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Harbin Bank Co., Ltd.*

哈爾濱銀行股份有限公司**

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock code: 6138)

QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2014

The board of directors (the “**Board**”) of Harbin Bank Co., Ltd.* (the “**Bank**”) is pleased to announce the unaudited consolidated results of the Bank and its subsidiaries (the “**Group**”) prepared under the International Financial Reporting Standards for the three months ended 31 March 2014.

Disclosure of the first quarter unaudited financial information of the Bank is made pursuant to article 272 of the Articles of Association of the Bank. Such information is released pursuant to the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

1. Corporate Information

Stock name	哈爾濱銀行股份有限公司** Harbin Bank Co., Ltd. *
Stock Code	6138
Listing venue	The Stock Exchange of Hong Kong Limited
Secretary to the Board of Directors	Liu Zhuo
Joint Company Secretaries	Sun Feixia Ngai Wai Fung
Registered Address and Postal Code	No. 160 Shang Zhi Avenue, Daoli District, Harbin, Heilongjiang 150010, P.R. China 中國哈爾濱市道裡區尚志大街 160 號 150010
Contact Telephone	86-451-86779999
Fax Number	86-451-86779888
Email Address	ir@hrbb.com.cn

2. Unaudited Financial Information (prepared in accordance with the International Financial Reporting Standards)

HARBIN BANK CO., LTD.
CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
THE THREE MONTHS ENDED 31 MARCH 2014
(In RMB thousands, unless otherwise stated)

	Three months ended 31 March	
	2014	2013
Interest income	4,640,543	3,192,108
Interest expense	<u>(2,534,790)</u>	<u>(1,668,393)</u>
NET INTEREST INCOME	2,105,753	1,523,715
Fee and commission income	429,360	227,582
Fee and commission expense	<u>(26,370)</u>	<u>(19,838)</u>
NET FEE AND COMMISSION INCOME	402,990	207,744
Net trading income	60,864	139,916
Net loss on financial investments	(45,211)	(16,290)
Other operating income, net	<u>21,320</u>	<u>7,954</u>
OPERATING INCOME	2,545,716	1,863,039
Operating expenses	(934,736)	(657,780)
Impairment losses on:		
Loans and advances to customers	<u>(311,525)</u>	<u>(197,444)</u>
OPERATING PROFIT	1,299,455	1,007,815
Share of profits of an associate	<u>6,491</u>	<u>2,359</u>
PROFIT BEFORE TAX	1,305,946	1,010,174
Income tax expense	<u>(322,832)</u>	<u>(260,389)</u>
PROFIT FOR THE YEAR	<u>983,114</u>	<u>749,785</u>
Attributable to:		
Equity holders of the parent company	978,540	747,547
Non-controlling interests	<u>4,574</u>	<u>2,238</u>
	<u>983,114</u>	<u>749,785</u>

HARBIN BANK CO., LTD.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THE THREE MONTHS ENDED 31 MARCH 2014
(In RMB thousands, unless otherwise stated)

	Three months ended 31 March	
	2014	2013
Profit for the period	983,114	749,785
Other comprehensive income (after tax, net):		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent year/period</i>		
Net gain/(loss) on available-for-sale financial assets	(175,666)	55,815
Share of other comprehensive income of an associate	13,549	507
Subtotal of other comprehensive gain/(loss) for the period	<u>(162,117)</u>	<u>56,322</u>
Total comprehensive income for the period	<u>820,997</u>	<u>806,107</u>
	(175,666)	55,815
Total comprehensive income attributable to:		
Equity holders of the parent	816,423	803,869
Non-controlling interests	<u>4,574</u>	<u>2,238</u>
	<u>820,997</u>	<u>806,107</u>

HARBIN BANK CO., LTD.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014
(In RMB thousands, unless otherwise stated)

	As at 31 March	
	2014	2013
ASSETS		
Cash and balances with central bank	47,356,621	51,552,089
Due from banks and other financial institutions	33,773,258	33,871,192
Financial assets held for trading	2,389,008	2,512,264
Reverse repurchase agreements	58,065,547	51,110,948
Loans and advances to customers	112,692,723	103,515,015
Financial investments	75,529,346	68,523,601
Investment in an associate	983,994	963,955
Property and equipment	6,967,132	7,314,942
Deferred income tax assets	384,923	333,855
Other assets	3,291,629	2,477,579
	<u>341,434,181</u>	<u>322,175,440</u>
TOTAL ASSETS		
LIABILITIES		
Due to central bank	776,402	787,198
Due to banks and other financial institutions	78,333,674	50,610,868
Repurchase agreements	12,022,252	19,091,166
Due to customers	213,590,824	224,178,126
Income tax payable	356,337	262,941
Debt securities issued	3,500,000	3,500,000
Other liabilities	5,965,687	3,817,854
	<u>314,545,176</u>	<u>302,248,153</u>
TOTAL LIABILITIES		
EQUITY		
Equity attributable to equity holders of the parent company		
Share capital	10,995,600	8,246,900
Reserves	10,679,840	7,449,935
Retained profits	5,005,197	4,030,707
	<u>26,680,637</u>	<u>19,727,542</u>
Non-controlling interests	<u>208,368</u>	<u>199,745</u>
	<u>26,889,005</u>	<u>19,927,287</u>
TOTAL EQUITY		
TOTAL EQUITY AND LIABILITIES		
	<u>341,434,181</u>	<u>322,175,440</u>

HARBIN BANK CO., LTD.
CONSOLIDATED STATEMENT OF CASH FLOWS
AS AT 31 MARCH 2014
(In RMB thousands, unless otherwise stated)

	Three months ended 31 March	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,305,946	1,010,174
Adjustments for:		
Share of profits of an associate	(6,491)	(2,359)
Depreciation and amortization	81,102	64,458
Net trading gain	(60,864)	(139,916)
Interest income on financial investments	(1,031,399)	(498,982)
Impairment loss on loans and advances to customers	311,525	197,444
Unrealized foreign exchange loss/(gain)	768	(2,428)
Interest expense on issuance of bonds	42,842	42,366
Accreted interest on impaired loans	(7,112)	(6,516)
Net loss on disposal of available-for-sale financial assets	45,211	16,290
Net loss on disposal of property and equipment and other assets	5	-
	<u>681,533</u>	<u>680,531</u>
Net decrease/(increase) in operating assets:		
Due from central bank	(2,927,421)	1,976,282
Due from banks and other financial institutions	1,109,887	(11,820,746)
Reverse repurchase agreements	(12,768,890)	(32,043,204)
Loans and advances to customers	(9,369,906)	(6,356,554)
Other assets	712,640	353,859
	<u>(23,243,690)</u>	<u>(47,890,363)</u>
Net increase/(decrease) in operating liabilities:		
Due to central bank	(10,796)	(74,599)
Due to banks and other financial institutions	27,722,806	8,404,639
Repurchase agreements	(7,068,914)	10,884,349
Due to customers	(10,587,302)	(353,350)
Other liabilities	636,640	1,635,916
	<u>10,692,434</u>	<u>20,496,955</u>
Net cash flows from operating activities before tax	(11,869,723)	(26,712,877)
Income tax paid	(295,506)	(184,202)
Net cash flows from operating activities	<u>(12,165,229)</u>	<u>(26,897,079)</u>

HARBIN BANK CO., LTD.
CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
THE THREE MONTHS ENDED 31 MARCH 2014
(In RMB thousands, unless otherwise stated)

	Three months ended 31 March	
	2014	2013
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(50,544)	(21,069)
Proceeds from disposal of property and equipment	289,400	-
Cash paid for investments	(72,713,819)	(226,736,740)
Proceeds from sale and redemption of investments	65,631,331	242,406,886
Return on investments	965,099	619,815
Net cash flows used in investing activities	<u>(5,878,533)</u>	<u>16,268,892</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	6,159,176	0
Capital injection by non-controlling shareholders	0	5,004
Interest paid on debt securities	(42,842)	(42,366)
Dividends paid on ordinary shares	0	0
Net cash flows from/(used in) financing activities	<u>6,116,334</u>	<u>(37,362)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
	(11,927,428)	(10,665,549)
Cash and cash equivalents at beginning of the period	53,558,236	64,094,278
Effect of exchange rate changes on cash and cash equivalents	2,200	(5,357)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>41,633,008</u></u>	<u><u>53,423,372</u></u>
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES INCLUDE:		
Interest received	5,349,211	3,957,690
Interest paid	<u>(1,930,032)</u>	<u>(2,102,833)</u>

The above financial statements have been prepared under the International Financial Reporting Standards, and have not been audited.

3. Significant events

The H shares (“**H Shares**”) of the Bank were listed on the Hong Kong Stock Exchange on 31 March 2014. A total number of 3,023,570,000 H Shares were offered pursuant to the Global Offering, including 2,748,700,000 new H Shares issued by the Bank and 274,870,000 sale shares offered by the selling shareholders of the Bank. The offer price was HK\$2.90 per H Share with a nominal value of RMB1.00 each. The total net proceeds from the Global Offering was approximately HK\$7,722 million (or approximately RMB6,184 million). The Stock Code is 6138.

By order of the Board
Harbin Bank Co., Ltd.*
Joint Company Secretary
SUN Feixia

Hong Kong, 17 April 2014

As at the date of this announcement, the Board of directors of the Bank comprises Guo Zhiwen, Liu Zhuo and Gao Shuzhen, as executive directors; Zhang Taoxuan, Chen Danyang, Cui Luanyi and Qin Hongfu, as non-executive directors; Ma Yongqiang, Zhang Shengping, He Ping, Du Qingchun, Wan Kam To and Kong Siu Chee, as independent non-executive directors.

** For identification purpose only.*

*** Harbin Bank Co., Ltd. is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking/deposit-taking business in Hong Kong.*