

The background of the slide is a vibrant blue. It features a large, textured sphere in the upper right quadrant, composed of a grid of small dots. Below the sphere, there is a stylized city skyline in a lighter blue shade. The skyline includes a tall, modern skyscraper, a Ferris wheel, and other architectural elements. In the foreground, there are several white, flowing, wave-like lines that sweep across the lower half of the image. Small silhouettes of people and a car are visible near the base of the city skyline.

2019

Results Release of Bank of Tianjin Co., Ltd.

March 2020

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Overall Results

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Business Performance

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Future Plan

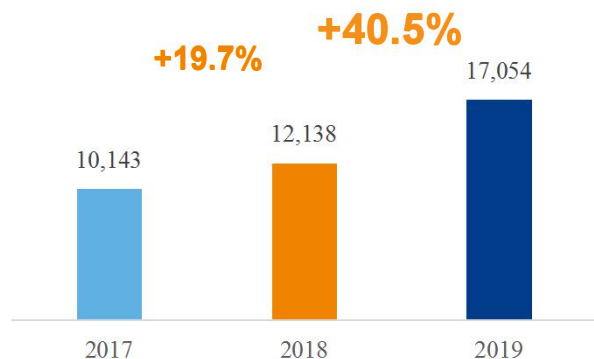
04

Appendix

I. OVERALL RESULTS

Operating income increased by 40.5%

RMB 1 million Yuan



Net interest income increased by 39.6%

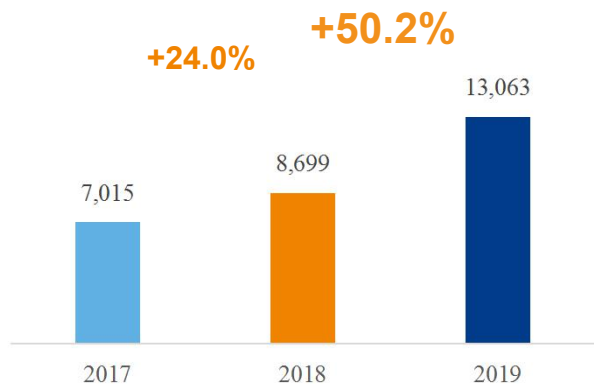
RMB 1 million Yuan



Notes: In order to ensure the same data caliber in the past three years, the net interest income here includes the subject data of "investment income".

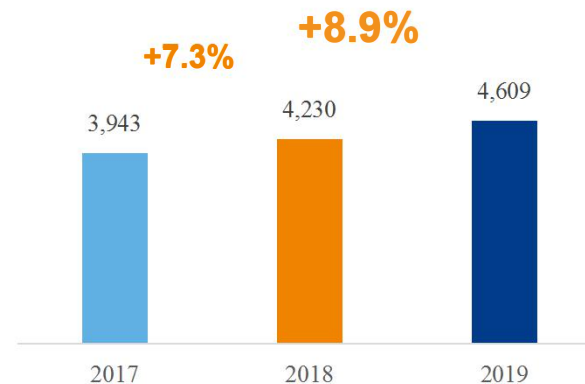
Profits before allowance increased by 50.2%

RMB 1 million Yuan

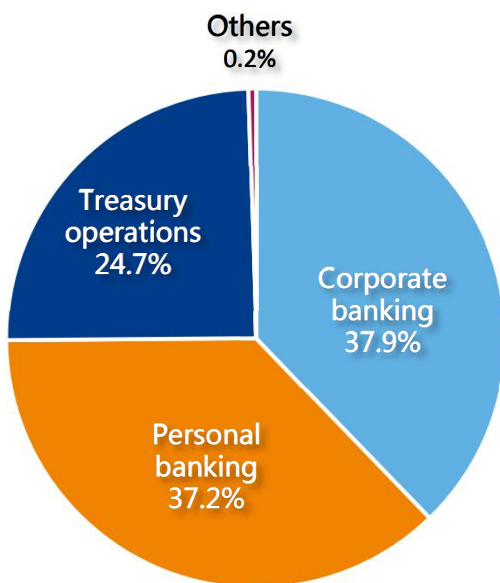


Net profit increased by 8.9%

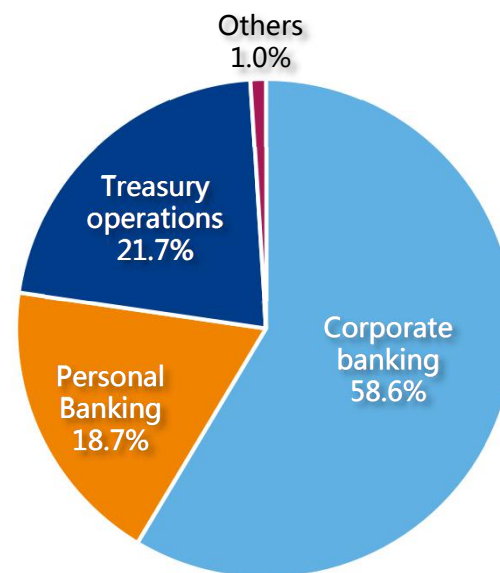
RMB 1 million Yuan



Income structure in 2019

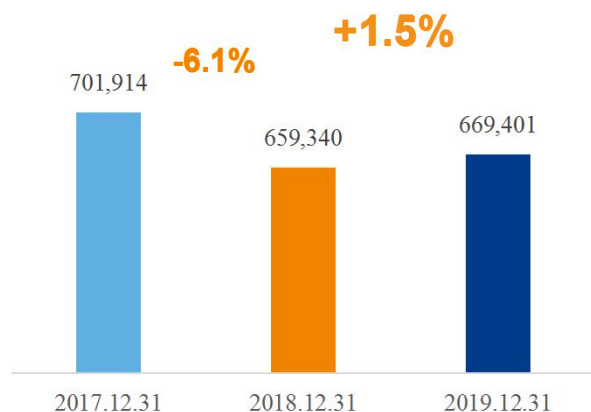


Income structure in 2018



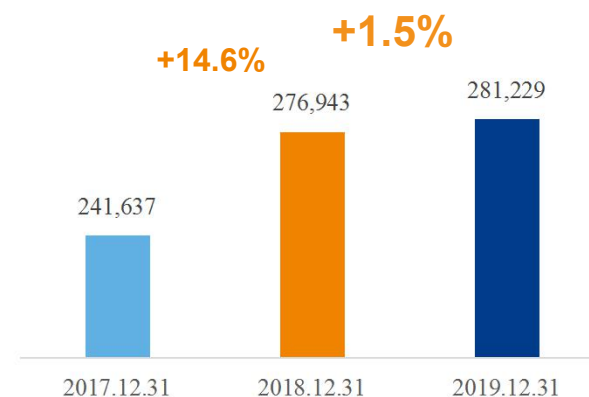
Assets

RMB 1 million Yuan



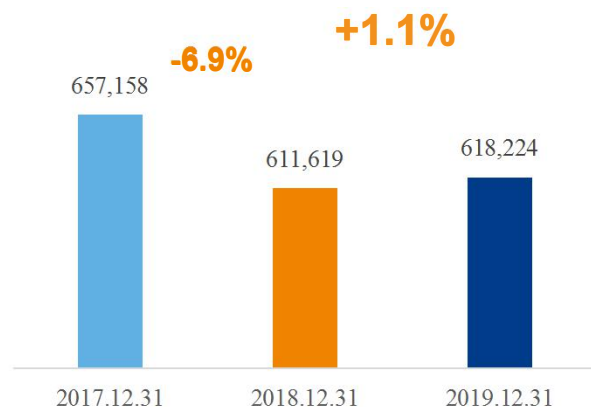
Loans

RMB 1 million Yuan



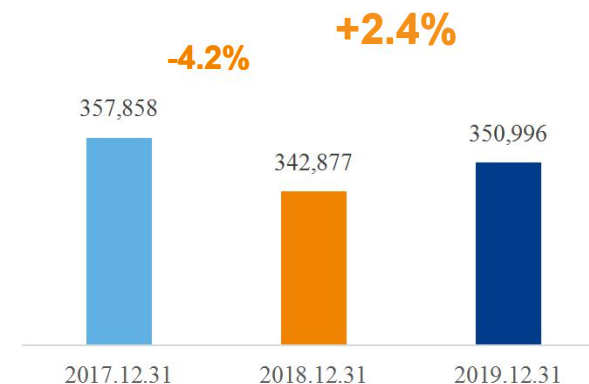
Liabilities

RMB 1 million Yuan

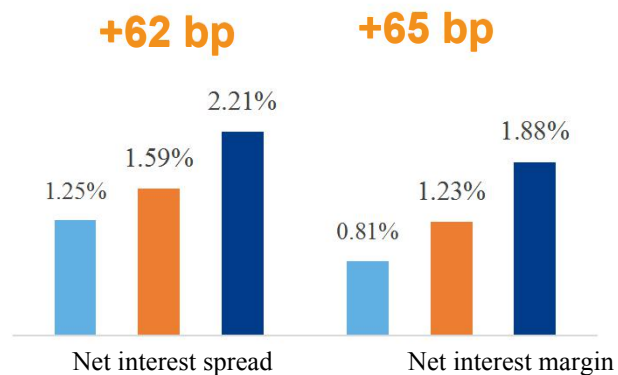


Deposits

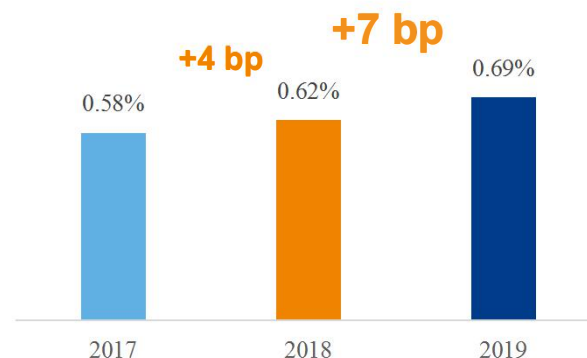
RMB 1 million Yuan



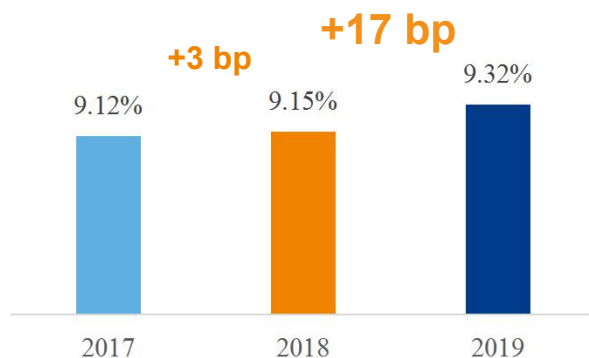
Net interest margin and net interest spread



Return on average total assets

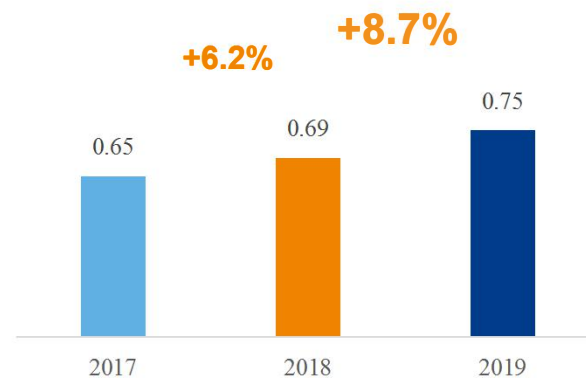


Average return on equity



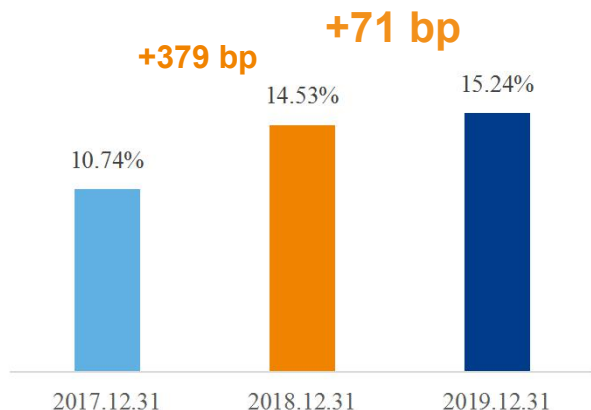
Earnings per share

RMB Yuan/share

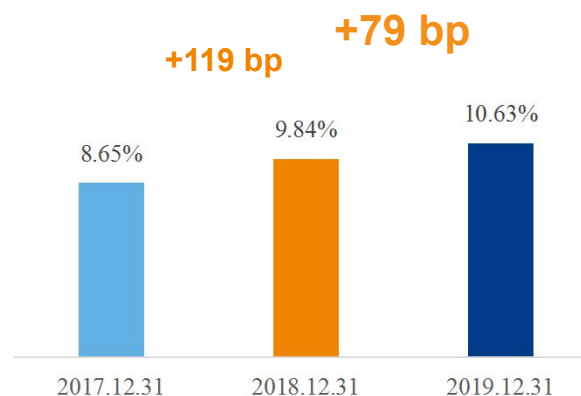


The level of capital adequacy has increased for three consecutive years

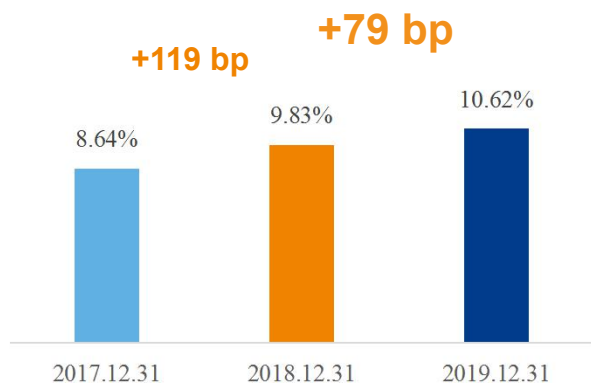
Capital adequacy ratio



Tier 1 capital adequacy ratio



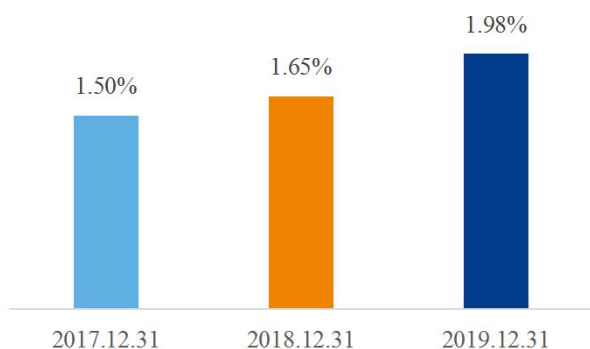
Adequacy ratio of core tier 1 capital



Portfolio management and adjustment of asset structure

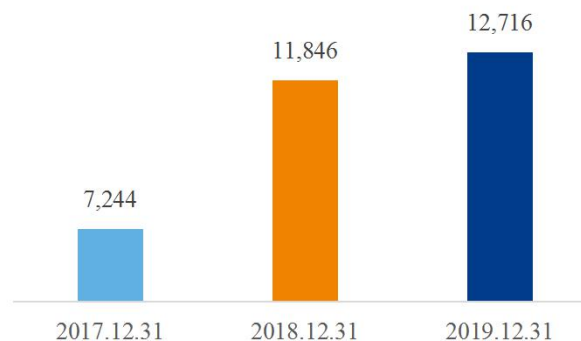
- Reasonably adjust assets structure, increase the investment of **light capital** occupation assets, and improve the utilization efficiency of capital.
- Strengthen capital management, establish an economic capital management system with **EVA** as the core, and promote scientific and reasonable allocation of resources.

Non-performing loan ratio

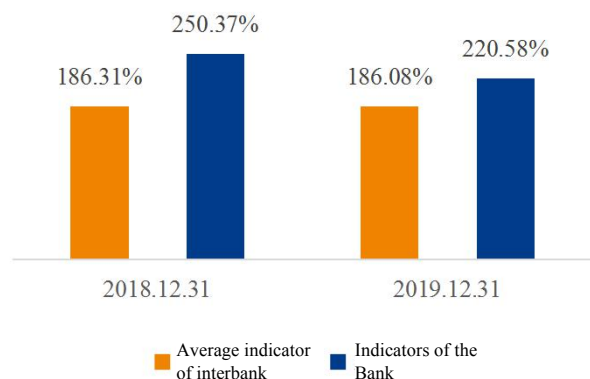


Allowance for impairment loss of loans

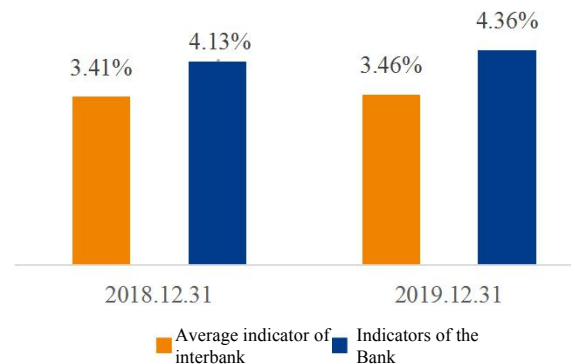
RMB 1 million Yuan



Provision coverage



Allowance-to-loan ratio



II. BUSINESS PERFORMANCE

Strengthen traditional business management and promote the construction of transaction banking system

Traditional business: Continue to promote “four one-batch”



Add a batch

We will support the construction of key national strategies and "add a batch" of mainland emerging industrial customers and small and micro customers in key areas



Maintain a batch

Establish a “one-to-one” customer account planning mechanism, operate existing customers in depth, and stabilize results levels of “maintain a batch”



Keep a batch

Examine pricing leaks, restart pricing negotiations, improve revenue expectations, and enhance maintenance benefits of “keeping a batch” through efficiency enhancement, deposit increase and credit increase



Eliminate a batch

Consolidate risk identification and risk control measures, and "eliminate a batch" of high energy consumption and high pollution enterprises and risk gathering customers

Transaction banking: creating full process financial services



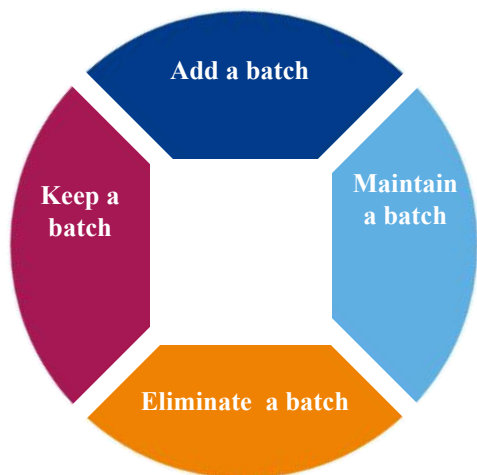
"Transaction + Payment + Financing" full process financial services

Trading banks are committed to building a comprehensive and online product system integrating payment and settlement, ticket, certificate, correspondence business and receivable, payable and mortgage financing, providing customers with full-process financial services of "transaction + payment + financing" and improving user experience.

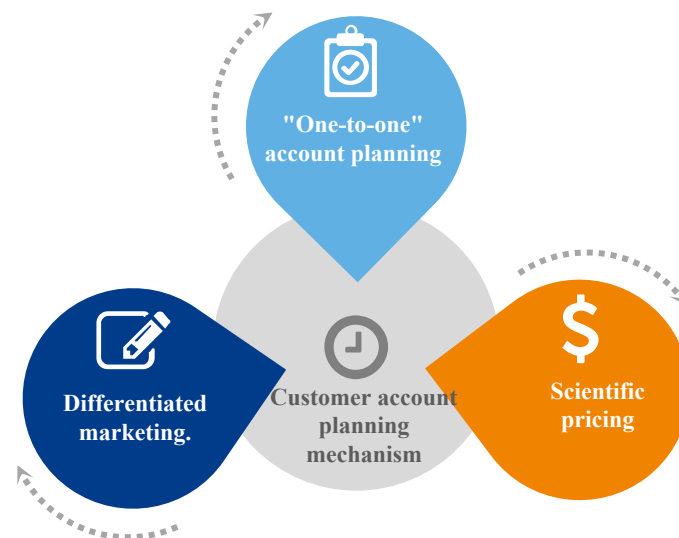
Accelerate the transformation of business and improve the quality and efficiency

Traditional corporate business : “Four one-batch” achieved remarkable results and customer management further improved

“Four one-batch” + “customer account planning mechanism” to improve customer management ability



- Nearly 300 new customer businesses were added, and the weighted average yield was **76 BP** higher than that of overall level;
- Maintain the weighted average yield of regular customers increased by **103 BP**;
- Eliminate a number of high energy consuming, high pollution enterprises and customers with accumulated risks.



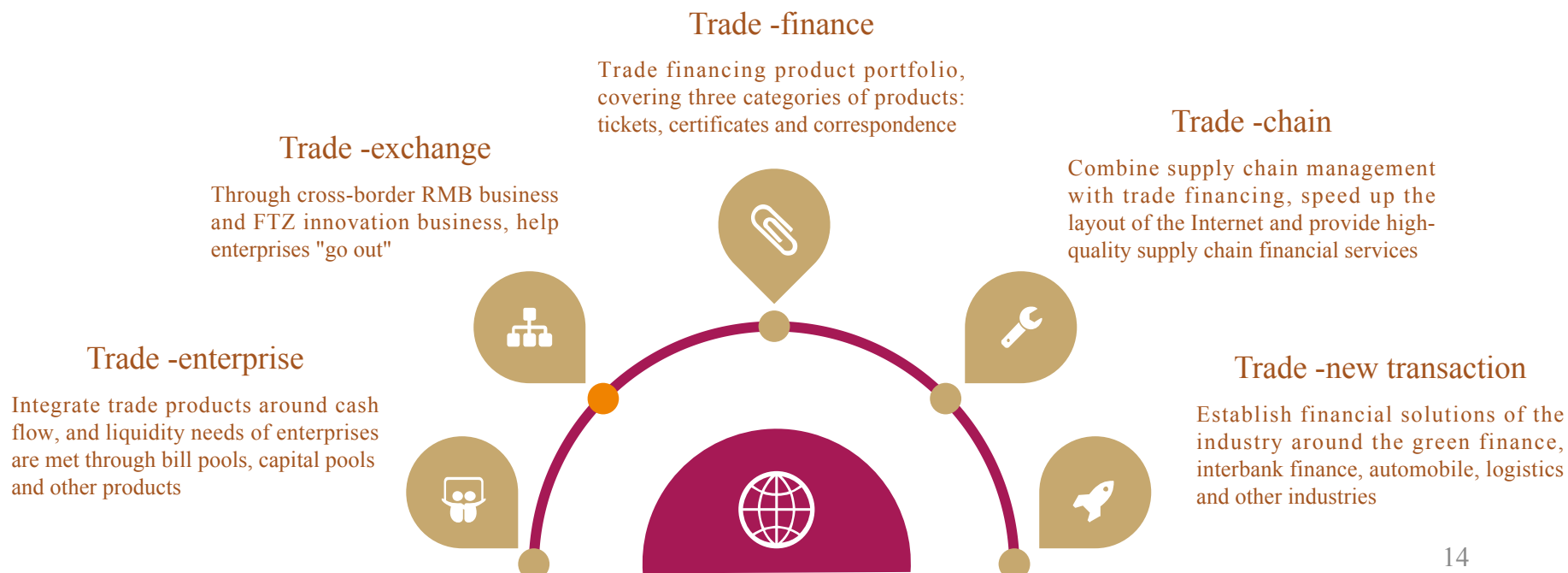
- In-depth management. For existing customers, formulate a "one-to-one" account plan;
- Differentiated marketing. Analyze one by one, tap business opportunities and formulate differentiated marketing plans;
- Scientific pricing. Fully examine the pricing leakage, clarify the customer's phased plan, and scientifically and reasonably price the customer.

Transaction banking: All-round development of business and continuous improvement of product system

All-round development of business and continuous improvement of product system

Asset size	Intermediate business income	Drive deposits	International settlement volume
RMB 52.271 billion Yuan	RMB 205 million Yuan	RMB 31.4 billion Yuan	USD 6.801 billion
↑ 5.3%	↑ 7.3%	↑ 44.7%	↑ 12.9%

Building the brand of transaction banking -- "express trading"



Core objectives

One development strategy

Four business strategies

Unconventional development of large retail

Adhere to the management strategy of "Internet banking business and outlets transformation and the two connection"

Product innovation

1. Design differentiated management strategies and product combinations for the six strategic customer groups. Mainly includes: pay card customers, trade union card customers, elderly customers, middle-aged women, business owners and young customers.
2. Develop mobile payment, expand aggregate payment business and attract low-cost demand deposits.
3. Enrich the wealth management product line and increase the diversity of investment and wealth management product; build a systematic product management system and gradually establish asset allocation capability.
4. Locate premium customers offline to win the customer, promote customer attraction and scenario installment of third-party and proprietary platform online; improve the standardized process, establish an independent risk control system, provide a fast and convenient online loan process, and create a first-class consumer credit customer experience.
5. Lead in life scenarios and enrich consumption scenarios by stages; create theme credit cards.

Marketing management

1. Establish a refined sales management system and digital sales management tools, promote the inspection and supervision mechanism that runs through the headquarter- branch- sub-branch, and build sales management tools from the dimensions of clue management, customer view, results management, schedule management, etc. to improve decision-making efficiency.
2. Introduce a pay-for performance system to guide the full release of production capacity, efficiently transmit strategic intentions and support the achievement of objectives.
3. Through big data analysis, establish targeted marketing measures for the customer life cycle to realize the management of the customer life cycle.

Channel transformation

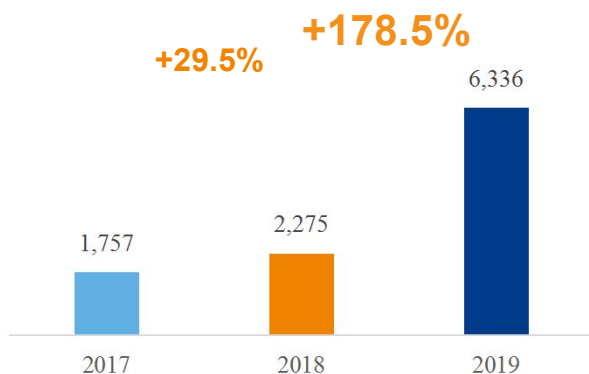
1. Promote offline outlet intelligence transformation and build comprehensive and light differentiated retail flagship outlet.
2. Promote the innovation of mass customer acquisition mode, rely on the outlet resources to expand third-party cooperation, create online and offline integration of mass customer acquisition scenarios, realize "connection of online and offline", and seize market share large-scale.

Regional characteristics

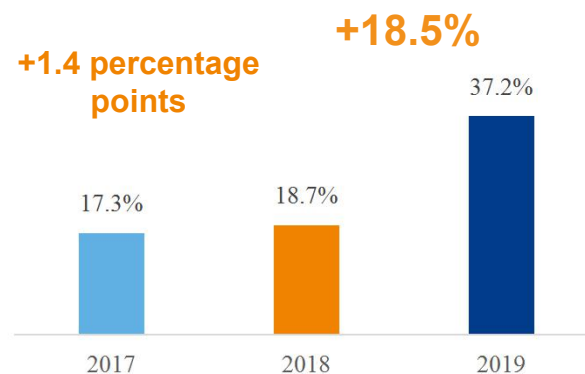
1. In Tianjin, focus on "outlets transformation" and strengthen traditional retail.
2. Outside of Tianjin, focus on "Internet banking business" and expand retail business through financial technology and online cooperation platforms.

Operating income increased by 178.5%

RMB 1 million Yuan

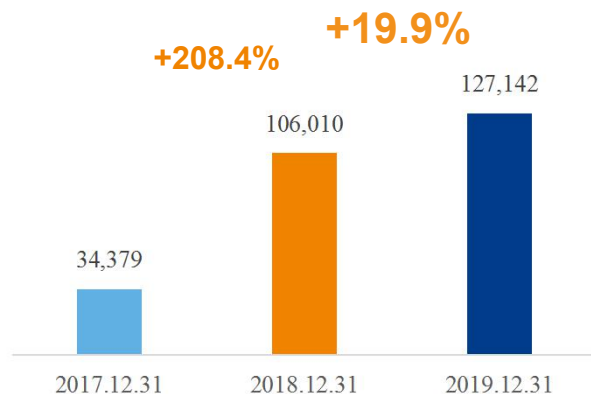


Revenue accounted for 37.2%

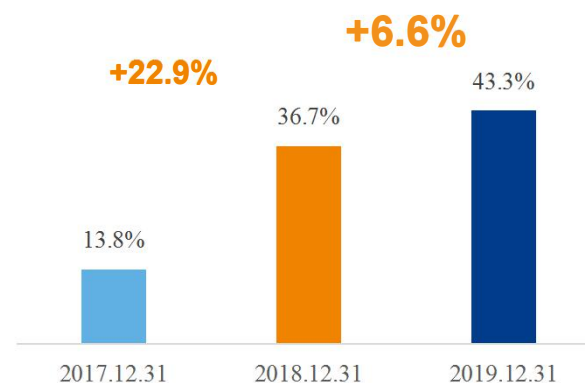


Loans balance increased by 19.9%

RMB 1 million Yuan



Loans balance accounted for 43.3%



Self-developed online loan products are getting abundant

Every Day Loan

- Online small consumer loan
- Locate long tail customer
- Credit recycling
- Maximum amount of RMB 200,000 Yuan

Independent customer attraction
Independent risk control
Independent management
Online + touring promotion dual marketing



White Collar Loan

- Online small consumer loan
- Locate premium card customers
- Whitelist marketing



The financial ecology of "scenario + finance + payment" is increasingly perfect



28,320 aggregate payment signed-up customers

We will build a scene financial ecosystem with "scenario + finance + payment" as the core element and "mobile payment" as the breakthrough point.



More than 40,000 person-times participated in the "Daily Discount" activity

Launch retail theme activity "Daily Discount- I'm the queen of Tuesday", focus on high-frequency consumption hot spots such as supermarket, refueling and travel.



92 offline active scenarios

Establish scenario depended on "3km" around outlets to realize mutual diversion and carry out batches of retail business.



365.8 thousands Meituan credit cards issued

To carry out the joint credit card business, to effectively attract customers' attention through various preferential activities and enhance the credit card brand image of the Bank.

The scale of inclusive loans and the number of customers increased by leaps and bounds



Technology enabling to innovate new models of small and micro businesses

Bank Tax E-Loan

- Mode: big data + taxation + finance
- Customer: Small and micro enterprises owners who pay taxes in good faith
- Features: determine loans with taxes and promote taxes with loans
- As of the end of 2019, the loan issuance exceeds RMB 60 million Yuan

Supermarket E-Loan

- Mode: customer order data as the core
- Customer: supermarket stores
- Features: low threshold, easy handling, scenario matching and recycling
- As of the end of 2019, the loan issuance exceeds RMB 25 million Yuan

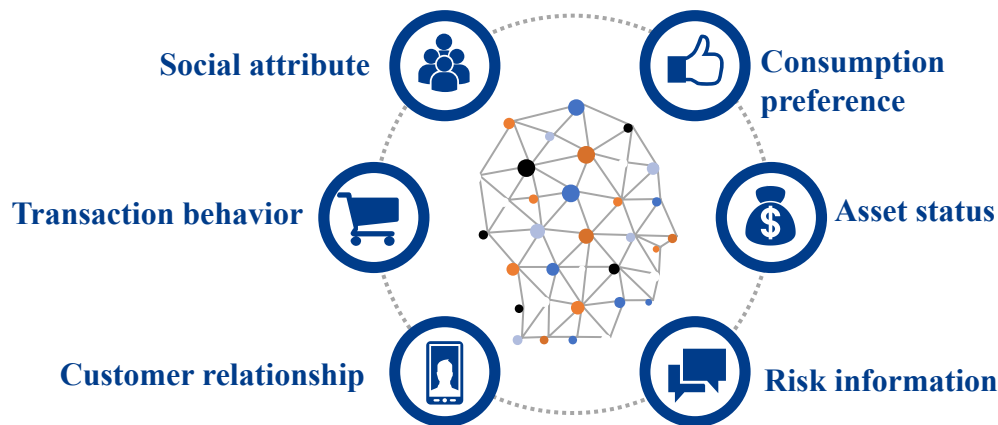
Retail business: Establish a marketing integration platform to accurately depict customer portraits

Establish "marketing integration platform for large retail business"



- Integrate the three major functions of "marketing event management", "customer maintenance management" and "extending market management";
- Results and product visualization
- One-stop marketing

Build customer panorama view



The overall scale of personal value customers increased by 11.8%, of which high-end customers increased significantly

Individual valid customer

Percentage of personal value customers:
49.9%



Increase from the beginning of the year:

↑ 7.1%

Personal core customers

Percentage of personal value customers:
37.3%



Increase from the beginning of the year:

↑ 13.0%

Personal VIP customer

Percentage of personal value customers:
8.4%



Increase from the beginning of the year:

↑ 27.2%

Personal diamond customers

Percentage of personal value customers:
4.4%



Increase from the beginning of the year:

↑ 36.9%

Build three-dimensional and intelligent outlet system and customer experience

Light outlet



Comprehensive outlet



Flagship outlet



61%

Service substitution rate

At the end of 2019, the bank's average business replacement rate reached 61%, up 52% from the beginning of the year.

90%

Coverage rate of high-frequency counter transactions

109 intelligent devices are launched in whole bank, covering 90% of high-frequency counter transactions

222

Outlets use intelligent device

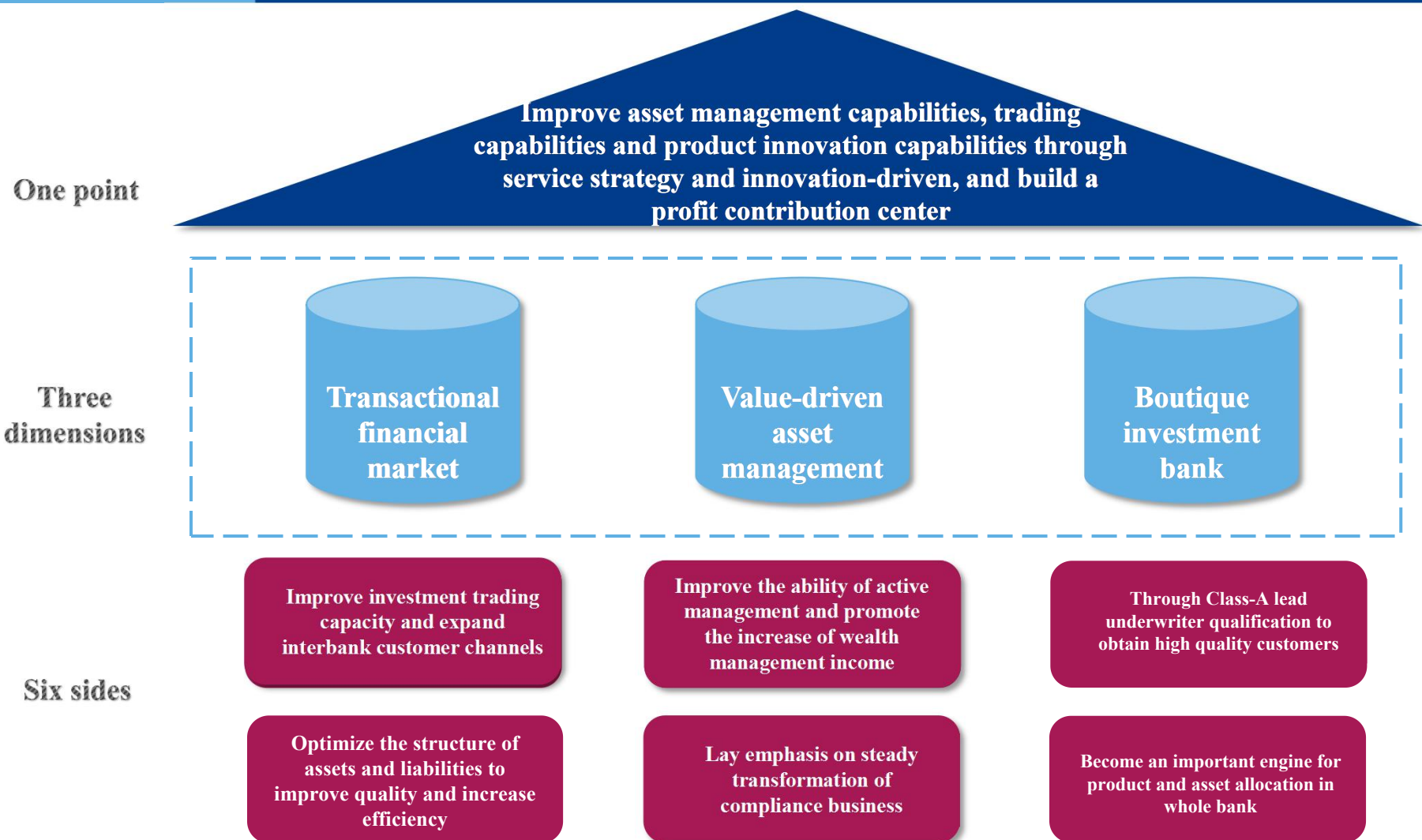
As of the end of 2019, the 222 outlets used intelligent device

1314

Number of intelligent device

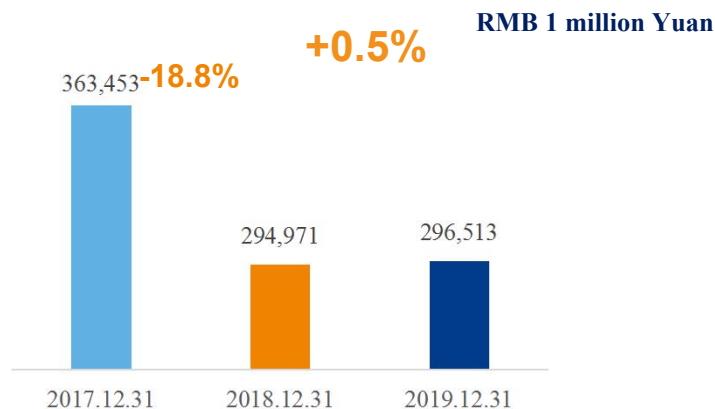
As if the end of 2019, there were 1314 intelligent devices in whole bank.

Fund business: Constructing a comprehensive financial service cube featuring with "one point, three dimensions and six sides"

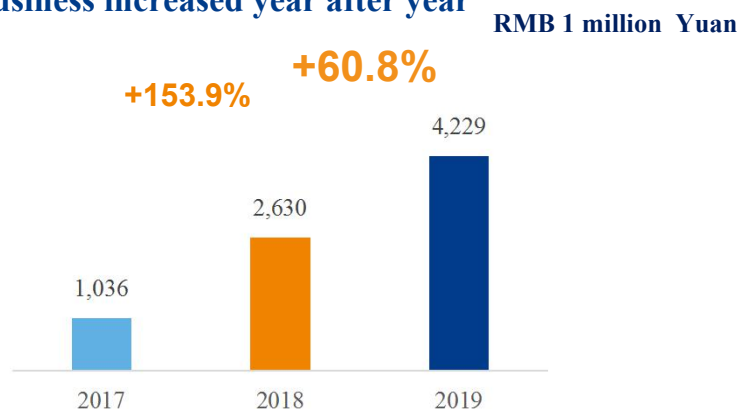


Efficiency gains:

Investment securities and other financial assets tend to stabilize

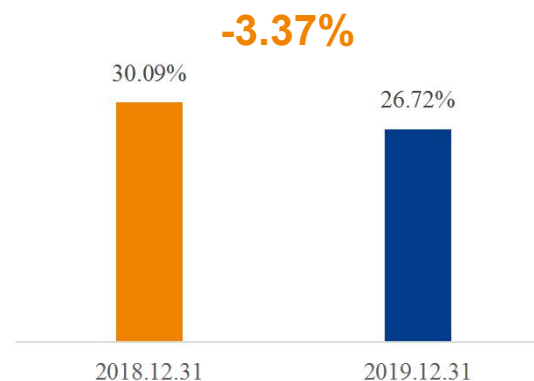


The operating income of capital operation business increased year after year

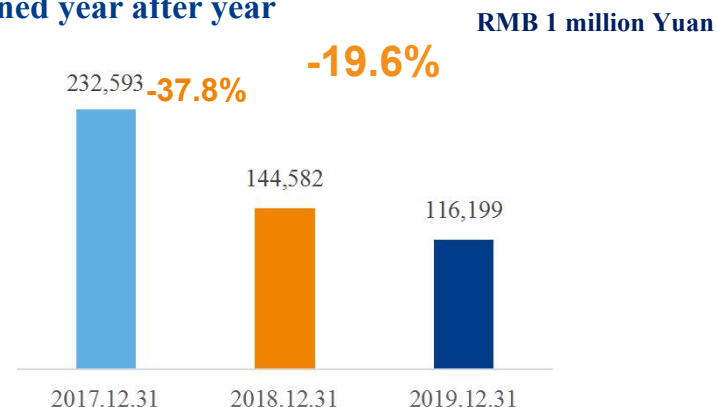


Compliance:

Under the supervision standard, the interbank debt indicator dropped significantly



Non-standard investments such as wealth management, trust beneficiary rights and asset management plans declined year after year



Build "investment trading center, product innovation center and interbank customer platform"

Investment trading center

**RMB 4.4
trillion Yuan**

The market clearing quantity of domestic currency was RMB 4.4 trillion Yuan with a year-on-year increase of 33.2%

**RMB 5.5
trillion Yuan**

Bond trading reached RMB 5.5 trillion Yuan with a year-on-year increase of 400%

**RMB 87.15
billion Yuan**

The underwriting scale of rate securities reached RMB 87.15 billion Yuan with a year-on-year increase of 51.1%

USD 147.8 billion

Foreign exchange trading reached USD 147.8 billion with a year-on-year increase of 154.9%

Product innovation center

Qualification acquisition

Qualification for standard bond forward business

Obtain the qualification of the main participating institution of online interbank deposits

Shanghai Branch obtains foreign currency lending qualification in Shanghai Free Trade Zone

Business innovation

Launch the first RMB interest rate swap business linked to LPR by Tianjin legal institution

Launch the first international precious metals trading business

Launch the first credit asset transfer-out business in Yindeng Center

Interbank customer platform

296

Establishing interbank credit relationships with 296 financial institutions

595

Carry out interbank cooperation with 595 financial institutions

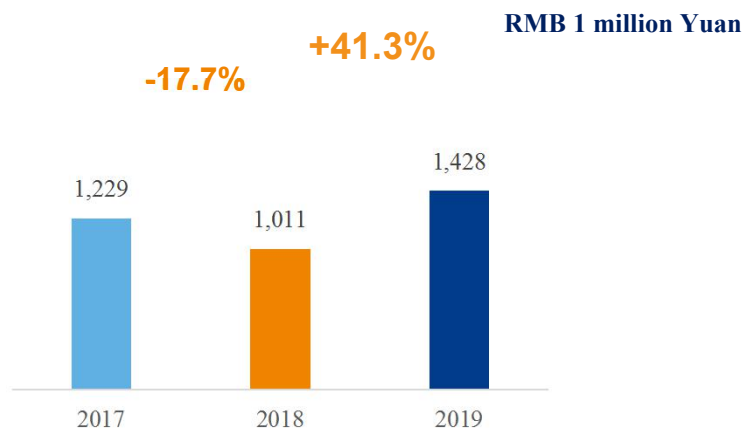
More than 850

Establishing correspondent bank relationships with more than 850 domestic and overseas financial institutions

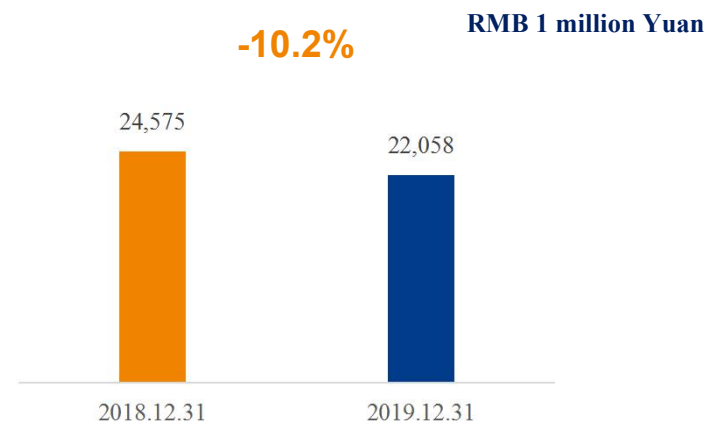
120

120 Bank-bank Cooperation Platform for Circum-Bohai Sea

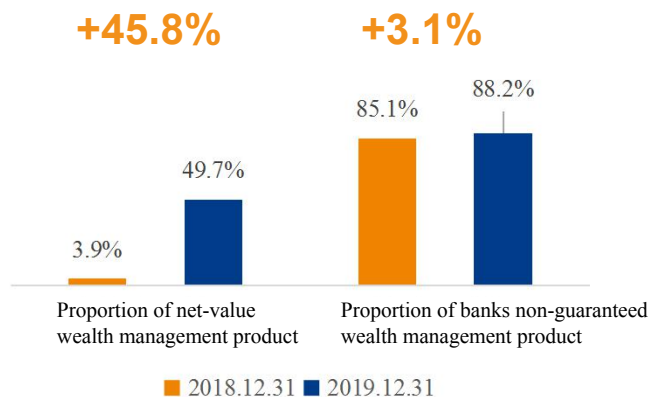
Income from wealth management product increased by 41.3%



Non-standard investment in wealth management product fell 10.2%



The proportion of net-value wealth management products and non-guaranteed wealth management products increased



The transformation of net worth products is progressing smoothly

Product system construction completed

- Covering retail and corporate account customers, covering products such as daily opening, periodic opening and closed type;
- Featured products are rich, such as "T+0" cash management products, trade union card products, afternoon tea products, etc.

Excellent product results

- Net worth management products operate steadily, all reaching or exceeding the results benchmark, and the fluctuation of net worth is well controlled.

Investment banking: Using Class-A lead underwriter to obtain customers to build investment bank's whole product line

Bond underwriting covering six provinces and cities and reaching RMB 11.95 billion Yuan in 2019

Debt capital market business

- Inter-bank market products such as super & short-term commercial paper, commercial paper, short financial ticket, targeted instruments, asset-backed bills, etc.
- Debt financing plan of Beijing Financial Assets Exchange
- Creation of credit risk mitigation certificate
- Creation of credit-linked notes

Equity business

- Mergers and acquisitions loan
- Merger and acquisition syndicated loan
- Equity capital market business
- Pilot qualification for investment and loan linkage



Asset securitization business

- Credit asset securitization qualification
- Securitization of enterprise assets
- Asset circulation business

Financial advisory business

- Qualification for equity asset trading business of Beijing Financial Assets Exchange Platform
- Consultant on M&A financing of listed companies, mixed reform of state-owned enterprises, industrial funds, etc.
- Matchmaking businesses such as assets and investments

Sound risk governance framework

A sound and clear risk management framework will further enhance the professionalism of risk organization structure setting

Forward-looking stress testing

Carry out stress tests on a regular basis
Forward-looking identification of risks and formulation of emergency plans

Continuously optimized risk management information system

Strengthening the application of big data analysis technology and promoting the construction of intelligent risk control system

Continuously deepen comprehensive risk management

Risk appetite linked with strategy

Establishing risk appetite and management strategy linked with strategy
The risk appetite and management strategy are well implemented throughout the year

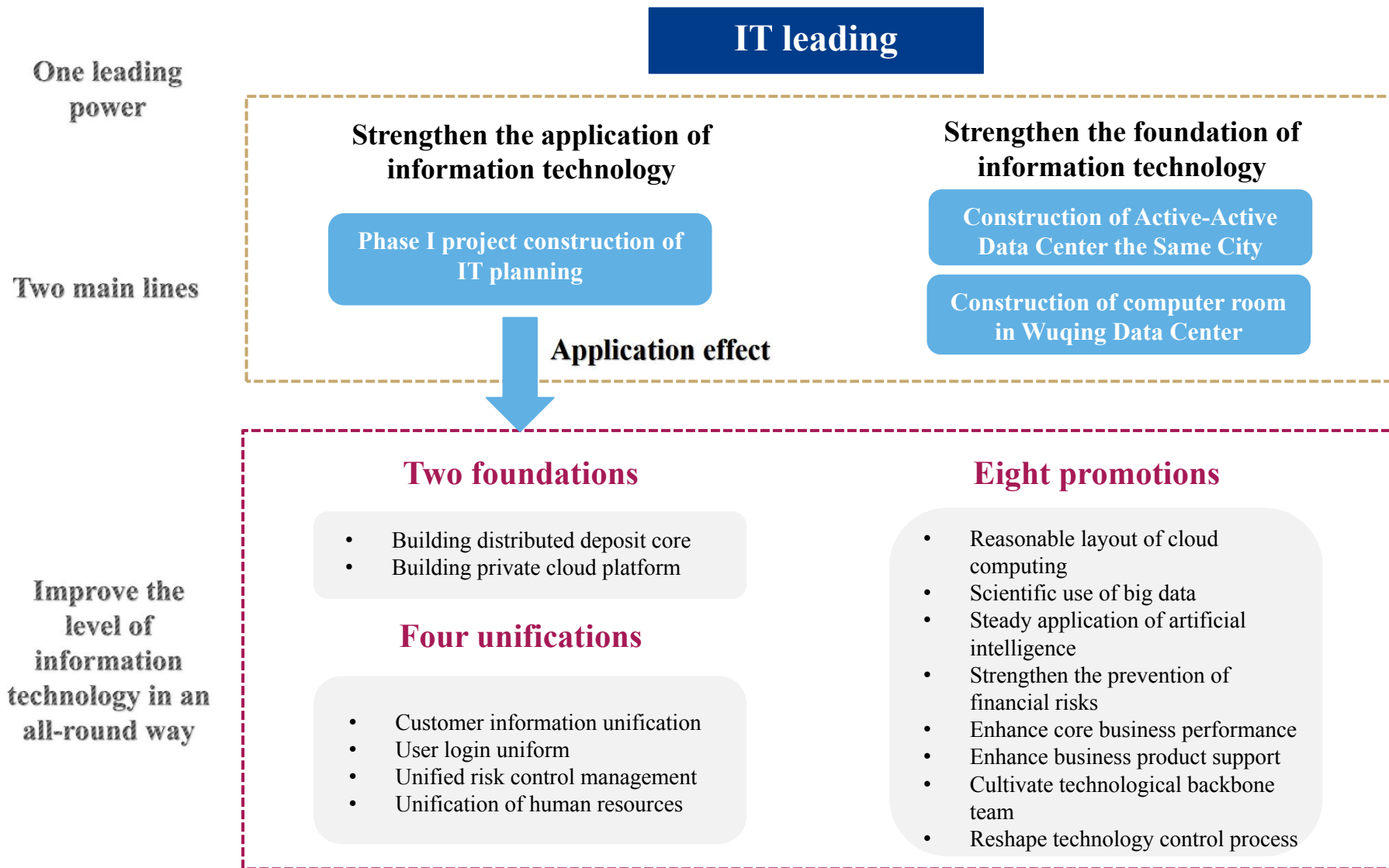
Risk control measures for the whole process

Implement risk control of identifying, measuring, evaluating, monitoring, reporting and controlling the whole process
all-round strengthening of management foundation

Sound risk management policies and procedures

Stable risk management policy system
Continuously improve the institutional framework

IT: One leading power and two main lines to comprehensively improve the level of IT



Business enabling

Strengthen marketing management

- **Provide unified support for marketing and performance management:** establish a user center, a unified marketing center, build a large retail business marketing integration platform and a comprehensive management platform for public business, and implement business and data platforms;
- **Accelerate the transformation of retail business:** set up a panoramic view of customers, open up online and offline channels, B-end and C-end channels, and have the capability of fast customer acquisition and accurate marketing; integrate nearly 30 million Internet loan customers and build accurate portraits of customers.

Improve business processing efficiency

- **Improve business processing efficiency:** the efficiency of mixed service scenarios in distributed core systems has been increased by 35 times, and the processing time of batch services has been shortened by more than 75%.

Strengthen risk control

Intelligent risk control system

- Establish five core risk control systems (anti-fraud, application evaluation, active monitoring and early warning, intelligent collection, cross-verification) and six technology platforms based on big data analysis;
- Establish an intelligent, online, data-based and professional unified risk control platform, and establish a big data risk control model for personal consumption and personal operation
- An online loan platform is built on the basic framework of the unified risk control platform to present 34 kinds of multi-dimensional post-loan data display, establish 4 defense lines for risk control, and realize intelligent risk control for online loans.

Improve risk control efficiency

- Using big data and powerful computing power to improve the risk control efficiency has been greatly, and the processing time of online loan asset statements has been shortened by more than 70% compared with the original.

Control cost

Save labor cost

- Establish intelligent customer service system based on natural language recognition, machine learning and other technologies with a recognition rate over than 95%
- OCR technology is used to automatically identify invoices, and the system is automatically entered. The whole process is 100% automated, and the efficiency is nearly ten times higher than before;
- Establish the bank-wide metadata dictionary, data standard catalog, data quality control process and conduct centralized management through the system to save labor cost.

Save hardware resources

- A centralized and distributed coordinated development infrastructure system has been built, with automatic resource allocation and rapid application deployment capabilities; building a cloud platform architecture will save more lots of hardware resources in the innovation area.

The ranking of the industry continues to improve and the capital market has long recognized it



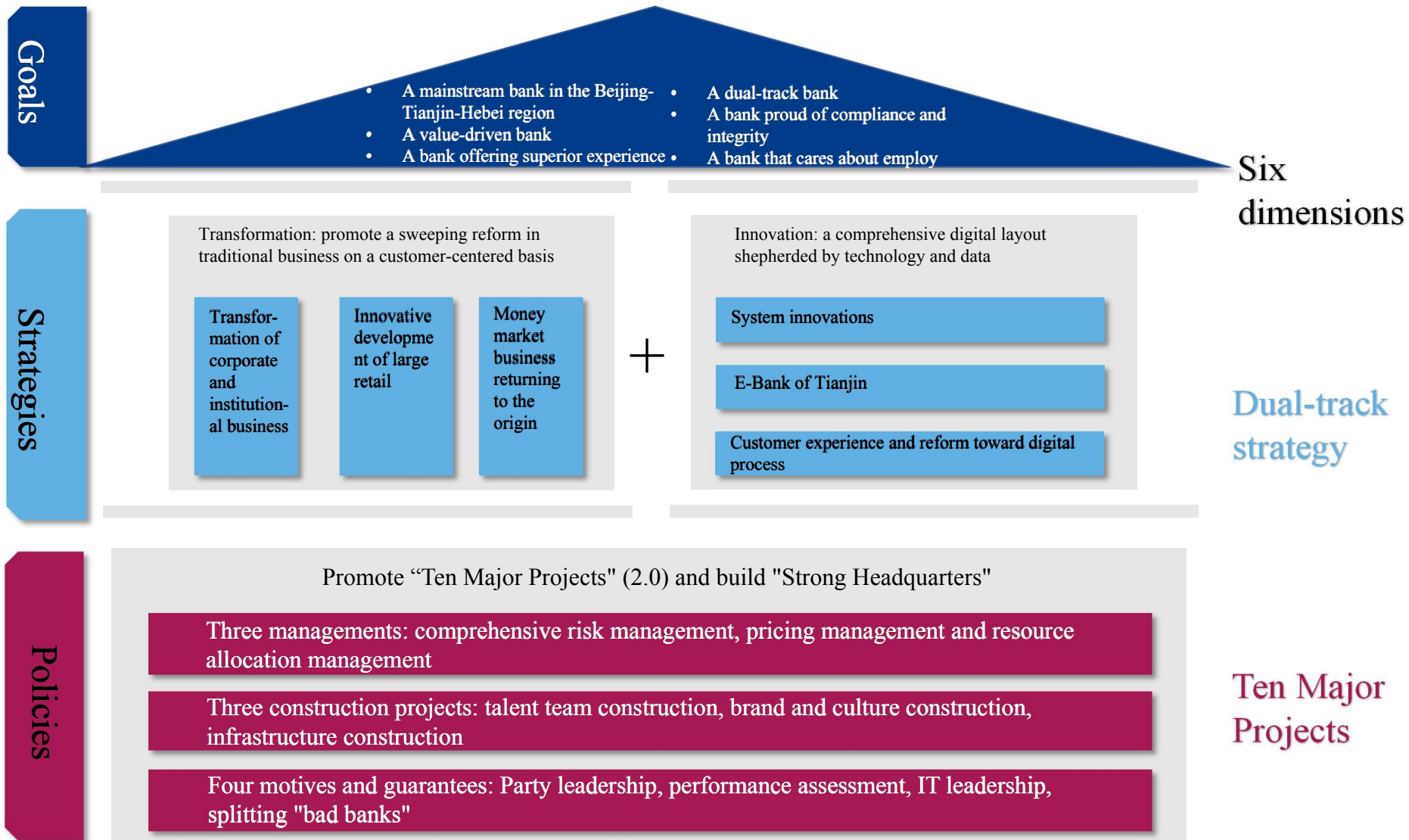
- 🏆 The Bank of Tianjin ranked 197th in top 1000 banks global by *The Banker* in 2019, raising 3 places over the previous year.
- 🏆 Ranked 492nd place in 2019 China's top 500 enterprises jointly sponsored by China Enterprise Confederation and China Enterprise Directors Association; and 170th in 2019 China's top 500 service companies, rising 2 places.
- 🏆 China Lianhe Credit Rating Co., Ltd. has determined Bank of Tianjin's long-term credit rating as "AAA", reflecting its recognition and confidence in Bank of Tianjin's development.

Other awards

- 🏆 "Asian Outstanding Municipal Commercial Bank in 2019" by 21st Century Business Herald
- 🏆 "2019 Inclusive Financial Business Bank" by 21st Century Business Herald
- 🏆 "Top 10 of 2019 Outstanding Competitiveness" by China Business Journal
- 🏆 "Best Small and Medium Banks" by China Investment Network
- 🏆 "Taurus Financial Bank Award" by China Securities Journal
- 🏆 "Best Trading Brand Bank" by Trade Finance
- 🏆 "Outstanding Retail Bank Award" in Finance
- 🏆 "Best Practice Award" by Clearing Center of Municipal Commercial Bank Funds

III. FUTURE PLAN

Planning pilotage: Six Dimensions +Dual-track Strategy + Ten Major Projects (2.0)



Three managements

Comprehensive risk management. Form an end-to-end risk management reporting and monitoring mechanism and build an automated, online and customized reporting system; accelerate the construction of forward-looking, professional and intelligent risk control systems and build a comprehensive risk control system with Bank of Tianjin characteristics.

Pricing management. Strengthen the application of internal fund transfer pricing management to provide refined data support for CRM and management accounting systems; further improve the market-oriented pricing management level of deposits and loans and enhance profitability through differentiated pricing strategies.

Resource allocation management. To establish quantitative economic capital measurement, the optimal allocation of venture capital should be carried out through RAROC (Risk Adjusted Return on Capital) assessment, so as to improve the scientificity and rationality of capital allocation.

Three construction projects

Construction of talent team. Focus on setting up a professional management system covering "selection, use, education, retention and remuneration" of core talents, and build a systematic leadership promotion plan for core talents.

Brand and cultural construction. Highlight the formation of Bank of Tianjin brand system and promotion mechanism; continue to promote the implementation and solidification of the "Seagull Pilotage" corporate culture throughout the bank.

Infrastructure. Complete the construction of Xiqing Financial Center in an all-round way, accelerate the reconstruction of the operation center building of the head office, actively promote the transformation of intelligent outlets, continuously improve the basic system, focus on the future and consolidate the foundation.

Four motives and guarantees

Party leadership. Thoroughly implement Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and strive to improve the quality and efficiency of economic development and comprehensively improve the level of Party building in accordance with General Secretary Xi Jinping's important instructions on Tianjin's "three highlights".

Performance assessment. Highlight the orientation of value creation and collaborative marketing assessment, and further optimize the design of KPI indicators such as net interest income from deposits and loans, operating value to public customers, operating value to small, medium and micro customers, and operating value to retail customers. Deepen the OneBank assessment mechanism, design and promote the collaborative marketing OneBank assessment system with same line and cross-product;

IT leading. Fully push forward the implementation of the IT architecture planning. On the basis of the launch of the Phase I Project, accelerate the implementation of the Phase II Project and achieve substantial results; build a double-speed IT system, complete the system construction, sort out the personnel structure, and carry out organizational transformation;

Split "bad banks". Fully implement the *Implementation Plan for Bank of Tianjin to Split "Bad Banks"*

IV. APPENDIX

Indicator category	Indicator name	2019	2018	Change
Assets and liabilities	Total assets	669,401	659,340	1.5%
	Of which: Loans and advances to customers	281,229	276,943	1.5%
	Total liabilities	618,224	611,619	1.1%
	Of which: Due to customers	350,996	342,877	2.4%
	Total equity	51,177	47,721	7.2%
Income profit	Operating income	17,054	12,138	40.5%
	Net interest income (including investment income)	14,653	10,499	39.6%
	Net fee and commission income	2,266	1,538	47.4%
	Profit before allowance	13,063	8,699	50.2%
	Net profit	4,609	4,230	8.9%
Profitability	Net Profit Spread (NIS)	1.88%	1.23%	0.65 percentage point
	Net Interest Margin (NIM)	2.21%	1.59%	0.62 percentage point
	Return on Total Assets (ROA)	0.69%	0.62%	0.07 percentage point
	Return on Equity (ROE)	9.32%	9.15%	0.17 percentage point
	Ratio of cost to income	22.20%	27.18%	-4.98 percentage points
	Basic earnings per share	RMB 0.75 Yuan/share	RMB 0.69 Yuan/share	8.7%
Risk indicators	Capital adequacy ratio	15.24%	14.53%	0.71 percentage point
	Core tier 1 capital adequacy ratio of	10.62%	9.83%	0.79 percentage point
	Non-performing loan ratio	1.98%	1.65%	0.33 percentage point
	Provision coverage	220.58%	250.37%	-29.79 percentage points
	Grant-to-loan ratio	4.36%	4.13%	0.23 percentage point