中国邮政储蓄银行
POSTAL SAVINGS BANK OF CHINA

2021 Interim Results Presentation

August 2021

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Note: 1. Unless otherwise specified, the data in this presentation is all in line with IFRSs and is presented in RMB.
2. Some of the data has been rounded based on the data in the interim report.

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Business Highlights

Key Financial Indicators

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(In RMB100 million)	June 30, 2021	December 31, 2020	Change
Total Assets	122,170.51	113,532.63	↑ 7.61%
Total Loans to Customers	61,924.00	57,162.58	↑ 8.33%
Total Liabilities	114,666.66	106,803.33	↑ 7.36%
Customer Deposits	109,135.67	103,580.29	↑ 5.36%

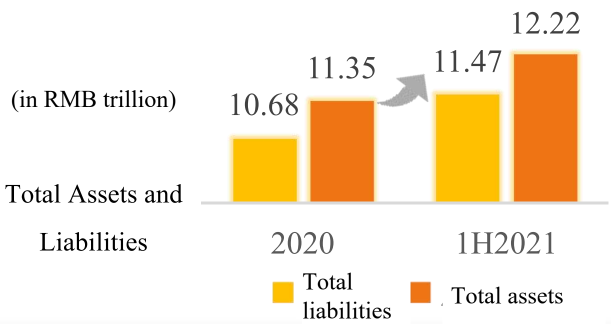
	June 30, 2021	December 31, 2020	Change
NPL Ratio	0.83%	0.88%	↓ 0.05ppt
Special Mention Loan Ratio	0.48%	0.54%	↓ 0.06ppt
Allowance to NPLs Ratio	421.33%	408.06%	↑ 13.27ppts

(In RMB100 million)	1H2021	1H2020	Change
Operating Income	1,577.78	1,464.85	↑ 7.71%
Net Interest Income	1,320.96	1,243.92	↑ 6.19%
Net Fee & Commission Income[1]	114.29	82.90	↑ 37.86%
Net Profit	412.44	336.73	↑ 22.48%

Note: 1. The installment fee income of credit card of each comparable period in this report was reclassified from fee and commission income to interest income.

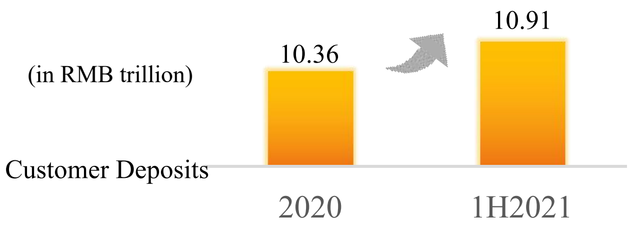
Business Highlights

- Increases of total assets and total liabilities from the prior year-end **7.61% 7.36%**

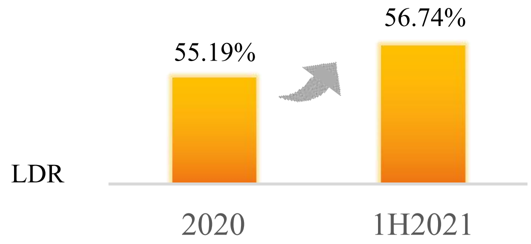


- Increase of total loans to customers from the prior year-end **8.33%**

- Increase of the balance of customer deposits from the prior year-end **5.36%**



- Increase of the loan-to-deposit ratio **1.55ppts**



Business Highlights

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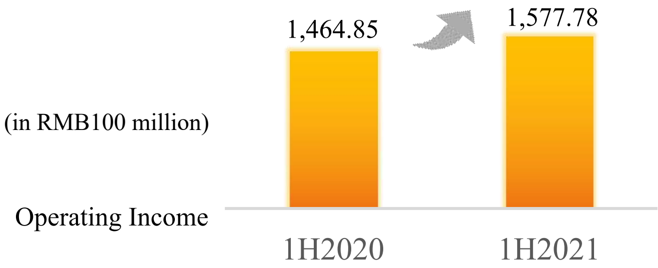
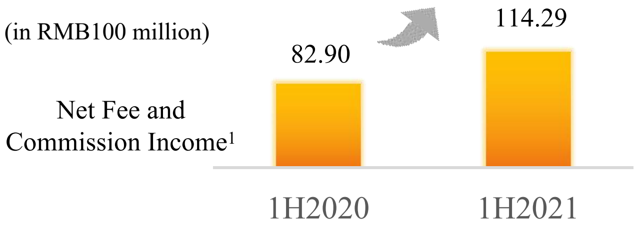
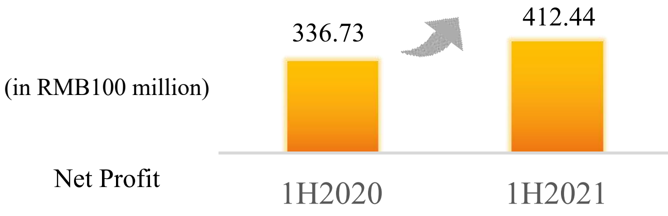
- YoY increase of operating income **7.71%**



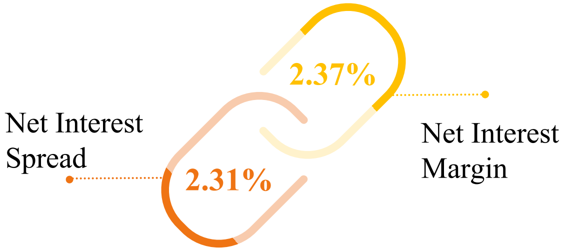
- YoY increase of net fee and commission income **37.86%**



- YoY increase of net profit **22.48%**



- Profitability



Together we make it better

Note: 1. The installment fee income of credit card of each comparable period in this report was reclassified from fee and commission income to interest income.

Business Highlights

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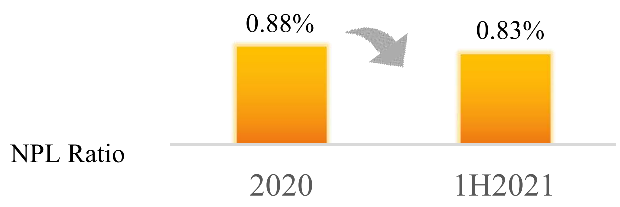
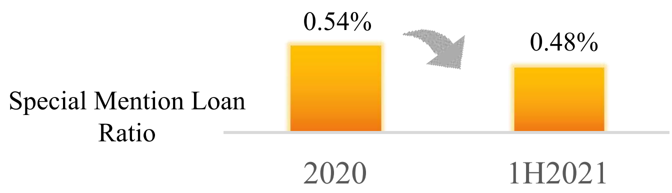
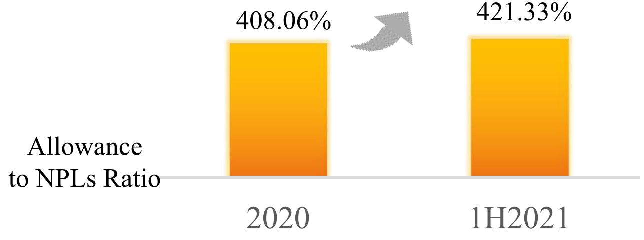
- Decrease of the NPL ratio from the prior year-end **0.05ppt**



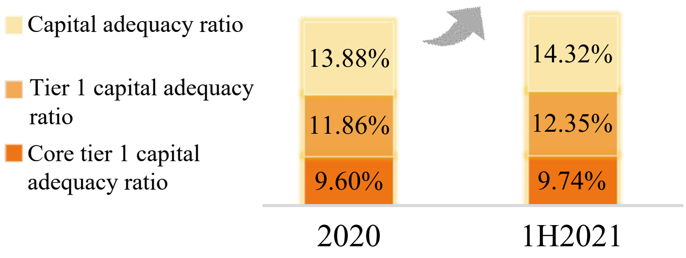
- Decrease of the special mention loan ratio from the prior year-end **0.06ppt**



- Increase of allowance to NPLs ratio from the prior year-end **13.27ppts**



- Capital adequacy ratios



Increase credit supply to serve the real economy

For micro and small enterprises, efficient and convenient online products were launched, such as Easy Small and Micro Loans and Speedy Micro Loans.

Balance of loans to micro and small enterprises	Percentage in total loans	Loan balance per account
Nearly RMB900 billion	14%+	RMB540,000

For Sannong finance, transform to a full-industry-chain finance which serves the "Comprehensive Sannong" businesses

Balance of agro-related loans	Over the prior year-end	Percentage in total loans
RMB1.52 trillion	+RMB105 billion	1/4

For green finance, support the country to achieve peak carbon dioxide emissions and carbon neutrality

Green loan balance	Over the prior year-end	Balance of green financing
RMB317.1 billion	+12.87%	RMB364.1 billion

Adhere to the retail banking strategy and accelerate transformation and development

IT system support

Hard transformation

Soft transformation

Advance outlet transformation

Maintain customer relationships

Provide wealth management

Meet customers' comprehensive financial needs

Marketing and Service Centers

+

Customer Experience Centers

Over the prior year-end Nearly RMB800 billion

RMB 12 trillion+

AUM of personal customers

Over the prior year-end 20.44%

3.46 million

No. of WM customers

Over the prior year-end 14.87%

41.83 million

No. of VIP customers

Business Highlights

Adhere to innovation-driven development and improve the proportion of income from intermediary business

Fee and commission income from agency businesses
RMB9,949 million
YoY ↑ 126.53%

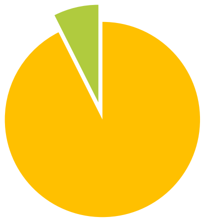
Custody business fee income
RMB515 million
YoY ↑ 25.00%

Fee and commission income from settlement and clearing
RMB4.62 billion
YoY ↑ 22.97%

Wealth management fee income
RMB2,122 million
YoY ↑ 11.57%

Bank cards business fee income
RMB5,782 million
YoY ↑ 4.82%

Net fee and commission income
Percentage in operating income 7.24%
YoY ↑ 1.58ppts



Business Highlights

Leverage the driving force of technology for iteration and upgrading

New generation core system for personal banking business

Capable of processing **over 55,000 transactions per second**

New generation intermediary business platform

Offer **339 products under 33 categories** covering social security, the provident fund, and fund regulation, etc.

New generation credit business platform

Enterprise-level modelling and product module design

Meet differentiated needs of micro and small enterprises and corporate clients

New generation treasury business platform

Online processing, intelligent operation, and professional management of treasury business

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Safeguard the bottom line of asset quality to achieve sustainable development

NPL formation ratio

0.28%

Percentage of NPLs and special mention loans in total loans

1.31%

Ratio of NPLs to loans overdue for more than 90 days

1.55

Loans overdue for more than 60 days were all recognized as NPLs

Percentage of loans overdue for more than 30 days which were recognized as NPLs

94.56%

Capital adequacy ratio

14.32%

Over the prior year-end

↑ 0.44ppt

02

Outlook

Fully promote rural revitalization.

It is the **key strategy of the "14th Five-year Plan" period** to accelerate the modernization of agriculture and rural areas, deeply promote new urbanization, and enhance integrated urban-rural development.

It is a dream, resource advantage, and target of PSBC to **grant credit to most farmers and provide hundreds of millions of farmers with comprehensive financial services**.

The CPC Central Committee has made the major strategic decision to peak carbon dioxide emissions and achieve carbon neutrality.

The **financing and investment demand** related to green and low-carbon technology, green production, and green consumption **has exceeded RMB100 trillion**.

The Bank boasts **large amounts of funds with reliable sources**.

We will embrace greater development by seizing **market opportunities brought by the low-carbon transformation**.

The CPC Central Committee has attached great importance to gradually realizing the common prosperity of all the people.

We will exert more efforts to **drive common prosperity, expand the proportion of the middle-income population, and improve people's well-being**.

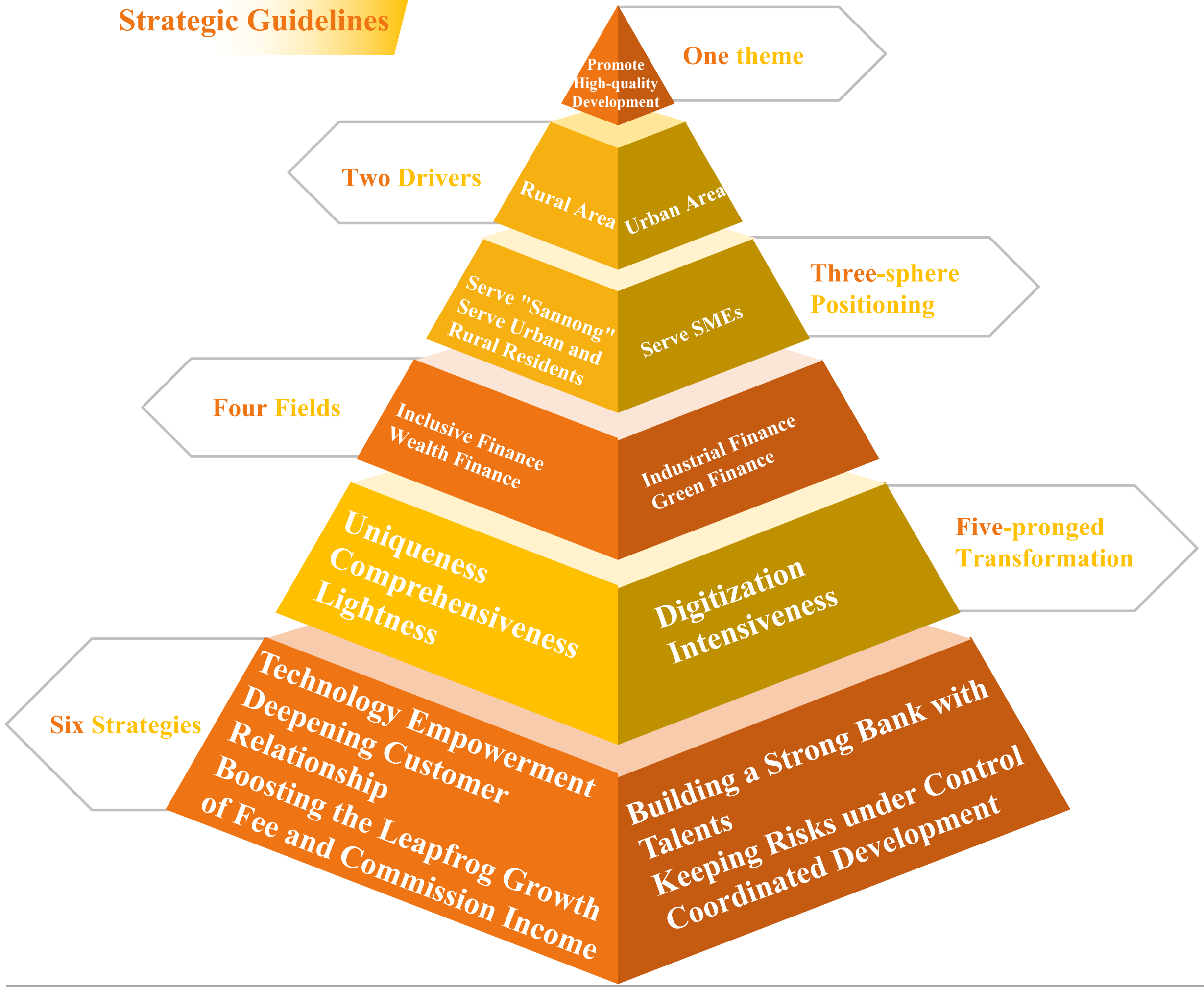
The long-term trend of residents' wealth growth and consumption upgrading provide a huge market space to **retail finance** and **wealth management** of the Bank.

Outlook

PSBC's 14th Five-year Plan Outline

A first-tier large retail bank which is trustworthy, distinctive, prudent, safe, innovative, and with remarkable value

Strategic Guidelines



Four Fields

- Play the roles of forerunner and practitioner of **inclusive finance** to the full
- Build a new **wealth finance** model that encourages openness and embraces innovation
- Support the transformation and upgrading of industrial structure by virtue of **industrial finance**
- Vigorously develop sustainable finance, **green finance** and climate financing

Business strategy - Taking Retail Banking as the Mainstay Supported by Wholesale Banking

- Consolidate the core position of retail banking
  Make breakthroughs in wealth management business
- Leverage the critical underpinning role of corporate banking
  Innovate corporate business
- Adhere to investment research and service-driven approaches, and reinforce the concept of transaction
  Effectively develop treasury and asset management business

Outlook

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Mission

To deliver accessible financial services in both urban and rural areas

Values

Create **value** for customers
Integrity is the foundation of development
Prudence leads to **sustainability**
Employees are our greatest asset
Excellence comes through **professionalism**
Embrace changes and always **innovate**

Brand Premise

Together we make it better

Strategic Vision

To build a first-tier large retail bank which is trustworthy, distinctive, prudent, safe, innovative, and with remarkable value

Company Spirit

Be responsible, resilient and caring

Company Philosophies

Management philosophy: Keep it simple and reduce administrative burden
Operation philosophy: Gain a first-mover advantage with market insights
Risk philosophy: Prudence and compliance lead to stability, and risk control is the key to sustainable development
Service philosophy: Pour our heart and soul for customer satisfaction
Talent philosophy: Respect the value of employees, tap into their potential, and bring them closer to their dreams
Coordination philosophy: See the bigger picture, act with one mind, and make progress toward a shared future

Consensus of PSBCers

1. Release concise documents, have meaningful meetings, and make straightforward communication.
2. You are respected for your capacity to create value, not for your authority to dictate.
3. Relationship shall facilitate cooperation, rather than being an excuse to break rules.
4. Be practical rather than superficial, be down-to-earth rather than perfunctory.
5. Dive into the market and get close to customers. It is all empty talk without field study.
6. Discussion without a conclusion is a dereliction of duty. The front-line business cannot wait for endless discussions behind.
7. An action is better than a dozen of plans. Do it right away and get the job well-done.
8. Support each other and everyone has his or her stage.
9. Lessen ineffective orders and streamline front-line business.
10. The professional pathway can also lead to great career success.

THANKS.

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Together we make it better