand the business and reporting process;
- 2) Conducted interviews with key personnel to understand the process for collecting, collating and reporting the subject matter during the reporting period;
- 3) Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Basis of Reporting;
- 4) Undertook analytical procedures of the data and made inquiries of management to obtain explanations for any significant differences we identified;
- 5) Tested, on a sample basis, underlying source information to check the accuracy of the data; and
- 6) Other procedures deemed necessary.





Independent accountant's assurance report(continued)

安永华明（2024）专字第70135252_A01号
Harbin Bank Co., Ltd.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the subject matter as of 31 December 2023 and for the year then ended in the 2023 ESG Report, in order for it to be in accordance with the Criteria.

Restricted use

Our report has been prepared for and only for the board of directors of Harbin Bank and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.

Ernst & Young Hua Ming LLP

Ernst & Young Hua Ming LLP

23 April 2024

Beijing, China

Basis of Key Data Compilation**Total staff (person):**

The total staff disclosed in the 2023 ESG Report of Harbin Bank refers to the regular employees who have signed employment contracts with Harbin Bank within the head office and 17 branches of Harbin Bank as of the end of the reporting period.

Proportion of female staff (%):

The proportion of female staff disclosed in the 2023 ESG Report of Harbin Bank refers to the proportion of female regular staff in the total number of regular staff of Harbin Bank who have signed employment contracts with Harbin Bank as of the end of the reporting period, and the gender information of staff is based on the official identification of staff.

Proportion of female management staff (%):

The proportion of female management staff disclosed in the 2023 ESG Report of Harbin Bank refers to the proportion of female managers among the regular staffs who have signed employment contracts with Harbin Bank as of the end of the reporting period, and the definition of management personnel is derived from the *Harbin Bank Job Sequence Management Measures*, and the gender information of employees is based on the official identification of employees.

Number of work-related injury lost working days (days):

The number of work-related injury and lost working days disclosed in the 2023 ESG Report of Harbin Bank refers to the number of work-related injury leave days of employees who signed labor contracts with Harbin Bank's head office and 17 branches as of end of the reporting period that obtain a work-related injury certification issued by the relevant human resources department of working location, in accordance with the relevant requirements of the local suspension period and the *Harbin Bank Attendance Management Measures*.

Balance of loans to small enterprise (RMB million):

The balance of loans to small enterprise in the 2023 ESG Report of Harbin Bank refers to balance of loans to small and micro business customers among the corporate customers of Harbin Bank's head office, 17 branches and 30 village banks as of the end of the reporting period, excluding trade finance, advances and discounts. The small enterprise customers are counted according to the type of customer, without distinguishing specific business type, and the classification standards are based on the *Notice on Printing and Distributing the Standards for Small and Medium-sized Enterprises issued by the Ministry of Industry and Information Technology [2011] No. 300*.

Number of customers served by village banks (accounts):

The number of customers served by village banks disclosed in the 2023 ESG Report of Harbin Bank refers to the total number of customers served by business types within Harbin Bank's 30 village and township banks as of the end of the Reporting Period, including loans and deposits.



**Balance of agriculture-related loans (RMB million):**

The balance of agriculture-related loans disclosed in the 2023 ESG Report of Harbin Bank refers to the balance of agriculture-related loans within the head office of Harbin Bank, 17 branches and 30 village and township banks as of the end of the reporting period. Agriculture-related loans include loans from rural enterprises and various organizations, agriculture-related loans to urban enterprises and various organizations, loans to rural households, and loans to non-farm households for agriculture, forestry, animal husbandry and fishery, and the definition derived from the *Circular on the Establishment of the Specialized Statistical System for Agricultural-Related Payments* issued by the People's Bank of China and the China Banking Regulatory Commission.

National student loans distributed during the year (RMB million):

The national student loans distributed during the year disclosed in the 2023 ESG Report of Harbin Bank refers to the amount of national student loans issued in 2023 within the scope of Harbin Bank's head office and 17 branches, including national student loans in the student's place of origin and national student loans in the place of study. The definition of national student loans is based on Document No. 164 of the Ministry of Finance of the People's Republic of China in 2021 *Notice on Further Improving National Student Loans*, and is statistically managed in accordance with the *Administrative Measures for National Student Loans of the Bank of Harbin (2023)*. National student loans are handled by the Xuefu Sub-branch of the Harbin Branch.

National student loans granted amounted (RMB100 million):

The national student loans granted amounted disclosed in the 2023 ESG Report of Harbin Bank refers to the cumulative amount of national student loans disbursed within the scope of Harbin Bank's head office and 17 branches as of the end of the reporting period. The national student loans granted amounted disclosed in the 2023 ESG Report of Harbin Bank = national student loans issued in the current year + cumulative amount of national student loans issued in the previous year. The definition of national student loans is based on Document No. 164 of the Ministry of Finance of the People's Republic of China in 2021 *Notice on Further Improving National Student Loans*, and is statistically managed in accordance with the *Administrative Measures for National Student Loans of the Bank of Harbin (2023)*.

Total number of e-member customers (0,000 people):

The total number of e-member customers disclosed in the 2023 ESG Report of Harbin Bank refers to the number of existing customers who have opened e-banking members within the head office and 17 branches of Harbin Bank as of the end of the Reporting Period. E-banking membership refers to a group of users who are allowed to use Harbin Bank's e-banking services (including mobile banking, online banking, and WeChat banking), including both individual customers and corporate customers.

Total customers of mobile banking (0,000 people):

The total number of mobile banking customers disclosed in the 2023 ESG Report of Harbin Bank refers to the number of stock of customers who have contracted or enrolled for mobile banking membership within the scope of Harbin Bank's head office and 17 branches as of the end of the reporting period, including personal customers only.

Total charity donation (RMB 10,000):

The total charity donation disclosed in the 2023 ESG Report of Harbin Bank refers to the amount of special public welfare expenditure initiated by the head office of Harbin Bank, 17 branches and 30 village and town banks as of the end of the reporting period, which is mainly used for education donations, marathons, support for rural development and regional post-disaster reconstruction etc.

Balance of precision assistance loans for rural revitalization (RMB million):

The balance of precision assistance loans for rural revitalization disclosed in the 2023 ESG Report of Harbin Bank refers to the balance of precision assistance loans within the head office and 17 branches of Harbin Bank as of the end of the reporting period. The definition of precision assistance loans comes from the People's Bank of China *Precise Poverty Alleviation Management System for Financial Institutions*, and Harbin Bank conducts statistical management in accordance with the *Harbin Bank Management Measures for Supporting Rural Revitalization*.

Green credit balance (RMB million):

The green credit balance disclosed in the 2023 ESG Report of Harbin Bank refers to the amount of green credit balance within the scope of Harbin Bank's head office and 17 branches as of the end of the reporting period. The definition and statistical method of green credit balance are derived from the *Revision of the Special Statistical System for Green Loans* issued by the Harbin Central Sub-branch People's Bank of China.

Number of individual customer complaints (cases):

The number of individual customer complaints disclosed in the 2023 ESG Report of Harbin Bank refers to the number of individual customer complaints within the scope of Harbin Bank's head office and 17 branches as of the end of the reporting period (in number). The statistics on the number of individual customer complaints are derived from the *Report on Banking and Insurance Consumer Complaints in 2023* by Heilongjiang Supervision Bureau of the State Administration of Financial Supervision issued by the State Administration of Financial Supervision.

Number of individual customer complaints changed year-on-year (cases):

The number of personal customer complaints changed year-on-year disclosed in the 2023 ESG Report of Harbin Bank is the change in the number of personal customer complaints at Harbin Bank's head office and 17 branch areas as of the end of the reporting period in comparison to the 2023 data as compared to the 2022 data. Year-on-year change in the number of complaints from individual customers = number of complaints from individual customers 2023 - number of complaints from individual customers 2022. The statistical methodology for year-on-year change in the number of complaints from individual customers is derived from the *Notification of the State Administration of Financial Supervision and Administration of Heilongjiang Province on Banking and Insurance Consumer Complaints in 2023* issued by the State Administration of Financial Supervision and Administration of the People's Republic of China (SAFSA) Heilongjiang Supervisory Bureau.

Head office direct GHG emissions (Scope 1) (tons of CO2 equivalent):

The head office direct GHG emissions refers to the total emission of greenhouse gas emissions in scope 1 generated by Harbin Bank's head office, including natural gas, gasoline and diesel. Direct greenhouse





gas emissions presented as carbon dioxide equivalent, and it is calculated in accordance with HKEX's *Environmental*, NDRC's *Guidelines for Accounting Methods and Reporting on Greenhouse Gas Emissions of Public Building Operators(Trial)*, SAMR and SAC's *General Rules for the Calculation of Comprehensive Energy Consumption (GB/T-2589-2020)*, IPCC's *The 2006 IPCC Guidelines for National Greenhouse Gas Inventories*.

Head office indirect GHG emissions (Scope 2) (tons of CO2 equivalent):

The head office indirect GHG emissions refers to the total emission of greenhouse gas emissions in scope 2 generated by Harbin Bank's head office, including external electricity purchase, external heat purchase and water consumption. Indirect greenhouse gas emissions presented as carbon dioxide equivalent, and it is calculated in accordance with HKEX's *Environmental*, NDRC's *Guidelines for Accounting Methods and Reporting on Greenhouse Gas Emissions of Public Building Operators(Trial)*, SAMR and SAC's *General Rules for the Calculation of Comprehensive Energy Consumption (GB/T-2589-2020)*, IPCC's *The 2006 IPCC Guidelines for National Greenhouse Gas Inventories*, MEE's *Notice on the Management of Greenhouse Gas Emission Reporting of Power Generation Enterprises from 2023 to 2025*.

Head office total GHG emissions (Scope 1 and Scope 2) (tons of CO2 equivalent):

The head office total GHG emissions refers to the total emission of greenhouse gas emissions generated by Harbin Bank's head office, including head office direct GHG emissions and head office indirect GHG emissions.

Head office sewage discharge (cubic meters):

The wastewater discharge disclosed in the 2023 ESG Report of Harbin Bank refers to the annual wastewater discharge of Harbin Bank Head Office building as of the end of the reporting period, wastewater discharge = tap water consumption - recycled water consumption, Harbin Bank recycled water accounted for a very small proportion and no water meter record, so wastewater discharge is equivalent to tap water consumption. The tap water consumption information comes from the invoice receipts and monthly meter reading records paid to Harbin Water Supply Group Co., Ltd.

Head office office paper consumption (tonnes):

The amount of office paper disclosed in the 2023 ESG Report of Harbin Bank refers to the amount of office paper used by Harbin Bank head office in the year as of the end of the reporting period, the paper used is mainly A3 and A4 office paper, and the paper amount information comes from the purchase voucher and invoice purchased by the unified purchase.

Head office toner cartridge used (pieces):

The toner cartridge generation disclosed in the 2023 ESG Report of Harbin Bank refers to the production volume of toner cartridges as of the end of the reporting period, and the amount generated comes from the unified purchase voucher.

Feedback Form

Dear reader,

Thank you for spending time from your busy schedule to read this report. For improving the environmental, social and governance work of Harbin Bank and promoting our ability to perform environmental, social and governance 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: 150010.

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 overall comment on the reports:

Good Fair Acceptable

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

Good Fair Acceptable

5. Your comment on the social responsibilities performed by the Bank:

Good Fair Acceptable

6. Your comment on performance of governance responsibilities by the Bank:

Good Fair Acceptable

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

Yes Acceptable No

8. Do you think the expression of the report is clear and easy to understand?

Yes Acceptable No

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

Yes Acceptable No

10. Please specify your valuable opinions and recommendations for improving environmental, social and governance works and this Report:

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

