

2022

Corporate Social Responsibility Report

Environmental | Social | Governance

Green world
better life



GREEN WORLD, BETTER LIFE.



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About This Report

1. Scope of the Report

Scope of this report: This report covers the Head Office of Postal Savings Bank of China Co., Ltd. and branches and institutions under its administration. “Postal Savings Bank of China” or “PSBC” or “the Bank” or “we” in this report refers to “Postal Savings Bank of China Co., Ltd.”.

Time span of this report: From January 1, 2022 to December 31, 2022. Part of the contents may exceed the above-mentioned time span.

Release cycle of this report: This is an annual report.

2. References for Preparing the Report

This report meets the preparation guidelines of the Opinions on Strengthening Social Responsibilities of Banking Institutions issued by the former China Banking Regulatory Commission, the Corporate Social Responsibilities Guidelines for China’s Banking Institutions issued by China Banking Association, the Guidelines No.1 for Self-discipline of Listed Companies — Standardized Operation and Guidelines for Report on Performance of Corporate Social Responsibility issued by the Shanghai Stock Exchange, relevant requirements of the Environmental, Social and Governance Reporting Guide issued by the Hong Kong Exchanges and Clearing Limited, and the Principles for Responsible Banking issued by the United Nations Environment Programme, and it was prepared with reference to the Recommendations of the Task Force on Climate-related Financial Disclosures issued by the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board, the GRI Sustainability Reporting Standards (GRI Standards) issued by the Global Sustainability Standards Board, ISO26000: 2010 Guidance on Social Responsibility issued by the International Organization for Standardization and GB/T36000: Guidance on Social Responsibility issued by the Standardization Administration of the PRC.

3. Data Sources of the Report

Financial data in this report are all from the Results Announcement of Postal Savings Bank of China Co., Ltd for the Year Ended December 31, 2022 while other data are mainly from the year 2022 and some data are beyond the above time range. The currency for the amounts included in this report is Renminbi (“RMB”). Certain amounts and percentage figures included in this report have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be the arithmetic aggregation of the preceding figures.

4. Assurance Method for the Report

The contents and data in this report have been reviewed and approved by the Board of Directors of Postal Savings Bank of China Co., Ltd. In the meantime, to further ensure truthfulness and reliability, Deloitte Touche Tohmatsu Certified Public Accountants LLP, an independent third party, is engaged to provide limited assurance services on selected key indicators disclosed in this report in accordance with the International Standard on Assurance Engagements - ISAE 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information.

5. Publication Format and Language of the Report

- This report is published in printing and electronic format. The printing format is placed in the General Office of the Bank for the shareholders and other stakeholders of the Bank to read, and the electronic format is available on the Shanghai Stock Exchange website, Hong Kong Exchanges and Clearing Limited website and the Bank’s website.
- This report is available in Simplified Chinese, Traditional Chinese and English. In case of inconsistency, the Simplified Chinese version shall prevail.

6. Other Channels to Get Information

To get CSR reports of previous years, please log into:
https://www.psbco.com/en/investor_relations/social_responsibility/
 To get other relevant information, please log into:
https://www.psbco.com/en/about_psbco/psbc_news/

7. Contact Information

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About Us

The postal savings business in China can be traced back to its start in 1919 with a history of over one hundred years. In March 2007, based on the reform of the previous postal savings management system, Postal Savings Bank of China Limited was officially established. The Bank was transformed into a joint stock limited liability company in January 2012, went public and was listed on the Hong Kong Stock Exchange in September 2016, and was listed on the Shanghai Stock Exchange in December 2019.

With approximately 40,000 outlets and services covering over 650 million personal customers, the Bank focuses on providing financial services to Sannong customers, urban and rural residents and SMEs. Relying on its unique model and resource endowment featuring directly-operated outlets and agency outlets, it is committed to meeting the financial needs of the most promising customers during China’s economic transformation. In addition, the Bank is accelerating its transformation towards a new retail bank featuring data-driven, channel coordination, interaction between wholesale and retail as well as efficient operation. It has shown its superior asset quality and significant development potential, and is a leading retail bank in China.

The Bank is committed to serving the real economy, actively implementing national strategies, and fulfilling its social responsibilities. It adheres to the customer-centric philosophy and has established a financial service system where online and offline services connect with each other for joint development, providing our customers with quality, convenient and efficient integrated financial services. It adheres to the risk-based approach and a prudent and sound risk appetite, enhances its leading role of risk management on all fronts, and continuously improves the development of the comprehensive risk management system featuring “all aspects, whole process and entire staff”. It continues to follow the operation philosophy of “gaining a first-mover advantage with market insights”, takes bold acts in innovation and reform, deepens capacity building, and strives for high-quality development.

Since its establishment 16 years ago, the Bank has been playing an increasingly important role in the market with marked influence. It has been rated A+ and A1 this year by Fitch Ratings and Moody’s Investors Service, respectively, which are the same as China’s sovereignty credit ratings. It has been rated A, AAAspc and AAA with a stable outlook by S&P Global Ratings, S&P Global (China) Ratings and CCXI. In 2022, it ranked 13th in The Banker’s list of “Top 1000 World Banks” in terms of tier 1 capital.

Faced with the new strategic opportunities for China’s development, the Bank will thoroughly implement the new development philosophy, focus on high-quality development, stay committed to the general principle of pursuing progress while ensuring stability, comprehensively deepen reform and innovation, and accelerate the transformation and development towards “uniqueness, comprehensiveness, lightness, digitalization and intensiveness”. Committed to fulfilling its economic, political and social responsibilities as a major state-owned bank, the Bank will continue to improve the quality and efficiency of serving the real economy and the ability of serving customers, and make every effort to be a first-tier large retail bank which is trustworthy, distinctive, prudent, safe, innovative, and with remarkable value.





Liu Jianjun
President of Postal Savings
Bank of China

Message from President

The year 2022 was of great significance in the history of the Communist Party of China and the country; it saw the convening of the 20th National Congress of the CPC which laid out the blueprint for building China into a modern socialist country in all respects. Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, in the past year, PSBC resolutely implemented the decisions and plans of the CPC Central Committee and the State Council, actively served and integrated into the new development pattern, and continued to strengthen major capabilities in six aspects: core business, system support, coordination and integration, technological facilitation, institutional drive, and innovation leadership, making strides to build a first-class large retail bank, and contributing to sustainable economic, social and environmental development with financial products and services.

We upheld the driving role of technological progress, and worked to create a new engine of transformation and development. As digital transformation has become the inevitable choice for financial institutions in the era of digital economy, we followed our IT planning for the 14th Five-Year Plan period, promoted the implementation of the SPEED strategy (smart, platform, experience, ecosystem and digitalization), and transformed us into a digital ecosystem bank in all respects, injecting strong technology momentum into high-quality development. In 2022, we spent RMB10,652 million on IT development and application, and put into operation 330 IT projects, including the launch of the mobile banking APP version 8.0, the completion of the new-generation core personal banking system, and the launch of the first batch of the new-generation core corporate banking system, making our financial services much smarter, customer experience better and service cost lower.

We served the development of agriculture, rural areas and farmers and drew a new vision of rural revitalization. Rural revitalization is the only way to common prosperity. In 2022, we prioritized the digital transformation of rural finance, and continued to build a digital ecology bank serving rural revitalization by building the rural credit system with the support of intensive operations of financial services for agriculture, rural areas and farmers. We extended more credit to key participants and in key fields of rural revitalization, helped consolidate and expand the achievements in poverty alleviation, tried to "let the vast majority of farmers have credit from PSBC", and contributed to rural revitalization in all respects and common prosperity. As at the end of 2022, the balance of our agriculture-related loans stood at RMB1.81 trillion, and we built 383.5 thousand creditworthy villages, and rated over 10 million households as creditworthy.

We remained true to our original mission and stimulated the development momentum of the real economy. Finance is the bloodline of the real economy, and should naturally serve the real economy. In 2022, keeping in mind national economic and social development needs, we helped stabilize economic fundamentals in all respects. Specifically, we supported the development of national infrastructure projects and did our best to ensure the smooth implementation of major projects. Moreover, we continued to improve the long-term mechanism of "having the courage, will, ability and means to grant loans" to micro and small enterprises (MSEs), digitized inclusive finance, built a financial service system driven by technological innovation, and delivered targeted services to micro, small and medium-sized enterprises. As at the end of 2022, our loans

to the real economy increased by RMB705,378 million compared with the end of the previous year, and about 90% of the Bank's new loans were extended to the real economy; the balance of inclusive loans to MSEs was RMB1.18 trillion, an increase of 23.04% compared with the end of the previous year.

We cared about people's well-being and empowered both urban and rural residents to live a better life. From prosperous cities to remote villages, from snow-covered plateaus to islands, we always keep in mind the mission of improving public well-being, give full play to our strengths in network, funds and expertise, and strive to build a first-class large retail bank that is responsible, resilient and caring. Wherever the green PSBC logo appears, we work to convey goodness and hope to the locals, to provide customers with more convenient, efficient, intelligent and considerate financial services, and illuminate the way to a better life with our financial products and services. As at the end of 2022, we had nearly 40,000 outlets and served more than 650 million personal customers, and the AUM of personal customers amounted to nearly RMB14 trillion, an increase of RMB1.36 trillion from the end of the previous year.

We protected our homeland and stimulated the vitality of green and low-carbon development. Green finance is the inevitable choice for building a community with a shared future for mankind and promoting harmonious coexistence between man and nature, and moreover for commercial banks to serve low-carbon transition and achieve high-quality development. We conscientiously act upon the instruction that "lush mountains and lucid waters are invaluable assets", and build synergy in corporate governance, innovation-driven development, incentives and constraints, risk management, cooperation and exchanges, etc. We vigorously develop sustainable finance, green finance and climate finance, and strive to build us into a first-class green inclusive bank, climate-friendly bank and eco-friendly bank, contributing to China's carbon peaking and carbon neutrality goals, and protecting the Earth. As at the end of 2022, the balance of our green loans was RMB496,549 million, an increase of 33.38% over the end of the previous year.

We worked hand in hand with stakeholders to create a harmonious and beautiful future. We incorporated the ESG concept into our development strategy, corporate governance, corporate culture and business processes, and continuously improved our CSR management and sustainable development capabilities, striving to build us into an inclusive bank, a green bank, a harmonious bank and a value bank. We worked to promote our own high-quality development while supporting high-quality economic and social development, grow with our customers, shareholders, employees, the general public and other stakeholders, and create a brighter future with benefits for all.

It's time to ride the wave and forge ahead. Looking forward to 2023, PSBC will follow the grand blueprint drawn by the 20th National Congress of the CPC, practice the "five plus one" strategic path (namely, technology finance, ecology finance, synergy finance, industry finance and green finance, plus whole-process risk compliance), continue doing the "difficult but correct" things, practice long-termism with professional financial services, create more economic, environmental and social value, and contribute to China's modernization.

Responsibility Column

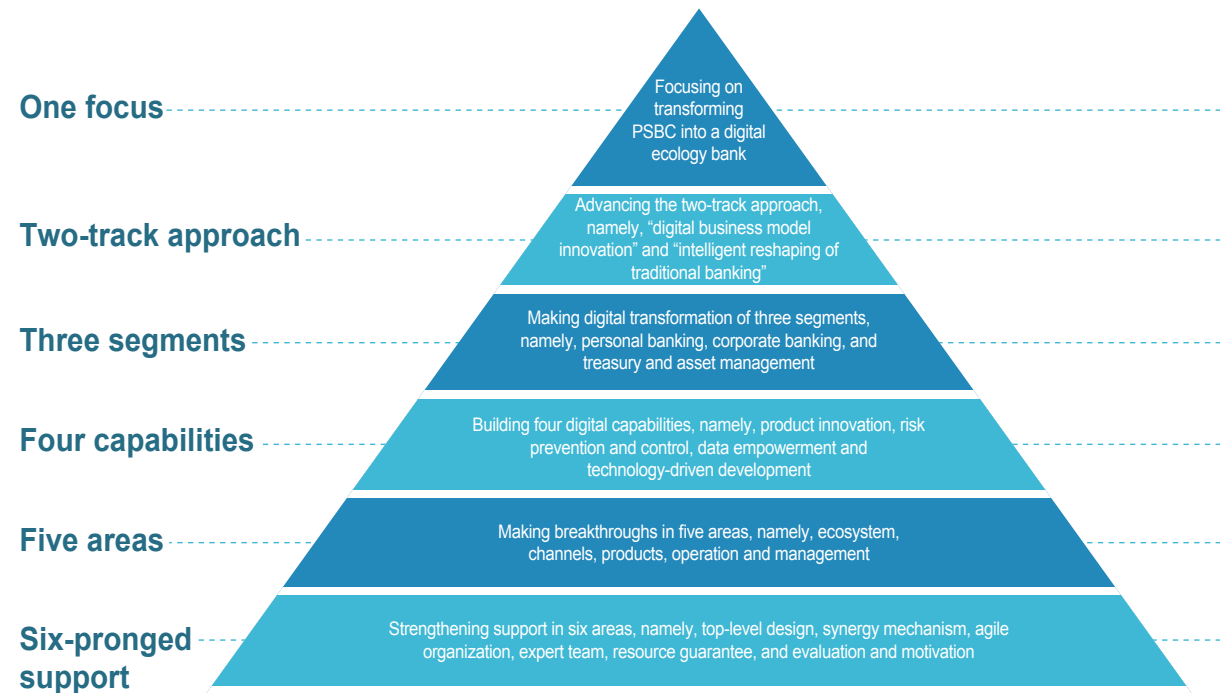
Developing digital finance to empower
high-quality development

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Digital transformation is an unavoidable issue and a sure choice for financial institutions. Taking digital transformation as an important strategic measure to promote its transformation and development, PSBC explores a way of transformation that is in line with its own endowments, and makes progress in exploration and seeks development in reform.

Led by the IT planning for the 14th Five-Year Plan period, the Bank further promoted the implementation of the SPEED (smart, platform, experience, ecosystem and digitalization) strategy and steadfastly followed the IT building path of achieving the independent control of key core technologies. Based on the development of the four next-generation systems (the new generation core systems for personal banking business, corporate banking business and credit card business, and mobile banking), PSBC advanced the building of a digital ecology bank across the board.



PSBC's Digital Transformation Strategy

Technological Vision

Establish a first-tier technology support system and apply technologies across the board to boost the building of a "digital ecology bank"



PSBC enhanced the financial technology empowerment and advanced the building of a digital ecology bank across the board

Adhering to innovation-driven development

The Bank's new generation core personal banking system has been successfully built. The system is the first core system among large banks that uses both enterprise business modeling and distributed microservice architecture. First, it is a wholly new design. The Bank continued to promote independent innovation and successfully applied distributed technology based on common hardware and software in the banking core system. Second, it is a wholly new experience. Adhering to a customer-centric approach, the Bank optimized business procedures, shortened transaction duration, strengthened risk control and accelerated agile development, to provide convenient and speedy services and experiences. Third, it is a wholly new capacity. With flexible, expandable distributed architecture, the core system can efficiently meet the transaction needs of the Bank's current 650 million customers. Particularly, it can process 67,000 transactions per second during peak hours. The core system can meet the Bank's rapid development needs.

The Bank launched personal mobile banking APP 8.0 and corporate mobile banking APP. The Bank aims to build mobile banking into a "one-stop comprehensive service platform" and "portable interactive companion platform". The personal mobile banking APP 8.0 has many versions including the youth version, the Sannong (agriculture, rural areas and farmers) version, and the big-font version for seniors. It allows users to query transaction details over the past eight years and provides a city channel for local services. The corporate mobile banking APP supports transactions without a USB-key, intelligent transfer, and a real-time view of business approval progress, and it provides value-added services like financial management and industry & commerce information services. With a variety of authentication methods, the corporate mobile banking App offers safer and more convenient services and has greatly improved customer experience.

The Bank continuously built the "platform + capability + application" fintech innovation pattern. The Bank refined the AI platform PSBC Brain, "blockchain +" platform, cloud computing platform, big data platform, etc. and put forth effort to improve independent innovation capability. Leveraging the fintech innovation platform, the Bank realized application under several hundred scenarios in the fields of customer experience, credit business, e-CNY, intensive operation and risk control. The Bank now possesses the capability to quickly build application scenarios and transfer technologies.

Strengthening service capability

Taking technology as the very foundation for development, the Bank spared no effort to promote fintech empowerment and continuously improved the level of financial services, injecting strong technology impetus into its digital transformation and high-quality development. The Bank improved the quality and efficiency of inclusive finance via fintech. It refined the long-term mechanism of "having the courage, will, ability and means to grant loans" to MSEs. With online products such as "Easy Small and Micro Loan" and "Speedy Loan", it met the financing needs of all sorts of MSEs. The Bank's outstanding online loans to MSEs stood at RMB1.12 trillion. The Bank supported the rural revitalization strategy via fintech. With the aim to "let the vast majority of farmers have credit from PSBC", the Bank accelerated the development of the rural credit system. It rated 383.5 thousand villages and more than ten million households as creditworthy, and drew an accurate portrait of around 460,000 administrative villages. In addition, it realized full-process digital operation of micro loans. In 2022, over 95% of micro loans were granted online throughout the year. With these efforts, the Bank contributed to bridging the "digital divide" between urban and rural areas. The Bank practised the green development philosophy via fintech. It supported high-carbon companies implementing green transformation and development and traditional industries upgrading themselves, and developed diversified financial services including green credit, green bonds and carbon finance.

Consolidating the development foundation

In terms of IT governance, the Bank promoted the optimization of IT management policies and procedures, further refined network and data security management, and ensured the performance of IT risk management and cybersecurity responsibilities by institutions of all levels across the Bank.

In terms of data governance, the Bank established a data governance responsibility system with a complete organizational structure and a clearly defined boundary of responsibilities, as well as a multi-level, interconnected operation mechanism. The Bank also formulated a series of data governance regulations and measures, carried out relevant work to improve the maturity of data governance in all respects and build industry-leading data governance capacity, and continued to improve the quality of data assets. Closely following the data capitalization trend, the Bank built an online, automated, intelligent data asset management platform, established and refined the unified data assets catalog, and deepened the operation of data assets, to fully release the value of data assets.

In terms of data security, the Bank strictly implemented national laws and regulations and regulatory requirements, built a data security management system, and established a data security team. Meanwhile, the Bank gradually promoted security grading for core data assets, intensified full-life cycle data security control, and further strengthened the three lines of defense for data security.

In terms of team building, the Bank strengthened the building of the IT team. A three-tiered talent team comprising "youths, cadres and leaders" has basically formed.

Empowering risk management

The Bank continuously promoted the digital transformation of risk management. During the reporting period, the Bank built and improved the digital risk control analysis system, and realized quantitative management of risk control throughout the whole process, hence empowering the high-quality development of businesses and significantly raising the capability of intelligent risk control. In terms of risk control for retail banking businesses, the Bank developed a proactive credit extension model, further tapped existing high-quality customers, provided instant approval and lending services, and achieved balance between risk control and customer experience. It advanced automated credit review and approval for the retail credit, cutting the workload of credit review and approval personnel at branches by more than a half and steadily improving the quality of customers. In terms of risk control for non-retail banking businesses, the Bank developed a model combining industry and region factors to evaluate portfolio risks in a forward-looking manner. Also, it developed the big data-based risk forecast model for small enterprises, effectively improving the quality and efficiency of post-lending management of small enterprise customers. In terms of intelligent compliance, the Bank significantly increased the coverage of suspicious transaction monitoring and identification accuracy, effectively enhancing the capability of anti-money laundering management. It also developed a text analysis model for consumer complaints, and built tools for automated complaint analysis, improving the efficiency of complaint management and strengthening protection of consumer rights. In anti-fraud practice, the Bank established a unified credit antifraud platform, and put in place a real-time prevention and control mechanism for credit fraud. In the development of the risk control system, the Bank saw its digital infrastructures come into shape, which offered fundamental support for the further development of intelligent risk control applications.



PSBC participated in 2022 China International Fair for Trade in Services to demonstrate intelligent financial services



Case

Continuing to promote the pilot project of e-CNY

PSBC further promoted the pilot project of e-CNY, expanding the scope of the pilot project in an orderly manner. By fully leveraging its advantage in resource endowments, the Bank kept improving its financial scenario ecosystem and realized high-quality development of its e-CNY business.



Building a payment ecosystem to serve rural revitalization

The Bank continued to develop the rural e-CNY payment ecosystem, built e-CNY model villages (towns), and promoted e-CNY-empowered rural development. With outlets in counties at the center, PSBC focused on key everyday consumption scenarios such as nearby restaurants, retail, culture & tourism, e-commerce, etc., and built the "outlet + e-CNY business circle" payment ecosystem.



Leveraging the advantage in endowments to deepen scenario building

The Bank built characteristic scenarios of postal service and express delivery in cities that were newly included in the pilot project and launched e-CNY application in the fields of healthcare, transportation, culture & tourism, rural revitalization, retail, etc. Meanwhile, the Bank accelerated promotion and application of e-CNY in scenarios concerning people's livelihood such as medical insurance, social insurance, water rates, electric bill, heating fee, property fee, etc. to facilitate basic public services for residents. In Changsha and Xi'an, the Bank supported the payment of medical insurance and social insurance with e-CNY.



Refining the product matrix and expanding service application

The Bank continued to refine the e-CNY product matrix and improve e-CNY payment and application service capabilities. The Bank explored ways to combine e-CNY with traditional financial services. It creatively launched scenarios that use e-CNY to disburse and repay consumer loans, purchase insurance, pay for auto rents online, etc. and rolled out various products that can grant and repay loans in e-CNY, including auto loans, "You Xiang Loan" and "You Cash Loan" of PSBC Consumer Finance, etc.



Strengthening external cooperation and outputting service capabilities

The Bank cooperated with other banks in e-CNY, signing e-CNY service cooperation agreements with a number of national joint-stock commercial banks, city commercial banks, rural credit cooperatives, rural commercial banks, private banks and direct banks and outputting e-CNY service capabilities including wallet management, consumption coupons, gateway payment, payment by agreement, etc. to cooperative banks successfully. The Bank empowered partners and worked with them to build an e-CNY application ecosystem, and supported them in launching characteristic scenarios such as disbursement and repayment of consumer loans, payroll service, etc.



PSBC staff introduced the Bank's e-CNY products and services to customers

AI platform

The Bank constantly expanded the application scenarios of its AI platform and made a lot of breakthroughs. The OCR (optical character recognition) was applied in more than 20 new scenarios including PV Loan and PSBC E Loan and supported intelligent check of nearly 30,000 transactions every day, effectively improving the level of intelligence of business operation and the efficiency of financial services.

The intelligent language and speech system supports multiple languages and multi-channel voice services. The intelligent customer service has a recognition accuracy of over 96% and offers considerate, stable and accurate services to customers around the clock.

Under scenarios like consumer loan, personal banking service and credit card arrears collection, the intelligent robot communicated with over 30 million customers in a natural interactive way and provided financial service information in a timely manner. It effectively reached the "long-tail customer groups", fully improved the coverage of customers of financial services, and brought to more people the benefits of digital transformation.

The biometric recognition system provides face, voiceprint comparison and liveness detection services for more than 180 business scenarios. The face recognition and liveness detection new engine effectively improved the accuracy of human verification, enhancing business processing security and protecting customers' financial assets.

The knowledge graph system is in the trial application under such scenarios as anti-fraud in transaction, credit card application and customer relations, to improve the capability to forestall and defuse financial risks and ensure customer property safety.

Blockchain ecosystem

The Bank promoted the scenario-based application of blockchain and the integration of finance and technology, and formed a "1 plus N" blockchain ecosystem integrating technology and business scenarios.

Government affairs finance blockchain

A total of 4.91 million e-bills with a face value of RMB37.7 billion were uploaded to the blockchain of non-tax e-bills in Xiongan New Area on an accumulative basis, and the balance of non-tax accounts amounted to RMB384 million. There were 430 institutions using the bills, including fee collecting institutions and rate payment institutions.

Supply chain finance blockchain

In the U-chain supply chain system, the time for loan disbursement was significantly reduced from "T+7 days" to "T+2 hours", benefiting more than 800 SMEs, with a total loan amount of RMB28,830 million.

Cross-border finance blockchain

The accounts receivable registered in the cross-border finance blockchain system amounted to RMB12.7 billion.

Responsibility Planning

Implementation progress of PSBC's
14th Five-Year Plan Outline

Implementation progress in the four fields

Corporate culture

Concept of CSR

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With high-quality development as the main task and the Bank's strategic target during the 14th Five-Year Plan period at the center, the Bank put forth effort to deepen the "five-pronged" transformation towards "uniqueness, comprehensiveness, lightness, digitalization and intensiveness", worked faster to strengthen major capabilities in six aspects including core business, system support, coordination and integration, technological facilitation, institutional drive and innovation leadership, and promoted implementation of key strategies and measures. The Bank made significant achievements in serving the real economy, transforming and developing business and strengthening internal management and achieved sound results in strategy implementation.

The Bank established the closed-loop management mechanism of strategies and plans, ensuring management and control throughout the whole life of a strategy or plan including its preparation, promotion, execution, evaluation and reexamination. In terms of preparation, the preparation cycle is generally kept the same as that of the national plan for economic and social development, and it is divided into five stages, namely, initiation, drafting, revision, review and distribution. In terms of promotion, centering on the strategic target, Head Office departments and branches are organized to fully interpret the strategy to ensure the strategy is effectively transmitted. In terms of execution and evaluation, every year the Bank evaluates the fulfillment of the key indicators of the strategy, the implementation of key strategies and the development of main businesses, and periodically reports to the Board of Directors and the senior management. In terms of reexamination, the Bank continuously tracks the implementation progress of the plan and adjusts the strategic plan based on changes in the macroeconomic situation, regulatory policy, etc.



Implementation progress in the four fields



Inclusive Finance: The Bank, adhering to the mission of "delivering accessible financial services in both urban and rural areas", continued to refine the long-term mechanism of "having the courage, will, ability and means to grant loans" to MSEs. By strengthening system and mechanism guarantee and deepening digital transformation, the Bank boosted the confidence of loan officers in granting loans, motivated them to grant loans, strengthened their capability, and improved the means to grant loans, thus serving the extensive customer group of MSEs that are innovative and dynamic. In particular, the Bank put forth effort to promote digital transformation of inclusive finance, empowered the whole process including marketing, services, products, risk control and operation with technology, and added online product and service scenarios for "Easy Small and Micro Loan". These efforts effectively improved the accessibility of financial services to MSEs. As at the end of 2022, the Bank's balance of inclusive loans to MSEs recorded RMB1.18 trillion. The balance of agriculture-related loans stood at RMB1.81 trillion, the proportion of which to total loans being one of the highest among large state-owned banks.



Wealth Finance: Adhering to the philosophy of being customer-centric and creating value for customers, the Bank accelerated the upgrading of the wealth management system, pushed for conversion of the advantages in resource endowment such as outlets, customer groups and savings deposits into advantages in wealth management development and strove to transform into a "wealth management bank". The Bank helped customers manage their wealth with asset allocation and quality products, consolidated the foundation of customer service with efficient account management, supported team capability with a sound system, expanded the scope of wealth management with digital operation, and cultivated the future of wealth management with investor education. Based on customers' demand for comprehensive financial services, the Bank deepened technological empowerment and strengthened data-driven development, to provide quality financial services to targeted customers precisely. The Bank optimized service experience via all channels to improve customers' sense of gain and sense of happiness from financial services and supported customers realizing their aspiration for a better life by making the best of financial services. As at the end of 2022, the number of VIP customers stood at 47.35 million, up by 11.07% from the end of last year.



Industrial Finance: The Bank proactively served China's building of a manufacturing power. It refined the long-term mechanism that supports the development of manufacturing industry, innovated in product and service modes, and continued to increase fund support to high-tech manufacturing industries, strategic emerging industries, specialized and sophisticated industries that produce new and unique products and traditional industries for equipment upgrading, technological changes, green transformation and development, etc., supporting manufacturing going high-end, intelligent and green. The Bank supported the construction of national key infrastructure projects at full stretch. It established an efficient coordinated service mechanism, optimized the credit access policy and the review and approval mechanism, and offered differentiated preferential price policies, ensuring the implementation of major projects in all respects. As at the end of 2022, the Bank's balance of medium- and long-term loans to the manufacturing industry increased by 50.06% from the prior year-end. With a focus on key customer groups such as specialized and sophisticated enterprises that produce new and unique products and tech startups, the Bank established the financial service system for technological innovation and set up 30 professional institutions that offer financial services for technological innovation. Meanwhile, the Bank refined the exclusive product system, built the "Look into the Future" evaluation model, explored services integrating investment banking and commercial banking, and helped customers tide over difficulties.



Green Finance: The Bank practised its green development philosophy. It promoted the building of a green bank from the strategic level, vigorously developed sustainable finance, green finance and climate finance, and supported biodiversity. Focusing on green and low-carbon development priorities, the Bank supported key areas including clean energy, energy

conservation and environmental protection, carbon emission reduction technology and clean and efficient use of coal and actively explored transformation finance. The Bank strengthened innovation in products and services, developing diversified financial products and services including green credit, green bonds and carbon finance, exploring eco-product value realization mechanisms, and launching and promoting green inclusive financial products, to contribute to "green world, better life". As at the end of 2022, the Bank's balance of green loans recorded RMB496,549 million, up 33.38% from the prior year-end; the balance of green bond investment was RMB29.95 billion and green bonds underwritten by the Bank totaled RMB11.77 billion.

[Read more](#)



**CCTV exclusive interview:
How Renowned Enterprises Demonstrate
Vigour and Determination**

Liu Jianjun
President of Postal Savings Bank of China
How Financial Services Help Bring a Good Life

Corporate culture



Concept of CSR

The Bank integrates social responsibility into its development strategy, governance structure, corporate culture and business process, and joins hands with relevant parties to build a first-tier large retail bank which is responsible, resilient and caring.



Responsibility Practice

Painting a new picture of rural
revitalization together

Strengthening comprehensive guarantee

Focusing on key areas

Improving service quality and efficiency

Building a synergy ecosystem

GREEN WORLD, BETTER LIFE.





PSBC, as a major state-owned bank positioned to serve Sannong customers, urban and rural residents and SMEs, firmly implemented the decisions and plans of the CPC Central Committee and the State Council in every aspect and the whole course of Sannong finance work, and strengthened technological empowerment, synergy between urban and rural areas and coordination between internal and external resources. With digital transformation of Sannong finance as the main task, the development of the rural credit system as the means and intensive operation of Sannong finance as the support, the Bank focused on building the "channel + product + platform + operation + risk control" all-round digital development structure of Sannong finance, continuously optimized the service model in which online and offline services empower each other and are dynamically

integrated, steadily pushed forward "Ten Core Programs" for serving rural revitalization, worked together with China Post Group to carry out in-depth cooperative projects benefiting farmers around "villages, communities, households, enterprises, and stores", created the unified brand of Sannong finance services, built a digital ecology bank that serves rural revitalization, and supported China's building of an agricultural power, rural revitalization in all respects and pursuit of common prosperity. As at the end of 2022, the Bank's balance of agriculture-related loans stood at RMB1.81 trillion, and the proportion of which to total loans was one of the highest among large state-owned banks; the balance of personal micro loans was RMB1.14 trillion, an increase of RMB219.84 billion from the prior year-end.

As at the end of 2022

Balance of agriculture-related loans

RMB1.81 trillion

Balance of personal micro loans

RMB1.14 trillion

Up from the end of last year

RMB219,840 million

Read more



The documentary series:
Stories of Farmers

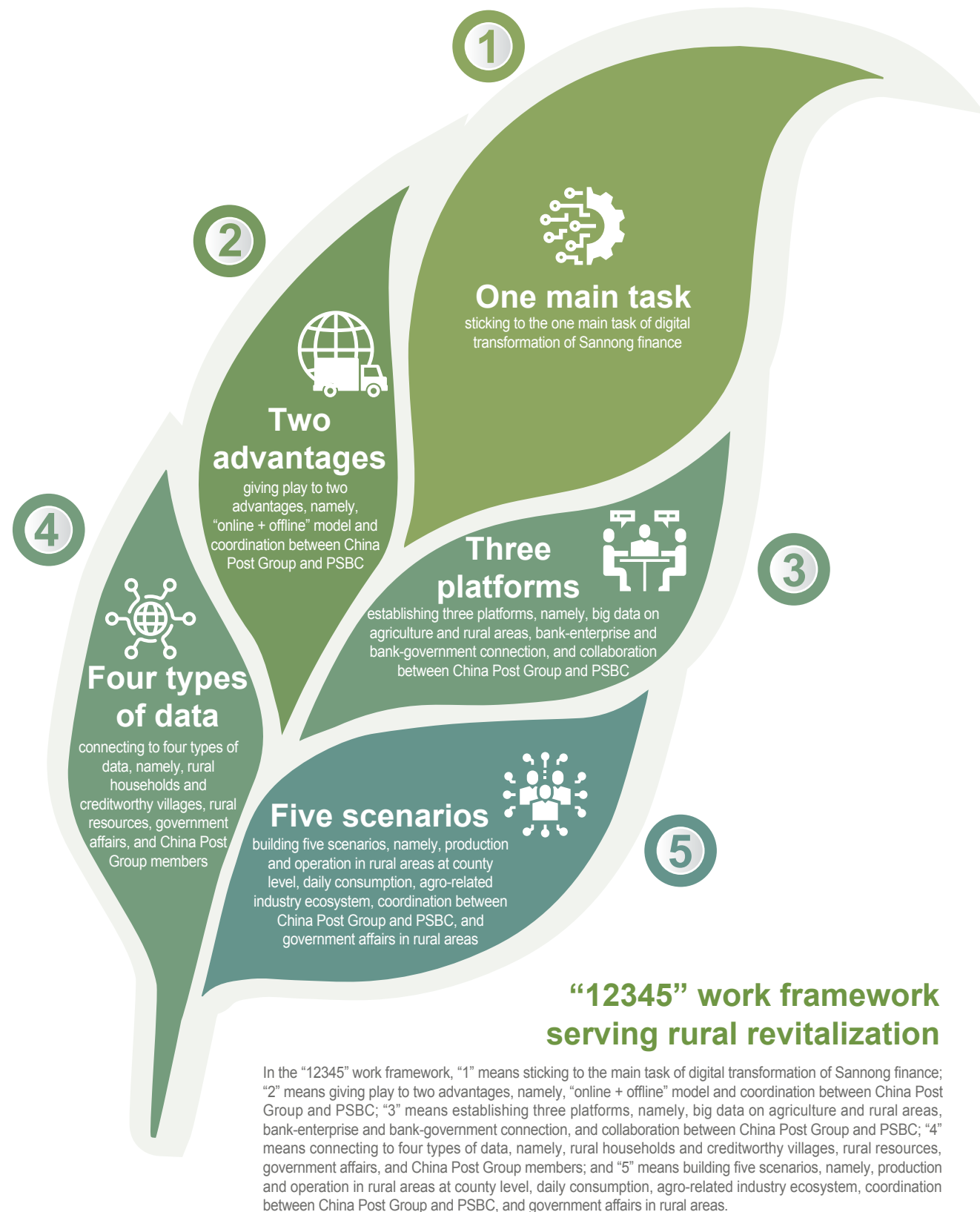
Focusing on markets at the county level
Proactively advancing the development of
creditworthy villages
Contributing to the development a beautiful
countryside with financial support

Read more



Micro story:
Dreamers in the Village

Injecting financial vitality into villages to
help invigorate industries, increase
people's income and build a beautiful
ecological environment



Strengthening comprehensive guarantee

The Bank strengthened organization and leadership of services for rural revitalization.

The Bank attached great importance to rural revitalization, established the leading group for supporting rural revitalization led by Party committee secretary, and set up the Rural Revitalization and Inclusive Finance Management Committee. The Bank implemented and deepened the reform of the Sannong Finance Business Department, established the working mechanism in which the Head Office makes the overall planning, tier-1 branches assume the overall responsibility, and branches in cities and counties ensure the implementation, and strengthened the overall planning of services for rural revitalization. The Bank formulated the Opinions of Postal Savings Bank of China on Implementing the Key Tasks of Comprehensively Advancing Rural Revitalization in 2022, clarified the “12345” work framework and steadily launched “Ten Core Programs” for serving rural revitalization. Meanwhile, the Bank established the primary-level contact points system for serving rural revitalization, urged leadership and officials at all levels to go to primary-level institutions to learn the actual situation and solve practical problems. The Bank organized the working group for serving key industries of rural revitalization, and increased support to key areas of rural revitalization by supporting key industries.

The Bank enhanced policy support for serving rural revitalization.

In the business performance evaluation, the Bank especially set indicators like rural revitalization through finance and raised the weights of relevant indicators. It provided preferential treatment to inclusive agriculture-related loans in terms of internal funds transfer pricing (FTP), and gave priority to agriculture-related loans in allocating credit lines and economic capital. The Bank appropriately increased the tolerance for non-performing agriculture-related loans, formulated the policy that those who have fulfilled their duties will not be held liable for anything beyond their control regarding agriculture-related loans, and fully mobilized institutions at the primary level to serve Sannong endeavors. The Bank issued special credit policy guidelines for rural revitalization, established a professional credit review team for rural revitalization, implemented the project-specific policy for projects in key areas, and opened a “green channel” for review and approval.

The Bank built a Sannong finance team with “one understanding and two carings”.

The Bank practiced inclusive finance and created a cultural atmosphere of creating a better life for Sannong customers. It strengthened the building of the management of sub-branches in counties, focused on developing specialized teams such as relationship managers and wealth advisors in counties, and actively sent excellent cadres to frontline positions for rural revitalization. Actively conforming to the digitization trends of agriculture and rural areas, the Bank established a joint team for digital transformation and actively cultivated versatile digital Sannong finance talents. Moreover, the Bank promoted “Sunshine Credit” across the board, and strove to build a Sannong finance team that understands agriculture and cares for rural areas and farmers, to provide, with dedication, professionalism and care, fast and caring financial services to rural customers.

The “Ten Core Programs” for rural revitalization

Development of a digital rural credit system	“PSBC E Chain” industrial chain platform
Proactive credit granting and whitelist-based customer marketing	Collaboration with China Post Group that benefits farmers
Intensive operation and digital risk control	Scenario building at county level
Ecosystem layout of corporate business for rural revitalization	Development of a Sannong ecosystem featuring collaboration with direct bank
Sannong finance data middle-office platform	Brand building for Sannong finance

Focusing on key areas

The Bank helped consolidate and expand the results of poverty alleviation. The Bank strictly implemented the requirement of “ensuring that poverty relief responsibilities, policies, assistance, and monitoring continue even after an area is removed from the poverty list”, kept the major financial assistance policies steady on the whole, and intensified support for groups and areas that had been lifted out of poverty, in particular, the national key support counties for rural revitalization. As at the end of 2022, the balance of all loans of the Bank in the areas (832 counties) that have been lifted out of poverty totaled RMB413,375 million, an increase of RMB55,318 million from the end of last year. The balance of all loans in national key support counties for rural revitalization totaled RMB47,898 million, an increase of RMB6,469 million or 15.61% from the end of last year.

The Bank actively served the national food security. It included industries like seed and grain growing as encouraged key industries and designated producing areas of advantaged agricultural products and large grain production counties as key credit-extension areas, putting forth effort to increase credit to the grain sector. In Heilongjiang, the Bank combined its years of service experiences in Sannong finance with big data and launched the “Intelligent Longjiang” Speedy Loan product system to support farmers handling business online the whole process.

The Bank provided strong support to the development of modern agriculture and rural industries. Centering on the strategy of “one featured industry in each county and one featured product in each village”, and based on customers’ fund settlement and business cycle characteristics, the Bank continued to expand the scope of collateral and creatively launched distinctive products including “Mortgage Loan Backed by Live Hogs”, “PSBC Cattle Loan” and “Golden Sunflower Mortgage Loan”, meeting the diverse financing needs of rural customers such as farming households and family farms.

The Bank actively supported the construction of agricultural and rural infrastructure. With a focus on key areas such as rural infrastructure, improvement of rural living environment, development of a rural circulation system, public service, etc., the Bank creatively launched “Water Loan”, “Garbage Disposal Loan”, “PV Loan”, “Heating Loan”, “Hospital Loan”, etc. and built a lifecycle financial service model, supporting the construction of agricultural and rural infrastructure on all fronts. It facilitated the development of agricultural and rural infrastructure, food security, cultural tourism and other key areas through bond investment. As at the end of 2022, the amount of bonds held to support rural revitalization increased by 11.21% year-on-year.

The Bank made every effort to strengthen rural inclusive financial services. It prioritized unbanked villages and towns or regions with limited financial services in setting up new outlets, and based on its service network covering both urban and rural areas, it continued to install self-service devices and set up Sannong service points, to ensure the provision of basic financial services in counties. As at the end of 2022, the Bank had nearly 40,000 outlets, about 70% of which were distributed in counties and areas below the county level,

and it served over 650 million personal customers, of which more than 400 million were distributed in counties and areas below the county level. The Bank adhered to the retail banking strategy and supported rural MSEs realizing their dream of building wealth. The Bank had cumulatively granted over RMB7 trillion micro loans and served more than 60 million people. By fully relying on the resources of the Bank’s interbank platform, it built communication platforms for investors and financing parties. In March 2022, the Bank successfully recommended corporate customer financing projects to insurance asset management companies and managed RMB1 billion for the first PV rural revitalization insurance claims project in Shangrao City, Jiangxi Province.

Improving service quality and efficiency

The Bank accelerated the digital transformation of Sannong finance. Outlining the dream of “letting the vast majority of farmers have credit from PSBC”, the Bank vigorously promoted the development of the rural credit system, empowered traditional offline model of creditworthy village development with technology, creatively launched the online creditworthy household loan, explored universal credit for farming households, and provided accurate portrait, proactive credit granting and integrated services to rural customers. As at the end of 2022, the Bank developed 383.5 thousand creditworthy villages and rated over 10 million farming households as creditworthy. The Bank vigorously promoted mobile banking, enriched online services and functions, and optimized online service experience to build a bank by the side of the general public. The Bank upgraded the service mode and basically realized full-process digital operation of micro loans via mobile banking. The Bank’s employees can visit customers by taking a mobile device, handle business on the spot and even sign an agreement and grant a loan immediately, truly sending financial services to the field. The Bank innovated and promoted online products like “Speedy Loan” and “Easy Small and Micro Loan” and actively pushed for the intensive operation reform of Sannong finance. As at the end of 2022, the outstanding online loans to MSEs stood at RMB1.12 trillion, and over 95% of the micro loans were lent online this year. Centering on counties’ needs of developing intelligent government and public services, the Bank took an active part in developing digital platforms including the intelligent county government service platform and the management platform of rural collective funds, assets and resources, and launched the open fee payment business at the county level, helping counties improve rural governance and information-based public services.

The Bank actively built the bridge for movement of factors between urban and rural areas. By giving full play to its resource endowment featuring “one network that covers urban and rural areas and overall arrangement across the nation”, the Bank strengthened cooperation with core enterprises and launched the speedy business lending platform, PSBC E Chain. Focusing on integrated financial services and full industrial chain financial services, the Bank promoted the modernization of important agriculture-related industries such as grain industry and hog industry and facilitated efficient movement of factors like product and funds between urban and rural areas. Meanwhile, the Bank deepened cooperation with government departments such as local finance departments, departments of agriculture and rural affairs and human resources and social security bureaus and strongly supported customer groups like returning migrant workers, college graduates, veterans, etc. starting businesses and making innovations.



PSBC Anhui Branch helped the harvest of grain in summer



The credit managers of PSBC Hainan Branch visited customers



PSBC employees introduced mobile banking services to villagers



PSBC credit managers visited loan customers



As at the end of 2022

Proportion of the number of micro
loans lent online this year

Over 95%

As at the end of 2022

Number of creditworthy villages
developed by the Bank

383.5 thousand

Number of creditworthy households
assessed by the Bank

Over 10 million



① Credit manager of PSBC Fujian Branch visited edible fungus growers

② Grapes yielded a good harvest with the financial support of PSBC



Relationship managers of PSBC visited grapefruit plantations to learn about the farming households' financing needs



Case

Facilitating rural revitalization via the financial service modes for agricultural industrial chains

Based on the financial service modes for agricultural industrial chains, the Bank continued to optimize online loan products, focused on the development of the featured agriculture-related industries, and contributed to rural revitalization. In order to address the financing difficulties for long-tailed customers in the agriculture-related industrial chains, the Bank developed the financial service platform of "PSBC E Chain" for agriculture-related industrial chains and formed the financial service modes for agricultural industrial chains from four dimensions, namely, "data + risk control + product + scenario". The mode is supported by the data of the financial service platform of "PSBC E Chain" for agriculture-related industrial chains to address the difficulties in collecting the information of farming households and long-tailed customers. It adopted the digital-driven targeted risk control for agriculture-related industries to break the limit brought by traditional guarantee. By providing long-tailed customers in the agriculture-related industrial chains with the series of business loan products, it provided more targeted and efficient personal industrial chain financial services for key scenarios of rural revitalization. Moreover, with the support of online and offline trading scenarios provided by the Bank and partners, the scenario-based targeted services have been realized.

As at the end of 2022, the Bank's financial service modes for agricultural industrial chains had been applied in all provinces (districts, and cities). Branches successively launched over 200 featured industrial loan financial service solutions including "Aquatic Feed Loan", "Grain Purchase Loan" and "Cattle Breeding Loan", serving more than 60,000 agricultural business entities with a total financing of tens of billions yuan.

Specifically, PSBC Tianjin Branch connected with multiple aquatic feed processing leading enterprises through the "PSBC E Chain" platform and launched the "Aquatic Feed Loan". By scanning the special WeChat QR code of the "Aquatic Feed Loan", customers can complete loan application, disbursement and repayment procedures online, realizing multiple data interaction and allowing customers pay less visits to outlets. PSBC Heilongjiang Branch launched the "Grain Purchase Loan" based on e-warehouse warrant and worked with companies to take the e-warrants generated by agricultural product companies for farming households and grain buying and selling brokers when they store grains as pledges and provided loans to borrowers based on the operation data such as grain purchasing data. The service mode can address the difficulty of the grain purchasing business entities in providing guarantee and improve the Bank's capacity of preventing risks actively through the mark-to-market mechanism of the purchasing price of grains. PSBC Guangdong Branch actively connected with featured industries, vigorously promoted the business area mode, white-list mode and distributor mode of industrial loans, and continuously improved the quality and efficiency of financial services of industrial loans. It accumulatively approved nearly 50 featured industrial loan projects including the "pre-cooked meal industry", "litchi industry", "southern herb industry" and "grain and oil industry".

The Bank advanced the intensive operation reform and intelligent risk control. The Bank promoted the intensive operation reform of credit review and approval. It carried out the pilot project of centralized operation of credit review and approval, continued to upgrade and optimize the review and approval model, raised the proportion of automated review and approval, and promoted the development of a centralized, multi-level review and approval system. In addition, the Bank advanced centralized operation of post-lending management. It motivated 36 tier-1 branches to launch a pilot project of centralized post-lending management, expanded the application of intelligent outbound calling and business development with mobile devices, further improved the quality and efficiency of post-lending management and helped form a differentiated centralized post-lending operation system of micro loans in which the Head Office, branches and sub-branches coordinate with each other. Meanwhile, the Bank formulated the 2022 risk control plan for micro loans, refined the risk control strategy for key products, strengthened differentiated guidance for key institutions, and properly dealt with risks. The Bank extracted risk early warning model data, filtered out the business with high-risk characteristics, and conducted off-site risk investigations in depth. The Bank issued the Don'ts for Micro Loan Officers, drawing the red line of behaviors of personnel engaged in lending business. As at the end of 2022, the Bank's ratio of non-performing micro loans was 1.70%.

Building a synergy ecosystem

The Bank enhanced multi-party cooperation.

It strengthened cooperation with governments, enterprises, associations, guarantee companies, insurance companies, etc. to build a service ecosystem for rural revitalization where multiple parties interact and collaborate with each other. In cooperation with departments of agriculture and rural affairs and the national agricultural credit guarantee system, the Bank actively participated in the "Credit Express for Agribusiness", and continued to increase credit supply to agricultural businesses. As at the end of 2022, the Bank granted over RMB6 billion credit in total and served more than 20,000 agricultural businesses through "Credit Express". Meanwhile, the Bank deepened cooperation with China Post Group and implemented and promoted cooperation projects that benefit farmers. The Bank and China Post Group jointly paid visits to rural customers, built the postal synergy ecosystem for the benefit of farmers, and strove to provide a package of "financial + delivery + e-commerce" integrated services to more rural customers.

The Bank empowered the digital upgrading of vendors in counties.

With the development of the county financial ecosystem at the core, the Bank formulated county-specific policies for county scenarios like supermarkets and convenience stores, restaurants, healthcare, culture, tourism and hospitality, transportation, education, etc. The Bank innovated the "acquiring + SaaS" model. Working with mainstream service providers on the market, the Bank adopted the "going out + bringing in" strategy, and provided "finance + life" integrated solutions. The solutions helped users in the industries of supermarkets and convenience stores, intelligent campus, catering, culture and tourism and transportation upgrade operation, reduce cost and improve efficiency. They also helped build a new mobile payment and consumption ecosystem in rural communities and facilitated the building of digital villages.

As at the end of 2022

The Bank granted

over RMB6 billion

credit in total through "Credit Express for Agribusiness"

and served

more than 20,000

agricultural business entities



YOU⁺ BANK brings benefits to villages

YOU⁺ BANK focuses on serving Sannong and MSEs. Leveraging the resource endowment of China Post Group and PSBC as well as its own technological advantage in agile development, YOU⁺ BANK aims to build a financial service model that suits the modernization of agriculture and rural areas and is committed to making financial services more convenient, more diversified and cheaper to support rural revitalization in all respects.

YOU⁺ BANK has actively expanded the rural market through open accounts, and piloted inclusive credit products. It launched "Sinochem Agricultural Suppliers Loan" and "Sinochem Distribution Loan" in cooperation with Sinochem Group. YOU⁺ BANK designed products based on the links involved in agricultural production in the planting cycles of different crops such as seeds, fertilizer, pesticides, agricultural means of production, farm implement, agricultural technology and agricultural insurance to provide targeted fund support to farmers and dealers on the industrial chain; YOU⁺ BANK rolled out "Procurement Loan", a targeted credit payment product based on the procurement relationship between core enterprises and dealers on the industrial chain. The service covered such real industries as food, home appliances, agriculture and home decoration. YOU⁺ BANK launched "YOU⁺ Speedy Loan" to actively provide targeted credit support to new citizens, MSEs owners and self-employed individuals. As at the end of 2022, YOU⁺ BANK granted over RMB100 million loans in total.

YOU⁺ BANK focused on building a scenario-based finance ecosystem. It promoted MSE service platform and fund witness service, and explored integrated financial service solutions for scenarios like micro and small merchants and supply chains. YOU⁺ BANK launched the "YOU⁺ Village" management platform, which embedded digital integrated financial services into rural governance scenarios. The pilot project of "YOU⁺ Village" was carried out in more than 20 provinces including Shaanxi, Guizhou, Guangdong and Guangxi.

YOU⁺ BANK constantly enriched products of the "Wealth Management Supermarket", developed one-stop wealth management services, lowered the threshold of wealth management to include more people, and optimized wealth management service experience. As at the end of 2022, YOU⁺ BANK cooperated with more than 10 wealth management subsidiaries, launched nearly 100 products under the star product series of several wealth management subsidiaries. YOU⁺ BANK's mobile banking had more than 3.65 million registered users and the AUM of its personal customers exceeded RMB6.5 billion.

Participating in the selection of pacesetters in rural industry revitalization

In July 2022, PSBC Shandong Branch, together with the Department of Agriculture and Rural Affairs of Shandong Province, the Rural Revitalization Bureau of Shandong Province and Shandong Radio and TV Station, issued the Notice on the Selection of "Pacesetters in Rural Industry Revitalization of Shandong Province" and held the launch ceremony of the event. They selected the first 200 pacesetters in rural revitalization from specialized agricultural family operations, family farms, farmers' specialized cooperatives, leading enterprises in agricultural industrialization and socialized services organizations for agriculture, to give play to the functions of the pacesetters as a model to promote the rural revitalization via talent cultivation in Shandong Province. PSBC Shandong Branch was responsible for providing a package of financial service solutions including credit financing, fund settlement, investment & wealth management, etc.

A total of 868 people across Shandong Province, recommended by local departments of agriculture and rural affairs, signed up for the selection. PSBC Shandong Branch actively followed up on the financial services for the participants. As at the end of 2022, the branch granted RMB489 million credit to 146 of the participants.

China Post Group and PSBC jointly offer services for “Qinzhou Large Cherries” to benefit farmers

Being market-oriented, PSBC Tianshui Branch in Gansu Province and the branch of China Post Group in the city put forward the innovative “postal delivery + rural e-commerce + financial” service model. Centering on “Qinzhou Large Cherries”, the two actively connected with the government and provided distribution and procurement services and comprehensive support including “Cherry Plant Loan”. Through “village-wide publicity + customer attraction”, they participated in the whole lifecycle of cherry planting, helping maximize the returns of the cherry project and serving Tianshui City’s rural revitalization drive.

In 2022, PSBC Tianshui Branch helped farmers sell about 1,020 tons of cherries, with an output value of about RMB52 million. A total of some 104.1 thousand boxes of cherries were sold via postal channels across the province, with a transaction volume of RMB11.285 million, and 311.6 thousand parcels were sent from and delivered to Tianshui City. The sales of the online platforms exceeded 10,000 boxes. While helping the cherry industry improve business performance, the branch expanded the brand effect of PSBC, laying a solid foundation for PSBC and China Post Group to jointly serve further the rural market and integrate into the agricultural ecosystem.

“PSBC Guarantee Cloud Connect” efficiently assists Sannong

PSBC Anhui Branch and Anhui Province Agricultural Credit Financing Guarantee Co., Ltd. established the new mode of cooperation, “PSBC Guarantee Cloud Connect”, deepening the synergy between fiscal and financial institutions to support agriculture. With fintech like cloud computing, big data and AI, the model has realized interconnection of information, credit and loan in the field of rural finance, and prompted rural finance to change from a “labor intensive” sector to a digitized and intelligent one. By fully breaking information barriers between fiscal and financial institutions, the model has significantly improved the cooperation efficiency between postal and guarantee organizations, effectively improved customer service experience, and delivered the benefit of agricultural modernization and the reform of rural finance to more agriculture-related business entities. As at the end of 2022, RMB4,184 million micro credit support was provided via “PSBC Guarantee Cloud Connect” to more than 7,916 agriculture-related business entities by PSBC Anhui Branch.

Deepening financial services for rural revitalization and jointly building innovation demonstration areas

Centering on Shayang County and Jingshan City that is paired up with PSBC Hubei Branch under their joint development program, PSBC Hubei Branch deepened the work on the demonstration area of joint development and innovation of financial services for rural revitalization and summed up and launched the “3335” model for the construction of the demonstration area. In this model, the first “3” means promoting coverage of all three issues of county finance, namely, basic financial services, the development of the rural credit system, and services for key projects; the second “3” means optimizing three credit procedures, namely, accelerating government-bank-guarantee cooperation, developing new types of government-bank-guarantee cooperation, and promoting the online service model; the third “3” means three innovations in industries with distinctive local features, namely, “one featured product in each county” project, online products for farming households and “industry + project” development; and “5” means laying down five support policies, namely, financial policy, resource policy, credit policy, approval policy, and risk control policy.



PSBC facilitated the development of the tea industry with financial support and contributed to rural revitalization



The countryside demonstrated new looks with the financial support of PSBC

Responsibility Practice

Boosting new drivers of
economic development

Helping maintain stable macroeconomic performance

Supporting micro, small and medium-sized enterprises

Promoting coordinated development across regions

GREEN WORLD, BETTER LIFE.



Helping maintain stable macroeconomic performance

PSBC firmly implemented the decisions and plans of the CPC Central Committee and the State Council, and further stressed the important task of serving the real economy and promoted stable recovery of the economy while accelerating its own high-quality development.

The Bank especially set up the leading group for providing financial support to maintain stable macroeconomic performance, and held meetings participated in by the President, the leading group's meetings and the bank-wide work arrangement meeting to study and make arrangements for the matter. Moreover, the Bank rolled out 36 specific measures concerning seven aspects, namely, earnestly fulfilling the responsibilities as a large state-owned bank, increasing financial support to market entities in trouble, going all out to ensure the financing needs in key areas are met, improving financial services for areas that are important to the public welfare, doing the Bank's utmost to promote stable development of foreign trade and export, improving the quality and efficiency of online financial services comprehensively, and ensuring stable and smooth access to financial services.

As at the end of 2022, the Bank's total loans to customers recorded RMB7.21 trillion, up 11.72% or RMB756,334 million from the prior year-end. Among the new loans, loans to the real economy accounted for approximately 90%.

Supporting the construction of major infrastructure

The Bank vigorously promoted financing for projects supported by infrastructure fund, continued to increase support to key areas such as new infrastructure, new urbanization, transportation and water conservancy, municipal infrastructure, etc., established the green channel mechanism for credit review and approval and the parallel operation mechanism for projects, and went all out to promote the implementation of major projects. As at the end of 2022, the Bank had supported a batch of major infrastructure projects including highways, intercity railways, subways, water conservancy projects, clean energy industry, etc., making contributions to "stabilizing investment and promoting employment". For projects in key areas such as new infrastructure, new energy and new materials, the Bank designed the "factoring + fixed assets loan" plan and provided diverse financing support based on the needs of large fixed assets projects. The Bank explored new ways of making better use of existing infrastructure assets, issuing its first M&A loan of REITs in the southeast region. Regarding projects like transportation infrastructure, urban renewal and projects aimed to ensure the people's well-being, the Bank, mainly through making differentiated factoring service schemes for construction industry, met the high-frequency settlement needs of project funds and procurement payment of building materials. The Bank directly provided factoring financing to construction companies in the upstream section, solving the pain point of long payment days of receivables and speeding up capital turnover of the industrial chain. As at the end of 2022, the Bank granted over RMB10 billion engineering factoring cumulatively.



As at the end of 2022

Total loans to customers

RMB7.21 trillion

Up from the end of last year

11.72%

Among the new loans, loans to the real
economy accounted for

Approximately 90%

Vigorously supporting the development of the manufacturing industry and equipment renewal and upgrading

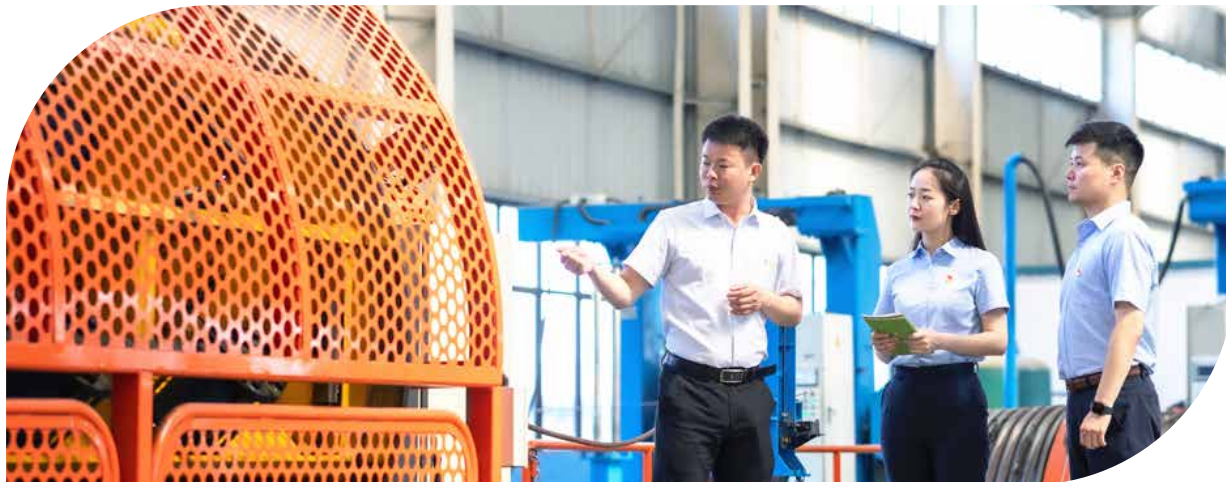
With a focus on key areas, the Bank continued to increase fund support, especially medium- and long-term loan support, to the green and low-carbon development of the manufacturing industry, advanced manufacturing, strategic emerging industries, and specialized and sophisticated manufacturing enterprises that produce new and unique products. Based on the order information from the upstream and downstream sections of core enterprises on the industrial chain and real transaction information such as receivables and industrial chain scenarios, the Bank provided supply chain financial services such as factoring to manufacturing enterprises, which strengthened the risk resistance of the industrial chain and the supply chain and helped the manufacturing industry and the industrial chain upgrade themselves and tackle key problems in core technologies. As at the end of 2022, medium- and long-term loans to the manufacturing industry increased by 50.06% from the end of last year; the Bank's loan balance of bill discounting business for manufacturing was about RMB106,274 million, up about 12% from the end of last year.

Helping to stabilize industrial chains and supply chains

The Bank supported core enterprises extending, supplementing, strengthening and consolidating industrial chains and supply chains, with its balance of financing in this regard exceeding RMB100 billion in 2022. The Bank gave full play to the features of supply chain products, namely flexible structure as well as convenient and fast service, and optimized product portfolios based on customers' pain points. For quality enterprises in industries like building, auto and engineering machinery, the Bank offered tailored full industrial chain financial service solutions. It provided financial support to suppliers and dealers in the upstream and downstream sections of the industrial chain, and provided fund support for business turnover of MSEs. The Bank worked with quality enterprises in their respective industries to build a digital ecosystem of supply chain finance. Based on the U Chain supply chain core system, the Bank realized direct system connection to over ten core enterprises' platforms. While providing online factoring financing, the Bank also provided comprehensive services such as electronic agreement signing and clearing based on customers' personalized requirements, helping to remove the pain points and blockages in industrial chains.

Intensifying support to MSEs

The Bank continued to increase loans to MSEs, fully fulfilled the policy requirements of increasing both the growth and number of accounts of inclusive loans to MSEs, and continued to expand the scale and coverage of such loans. The Bank endeavored to help enterprises grow, publicize economic policies, and convey opinions of the frontline. For MSEs facing temporary difficulties, the Bank took proper measures like loan extension, adjustment to the interest payment cycle, adjustment to the repayment plan, etc. to ease their repayment pressure. The Bank actively implemented the time-limited interest rate cut policy of the People's Bank of China for inclusive loans to MSEs, which effectively reduced their financing costs. The Bank helped transmit the support policies for MSEs and organized and held the "PSBC Financial Support for Micro, Small and Medium-sized Enterprises" financial service activity targeting micro, small and medium-sized enterprises. Together with the National Institute of Small and Medium Enterprises, the Bank organized and held the "Forward with PSBC" series training, at which renowned experts were invited to give lectures and explain enterprise supporting policies in detail. The training covered over 8,000 participants. Together with the National Institute of Small and Medium Enterprises, it conducted surveys on MSEs to understand better and demonstrate their development status, providing a firm reference for policy formulation and theoretical study.



Credit managers of PSBC visited micro and small enterprises for post-lending interviews

Supporting the real estate market maintaining stable and healthy development

The Bank took solid steps to ensure timely deliveries of presold homes, people's basic living needs and stability, which helped maintain the stable and healthy development of the real estate market. In terms of the direction of loan granting, the Bank continued to adopt city-specific policies and formulated and implemented differentiated credit policies, doing its utmost to help maintain stable macroeconomic performance. The Bank gave major support to first-time homebuyers and upgraders. The proportion of loans to first-time homebuyers maintained above ninety percent. The Bank went all out to defuse the risk of halt of work and loan repayment, worked with relevant parties to promote resumption of work and production, and fulfilled its responsibilities in financial risk control with solid actions. The Bank supported property developers' reasonable financing needs, and launched "U Loan for Timely Deliveries of Presold Homes", which helped property developers make better use of their assets and solved the difficulties and pain points of weak property developers in financing. In accordance with the rural revitalization strategy and the new urbanization strategy, the Bank, by leveraging the synergy between wholesale and retail businesses, increased home purchase credit support to groups like "new citizens" and promoted steady growth in property development loans and personal mortgage loans, helping maintain the stable development of the real estate market.



Case

Supporting the implementation of major projects efficiently and collaboratively

The Bank supported the reconstruction project of the Shahe-Shilingguan section of the National Highway 108 in Shanxi Province. After learning that the project had a fund gap, the Bank strengthened internal coordination and efficiently completed credit review and approval. The Bank helped relevant enterprise of the project complete the formalities and approval procedures and signed a RMB1 billion loan contract with the enterprise. The Bank granted a total of RMB444 million to the project, which provided timely help to the enterprise to fill the fund gap.

"Green Channel" eases pressing problems

A specialized and sophisticated enterprise that produces precision components in Jiangxi Province urgently needed funds to expand its production line due to a surge in orders. After learning about the enterprise's demand for funds, PSBC opened a "green channel" and granted RMB10 million loan to the enterprise rapidly. The Bank accelerated its pace in serving manufacturing enterprises upgrading and transforming themselves and addressed the enterprise's pressing need.

Supporting micro, small and medium-sized enterprises



Credit managers of PSBC carried out pre-lending investigations in specialized and sophisticated enterprises that produce new and unique products

In 2022, the Bank further strengthened the top-level design and policy and mechanism support for inclusive finance. In addition to the Inclusive Finance Business Department set by the Head Office, each branch set up its own Inclusive Finance Business Department, continued to strengthen the building of professional teams, and enhanced the transmission of inclusive finance strategies. The Bank increased resource allocation to special credit, strengthened full-process risk control with digital means, and optimized the policy that ensures those who have fulfilled their duties will not be held liable for anything beyond their control. Meanwhile, the Bank continued to channel more resources to this area in terms of FTP, performance evaluation guidance, special incentive fees, etc. As at the end of 2022, PSBC's balance of inclusive loans to MSEs recorded RMB1.18 trillion, the proportion of which to total loans being one of the highest among large state-owned banks, and the number of accounts with loan balance reached 1.9344 million.

As at the end of 2022

Balance of inclusive loans to MSEs

RMB1.18 trillion

Number of accounts with loan balance

1.9344 million



PSBC supported production bases of sci-tech enterprises

Establishing the digital systems of micro and small finance

1 Digital marketing system

The Bank developed customized mobile banking APP for MSEs. The APP supports one-click online credit application, one-click credit limit estimation, online drawdown and online repayment. In the meantime, it introduces high-frequency non-credit services including account service and payroll service. It can provide customers with a package of "finance + scenario" integrated financial services anytime anywhere.

2 Digital product system

By employing fintech means like big data analysis and biometric identification, the Bank launched its digital hit product targeting MSEs, "Easy Small and Micro Loan". The whole process of the product can be completed online and loans can be borrowed and repaid by customers any time they want, meeting the diverse financing needs of MSEs. With access to multidimensional data such as taxation data, intellectual property data, customs data, tender winner data, logistics data, industrial chain transaction data, etc., the Bank fully explored the value of data resources and built ten service models including government procurement service model, project service model, foreign trade service model, industrial chain service model, technology service model, etc., covering all kinds of production and operation scenarios of MSEs.

3 Digital risk control system

The Bank built a risk control system featuring "customer portrait + model rules + risk control strategy + automatic early warning", refined the trigger-based post-lending management model, connected to internal and external multidimensional data including industry & commerce data, judicial data, credit standing information, etc., established digital customer portrait with a 360-degree view and implemented classified, layered post-lending management, to accurately identify customers' credit risk.

4 Digital operation mode

The Bank pushed for mobile banking + paperless operation + digital credit factory across the board. With the help of digital technology, the Bank built an efficient operating system featuring intensive management, standard operation and intelligent decision-making, improving the efficiency of financial services for MSEs in all respects.

5 Digital service method

The Bank established an "online + remote + offline" channel service system. Through a service system with multiple channels, multiple forms and multiple entrances, the Bank provides customers with ubiquitous financial services.

"5D (Digital)" systems of micro and small finance

Establishing a financial service system for technological innovation

With specialized institutions and teams, refined marketing and risk control, distinctive products and services and innovative business models, the Bank continued to build the financial service system for technological innovation, and deepened the financial services for specialized and sophisticated enterprises that produce new and unique products (hereinafter referred to as "specialized and sophisticated enterprises") and sci-tech enterprises, providing them with services through the full chain and full lifecycle and going side by side with customers on their growth paths. As at the end of 2022, the Bank served 54 thousand specialized and sophisticated enterprises and sci-tech enterprises, and loan balance increased by over 40% from the end of last year.

The Bank strengthened policy and mechanism guarantee. It set up the leading group and the special working group for work concerning specialized and sophisticated enterprises and sci-tech enterprises, and established 30 specialized institutions dedicated to providing financial services for sci-tech enterprises in key areas across the country to provide professional, dedicated and integrated services to sci-tech enterprises. On the basis of the traditional rating model, the Bank made an accurate portrait of the elements of specialized and sophisticated enterprises such as R&D investment, patents, growth potential, policy support, etc. and restored the real credit rating of sci-tech enterprises.

The Bank refined the exclusive loan product library. Based on the "asset-light and operation-light" features of sci-tech enterprises, the Bank developed more than 10 unsecured loan scenarios under "Easy Small and Micro Loan" and "Speedy Loan" and rolled out exclusive products including Technology Credit Loan, "Science and Technology Innovation E Loan" and batch guarantee business, basically covering the full lifecycle of sci-tech enterprises. On the basis of traditional credit products, the Bank optimized product factors and raised the upper limit of the line of credit for a single account to RMB50 million. Meanwhile, it launched the exclusive product "Science and Technology Innovation E Loan" for tech companies, and in cooperation with the Torch High Technology Industry Development Center of the Ministry of Science and Technology, it included "innovation points" as a credit granting factor and provided targeted support to specialized and sophisticated enterprises and sci-tech enterprises. In addition, the Bank launched the technology industrial chain development project, analyzed the technology industrial chain in depth, and created the list and database of enterprises on the technology industrial chain based on enterprises' patent information.

The Bank established cooperation platforms with various parties. It established and improved the long-term mechanism for government-bank-enterprise communication and cooperation and actively communicated with government departments administering industry & information technology, technology, finance, intellectual property, etc. Meanwhile, the Bank strengthened cooperation with a variety of investment funds, venture capital funds, guidance funds and special funds. Moreover, the Bank actively built the service ecosystem for specialized and sophisticated enterprises and sci-tech enterprises and worked closely with the securities sector. In cooperation with China Post Securities Co., Ltd., it provided services that integrate investment banking and commercial banking to specialized and sophisticated enterprises and sci-tech enterprises.



Holding an investment and financing matchmaking event for specialized and sophisticated enterprises

On June 16, 2022, PSBC Guangdong Branch, together with Guangdong Service Center for Small and Medium-sized Enterprises and China Post Securities Guangdong Branch, held an investment and financing matchmaking event with the theme of "PSBC Goes Side by Side with Guangdong-based Enterprises on a New Journey Toward a Better Future" for specialized and sophisticated enterprises that produce new and unique products in Guangzhou, at which, the Bank signed the Letter of Intent on Cooperation with Small and Medium-sized Specialized and Sophisticated Enterprises That Produce New and Unique Products with 80 specialized and sophisticated enterprises. By establishing a bank-enterprise cooperation platform, the Bank provided long-term financial support to specialized and sophisticated enterprises to ensure their healthy development.

Providing all-round services to specialized and sophisticated enterprises

PSBC Shandong Branch creatively launched "full lifecycle" financing products. For micro and small tech startups in their early days of establishment, the Branch can provide online loan products such as "Easy Small and Micro Loan" based on big data like taxation data and patent data. For enterprises in the expansion and growth stage, the Branch can provide products like technology unsecured loan and loan with pledge of intellectual property. For specialized and sophisticated "little giants" and enterprises excelling in particular market segment in the mature expansion stage, the Branch can provide listing loan products. Meanwhile, the Branch made full use of technological means like big data, cloud computing and AI to promote online products including "Speedy Loan" "Online Business Loan" and "Easy Small and Micro Loan" and implement full-process online operation. As at the end of 2022, approximately 1,000 micro, small and medium-sized specialized and sophisticated enterprises had a loan balance at PSBC Shandong Branch, and the Branch's loan balance was over RMB6 billion, an increase of over 80% from the beginning of the year.

Promoting coordinated development across regions

Serving the coordinated development of the Beijing-Tianjin-Hebei region

With a focus on urban rail transport, environmental protection and water affairs, the Bank supported the development of the new capital economic circle. As at the end of 2022, the balance of wholesale loans in the Beijing-Tianjin-Hebei region recorded RMB230.3 billion.

Serving the development of Xiongan New Area

With a focus on municipal infrastructure construction, urban rail transport, etc., the Bank provided comprehensive financial services to enterprises participating in the development of Xiongan New Area. As at the end of 2022, the balance of wholesale loans in Xiongan New Area was RMB4.3 billion.

Serving the development of the Yangtze Economic Belt

With a focus on traffic infrastructure construction, urban renewal, modern agriculture, etc., the Bank supported the coordinated development of the Yangtze Economic Belt. As at the end of 2022, the balance of wholesale loans in the Yangtze Economic Belt registered RMB724.4 billion.

Serving the protection of the Yellow River ecological basin

The Bank continuously intensified the support to the ecological protection and restoration, biodiversity protection, culture & tourism, etc. of the Yellow River basin to help protect the Yellow River ecological basin. As at the end of 2022, the balance of wholesale loans in the Yellow River ecological basin was RMB489.1 billion.

Serving the development of the Guangdong-Hong Kong-Macao Greater Bay Area

The Bank continued to increase support to the high-end manufacturing industry and supported key areas like traffic infrastructure and urban renewal in the Guangdong-Hong Kong-Macao Greater Bay Area. As at the end of 2022, the balance of wholesale loans in the Guangdong-Hong Kong-Macao Greater Bay Area stood at RMB172.6 billion.

Serving the integrated development in the Yangtze River Delta

The Bank actively supported transportation, high-end manufacturing and other sectors to assist in the interconnection of the Yangtze River Delta. As at the end of 2022, the balance of wholesale loans in the Yangtze River Delta posted RMB372.1 billion.



Supporting the “Hebei Fengning Pumped Storage Power Station” project

Located in Chengde City, Hebei Province, Hebei Fengning Pumped Storage Power Station has the world's largest installed capacity so far, and it was an important green power supply station during the 2022 Winter Olympics in Beijing. PSBC Chengde Branch supported the smooth implementation of the project using infrastructure construction loans. As at the end of 2022, the credit line to the project reached RMB1.99 billion, and the loan balance was RMB1.39 billion. After it is completed, Hebei Fengning Pumped Storage Power Station can effectively meet the peak load regulation need of the power grid in the Beijing-Tianjin-Hebei region and will help manage the Luanhe River and preserve soil and water.

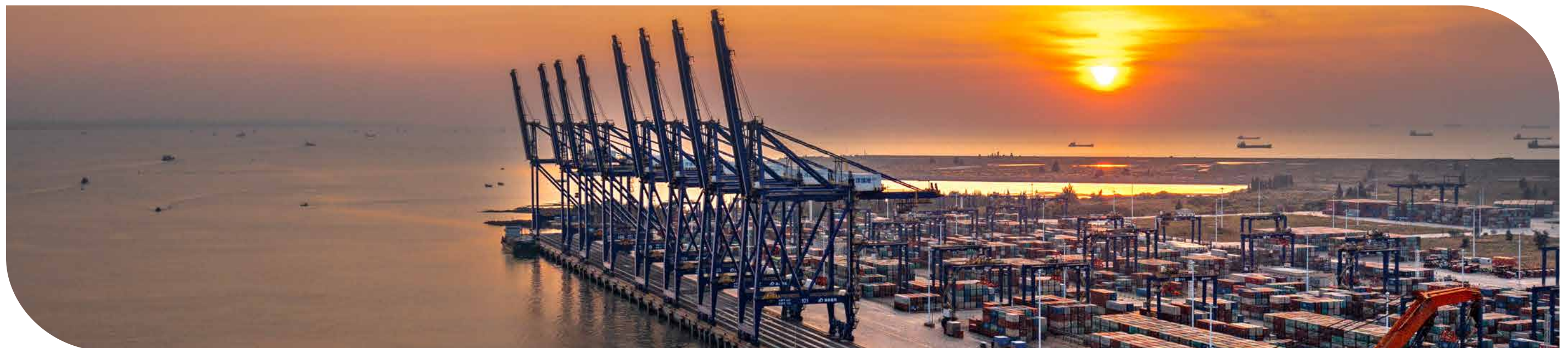
Supporting biodiversity protection of the Yangtze River basin

The Bank currently injected RMB620 million loans to the Lu'an Three Gorges Phase I Water Environment Treatment Program in Anhui Province to support biodiversity protection. Meanwhile, PSBC Lu'an Branch, in cooperation with the Institute of Public and Environmental Affairs (IPE), promoted and assisted the loan borrowers in disclosing environmental information and formulating effective environmental protection measures, which helped save energy, reduce emissions, and upgrade the industry.

Through leveling of the riverway and restoration of the shoal ecology, the program ensured flood control safety and reduced water and soil loss, thus ensuring sustainable utilization of water resources. Meanwhile, it improved the ecological environment in the upstream section of the Pi River in the urban area, increased biodiversity of the Pi River, and effectively protected the safety of the residents on the two banks of the backwater reach, providing more reliable basic support and ecological safety protection for the sustainable development of the economy and society.

Helping build a model industrial park of industry upgrading

PSBC Foshan Branch in Guangdong Province extended RMB700 million loans to support the construction of the Shunde CIMC Digital Technology Park project and provided corporate mortgage loans, equipment upgrading loans and other comprehensive financial services to enterprises in the Park. After it is completed, the project will be positioned as an example of integration of industries, city, people and culture featuring “rural revitalization + industrial upgrading”, a home to high-end industries and talents engaging in smart equipment and smart home building, entrepreneurship and innovation, and a model for upgrading of village-level industrial parks that can be used as reference. Based on the industrial layout in the lot where the project is located and the existing industrial chain foundation of Shunde, the project will feature electronic information industry and intelligent manufacturing industry and mainly introduce integrated circuit, new type of display, industrial robot, and intelligent household appliances programs. Meanwhile, it will fully integrate internal and external resources to build itself into a model park in terms of industry upgrading.



PSBC introduced financial resources to support infrastructure construction such as Hainan port

Responsibility Practice

Empowering urban and rural residents
to pursue a new life

Integrating into community development

Upgrading customer experience

GREEN WORLD, BETTER LIFE.



Integrating into community development

Adhering to the customer-centric principle and leveraging core technological capabilities, the Bank upgraded online and offline service channels and improved the people's well-being with financial resources. The Bank continued to pay attention to the financial service needs of groups such as new citizens and elderly people, fully extended the tentacles of inclusive finance, and further integrated into community development.

In 2022, the Bank promoted the building of three ecosystem scenarios leveraging its own strengths. First, the Bank built the "outlet + business circle" service system. By giving full play to its advantage in widespread outlet network, the Bank combined vendor service with daily operation of outlets and promoted the building of characteristic business circles such as business districts, tourist spots, parks and communities. More than 4,000 outlet-based "micro business circles" reached the standard. Second, the Bank promoted the "4 + X + 100" vertical industrial layout. It analyzed in depth the digital upgrading needs of vendors, strengthened integration of business and technology and external cooperation, provided customers with market-leading digital solutions for industries, and built a batch of leading projects including mixed medical insurance payment, smart campus, smart transportation, smart canteens, etc. Third, the Bank promoted the building of mobile payment processing environments in counties. In cooperation with partners like UnionPay, the Bank promoted the building of mobile payment processing markets in counties and accelerated the layout centering on "Millions of Merchants in Thousands of Counties and Towns via Ten Major Scenarios". The Bank completed the building of more than 500 demonstration counties of mobile payment processing and built around 290,000 county scenarios including medical communities, cultural and tourist attractions, retail, catering, demonstration villages and towns of "PSBC Pay", etc.



PSBC employees actively served new citizens

Serving new citizens

Offering exclusive services to new citizens

With a focus on the needs of new citizens in scenarios like payment & settlement and express delivery, the Bank creatively launched the exclusive debit card for new citizens, "U+ Card", which offers a number of fee reductions and exemptions including inter-bank transfer charge, SMS service fee for notification of changes in account balance and cost of production, truly reducing the cost of using the cards for new citizens. In addition, the Bank refined the services for new citizens. Being data-driven and technology-empowered, the Bank built the labeling system of new citizens that covers front desk authentication and back office authentication to promote targeted services for the new citizen customer segment. To improve the differentiated, customized and relevant services for new citizens, on top of the "U+ card", the Bank, in cooperation with Meituan, launched "New Urban Residents Theme Card for Deliverymen" with multiple privileges targeting deliverymen in the new citizen customer group.

The Bank continued to accelerate innovation in products and services for new citizens. It launched proactive credit granting products for new citizens, included 2022 "PSBC Rural Auto Shopping Season" programme into "PSBC Supports New Citizens' Aspiration for a Better Life" programme and provided subsidized loans for auto consumption by new citizens together with OEMs. The Bank held 2,000 "1,000 Counties and 100 Cities" activities across the Bank and held the special group purchase activities for new citizens at the same time, which helped boost financial services for auto consumption in lower-tiered cities and benefited more people.

Supporting new citizens pursuing their home dreams

To address such pain points faced by new citizens as lack of credit standing information and difficulties in obtaining a loan, on the basis of account statement, social insurance records, taxation records, etc., the Bank added current income from third-party payments to determine customers' repayment ability and assessed earning power from multiple dimensions, helping new citizens make adequate preparations for applying for a housing loan and realize their dream of owning a home.

The Bank introduced innovative micro loans exclusive for new residents, provided financial support including loans guaranteed by the national financing guarantee fund and subsidies for new citizens to support their employment and entrepreneurship and help them to adapt to new living environments.

Launching the e-CNY wallet for new citizens

The Bank creatively designed the financial services and products based on the standard hardware wallet card - the e-CNY wallet for new citizens, building a wholly new everyday e-CNY application model. New citizen customers can use the e-CNY software wallet via the e-CNY APP or PSBC's mobile banking APP, and their family members can use the standard hardware wallet card bound with the software wallet to make daily payment.

The new citizen customers can manage the e-CNY hardware wallet held by their family members remotely via the e-CNY APP or PSBC's mobile banking APP. The e-CNY wallet for new citizens allows holders to pay under special circumstances such as when the phone is out of power or when the internet is unavailable. Besides new citizens, corporate customers that have employed many new citizens can also apply for the e-CNY wallet for new citizens for their employees in batches.

Establishing the financial service center for new citizens

PSBC Zhaoqing Branch in Guangdong Province creatively set up a financial service center for new citizens, the first of its kind in PSBC, in PSBC Sihui Sub-Branch. The center provides a package of integrated financial services to new citizens through five measures, namely, special zone services, professional teams, exclusive products, special policies and themed actions.

As at the end of 2022, the financial service center for new citizens issued 316 "U+ Card" s, and granted RMB11.8158 million non-housing consumer loans to new citizens and RMB92.3401 million corporate loans to small businesses owned by new citizens. Meanwhile, it established cooperation with 17 partners in new citizen business and held 18 financial publicity activities among new citizens. Those efforts provided new citizens with convenient access to integrated financial services.

Optimizing financial services for retirement planning

Launching personal pension and wealth management business for retirement planning

As one of the first banks to roll out personal pension account and fund transaction business, PSBC has opened a “U Enjoy Future” personal pension service zone on mobile banking, which is a one-stop shop for services including pension deposit, view of transaction details, download of tax deferment certificates, pension calculator, purchase of personal pension products, etc.

The Bank launched a number of selected pension fund products with excellent performance under two major categories, pension target date funds and pension target risk funds, from which investors can choose products that match their retirement dates, risk appetites, etc. Meanwhile, the Bank lowered management fee, custody fee, fund purchase fee and some other fees of key products to benefit the people and better serve the investors.

The Bank strengthened publicity of personal pension policies. It launched the personal financial service for retirement planning brand, “U Enjoy Future”. The brand aims to convey the idea that “planning now for a better future”, fulfill the social responsibility of helping improve the national pension pillars system, and assist customers in realizing a better and happier life.

The Bank’s majority-owned subsidiary, PSBC Wealth Management Co., Ltd., participated in the trial project of the retirement wealth management product and issued two “Tianyi • Hongjin” closed-end series retirement wealth management products on a trial basis, which raised a total of RMB5 billion.

Strengthening services and functions for elderly people

The Bank updated its software and hardware at outlets. Wheelchair accessible passages were installed in 11,985 outlets for customers. The Bank promoted the building of outlets featuring services for elderly people. “Jin Hui Sub-Branch” can be found in over 80% of prefecture-level cities. Meanwhile, elderly-friendly products were upgraded at outlets to fully respect the financial needs and habits of elderly people. The proportion of self-service devices that can handle deposit business was raised to 53.26% to meet elderly customers’ use preference. Meanwhile, self-service devices were upgraded to recognize elderly customers, and an exclusive product zone was set up to provide targeted services for elderly people.

The Bank launched “special column for consumer rights protection and financial knowledge publicity and education” on the online customer service hall of the credit card APP to especially provide videos on financial knowledge and anti-fraud to elderly customers. Meanwhile, it added the “voice input and voice broadcast” function, with which customers can listen to the solutions provided by intelligent customer service after saying their problems. Such voice and video customer services made the assistance to and services for elderly people more intelligent.

Enhancing publicity and investor education of pension

Centering on establishing a correct view of financial risks and returns of pension, the Bank carried out investor education systematically through online and offline channels to build the ecosystem of pension financial services. The Bank conducted online pension-themed investor education activities and explained the significance of wealth planning and asset allocation to customers. Meanwhile, the Bank also carried out investor education relying on its outlets all over the cities and countryside. Specifically, during the sales of the pension wealth management products, it conducted multiple pension wealth management training sessions in ten trial cities to invigorate customers’ pension planning and investment needs and help investors set up a scientific pension investment view of long-term investment and value investment.

The Bank enhanced the publicity for elderly people and publicized risk cases and the way of financial rights protection to the elderly through straightaway explanations and forms. Relevant branches established volunteer service teams to carry out financial knowledge publicity activities in multiple forms to keep expanding the senior group’s financial knowledge and raising their risk prevention awareness.

Continuously creating a wealth management bank

Adhering to the strategic vision of building a first-tier large retail bank, the Bank upheld the philosophy of being customer-oriented and creating value for customers, accelerated the transition to “wealth management bank”, and refined customer segmentation. It helped customers share the dividend of economic development through professional asset allocation services and endeavored to realize the value of the Bank and customers at the same time, contributing to the common prosperity of all citizens.



Building a diversified product system

When selecting products on the market, the Bank put customers’ benefit in the first place, used rigorous product selection logic and the access mechanism, and gave full play to its professional capability to select the best of the best on the market. It built a full-category, diversified product system, continuously meeting customers’ asset value preservation and appreciation needs. In cooperation with excellent fund companies on the whole market, the Bank launched several customized equity funds, issued exclusive wealth management products to key customer groups, and expanded the product line for qualified investors. Returning to the original purpose of insurance, the Bank provided customers with more long-term guarantee products. The Bank paid attention to people’s livelihood, profoundly promoted the publicity of third pillar pension business knowledge, built the management and service platform for personal pension accounts, and became one of the first banks that connected with the industry information platform for pension financial products. The Bank offered diversified pension financial products such as deposits, wealth management, funds and insurance, providing sound asset management services.



Improving professional service capability

The Bank focused on building a professional sales team to forge a smooth supporting and empowerment system. It established a position-specific and tiered PASS training system, to strengthen the capacity of wealth advisors, VIP wealth advisors and wealth consultants in asset allocation and complex product sales from the four dimensions of product, analysis, sales and service. Meanwhile, it constantly increased middle and back office staff. It established a wealth consulting team of nearly 300 people, implemented the plan for “strengthening the middle office and improving capacity”, and formed standard working procedures for front, middle and back offices, providing strong support to the rendering of professional services. At the “JIN NAI DONG HUA” China Wealth Consultant Competition, CEP • E-fund China Financial Planner Competition and 2022 JRJ Navigation China and “GoldenWis” Award Ceremony, PSBC won the “2022 Excellent Wealth Consulting Institution”, “2022 Outstanding Wealth Consultant Cultivation Institution”, “CEP • E-fund China Financial Planner Competition: Best Organization Award” and “Outstanding Wealth Management Bank Award”.

Continuously creating a wealth management bank

Strengthening digital technology empowerment

Based on mobile banking and with privileged services, the Bank constantly extended the boundary of wealth management services. The Bank launched a wholly new interface on mobile banking, through which exclusive wealth managers can be reached by one click, selected products are clearly displayed, and personalized asset allocation solutions are provided. In the wealth management system, the Bank built various wealth planning scenarios including pension planning, children’s education, home purchase, car purchase, etc., developed intelligent insurance planning function and customer lifecycle wealth planning, and provided comprehensive investment, wealth management and insurance planning services. Moreover, the Bank upgraded one-stop wealth check and asset allocation services on mobile banking. As at the end of 2022, a total of 1,011.4 thousand customers used wealth check service via mobile banking, and the Bank provided asset allocation solutions to some 486.5 thousand customers of Fujia level or above,¹ up by nearly 156% year on year.

Enhancing investor education

The Bank carried out investor education activities via all channels and worked to be customers’ guide and companion in their investment. The Bank vigorously held “Wealth Management Weekly Lecture” via outlets, which provides investor education service to urban and rural residents and guides customers to establish a correct asset allocation concept. In 2022, over 880 thousand “Wealth Management Weekly Lecture” sessions were held and covered nearly 6.5 million customers by person-times. The Bank also held the second PSBC “Wealth Management Festival” with the theme of “better asset allocation for a wealthier life”, which included six major events, namely, the “Setting Sail for Wealth” opening ceremony, the “Evolution of Wealth” investor education, the “Outstanding Wealth Products”, the “Wealth Forum”, the “Privileged Offers and Benefits” and “Hot Wealth Topics”. The festival helped customers fully realize the importance of asset allocation and family wealth planning. Throughout the year, the festival was exposed 628 million times, an increase of 44.04% compared with that of the first festival, and it had 11,710.9 thousand hits, an increase of 67.30% from the first festival.



Note: 1. Customers with assets of RMB500,000 (inclusive) to RMB6 million with the Bank are Fujia-level customers, and customers with assets of RMB6 million or more with the Bank are Dingfu-level customers.

Upgrading customer experience

In 2022, the Bank adhered to the customer-centric philosophy. With meeting the people's new expectations for a better life and their new demand as the starting point and foundation, the Bank was committed to improving customer service capability in all respects and building a bank that the customers are satisfied with.

The Bank conducted a nationwide customer experience satisfaction survey across the full customer journey and via all channels. The results show that the overall customer satisfaction score with the Bank is over 85, indicating a good performance, and the Bank's service attitude and service etiquette were extensively approved by customers. The Bank won the award of "Glories of Enterprises 2022 - Outstanding Bank for Customer Experience" awarded by the Economic Observer.

Successfully concluding the three-year action plan for optimizing customer journeys

Since it launched the plan for optimizing customer journeys in 2020, the Bank has implemented digital rebuilding of customer journeys in all respects, strengthened the application of new technologies including AI, blockchain, cloud computing, big data and Internet of Things, and kept refining full lifecycle management of customer journeys. With these efforts, the Bank has efficiently met customers' diverse needs, improved customer experience, and achieved an increase in both customer value and the Bank's returns.

As at the end of 2022, by establishing a customer journey library under unified management and employing the "end-to-end" customer journey methodology, the Bank rebuilt and optimized 56 customer journeys under 12 professions and formulated the three-year implementation roadmap of journey optimization measures. In 2022, all tasks of the three-year action plan were accomplished, successfully concluding its plan.



PSBC enhanced technology empowerment and fostered smart banks to serve urban and rural residents

Accelerating digital transformation of customer journeys

The Bank stepped up efforts in digital transformation of customer journeys and completed digital transformation of 81.99% of customer journeys, which greatly improved business handling efficiency. The corporate account opening time was cut by 85.58% and online Easy Small and Micro Loan handling time by 50.22%. Over 99.89% of online consumer loans were automatically approved, and the speedy loan for small enterprises can be automatically rechecked. The personal account opening time at the counter was reduced by 59.86%, and "Intelligent Disbursement in a Second" went live, cutting the loan disbursement time to seconds. The first-time offline purchase time of personal wealth management products was cut by 28.89%, the issuance time of bill acceptance by 60.48%, and the review and approval time of the credit factory for small enterprises by 50%. Work based on mobile internet was promoted. 80% of Sannong relationship managers opened a "cloud studio", and the Sannong remote secured loan disbursement time was changed to T+0.

Establishing an all-round service quality management system

The Bank refined the closed-loop management mechanism of service experience. It improved the basic policies and standards for service quality management, built the management architecture featuring "unified leadership, overall management by the leading body, category-by-category control and level-to-level management", and promoted the implementation of the system. Meanwhile, the Bank put service quality management under the management of the Head Office's leading group for improving customer experience and the leading group's office, studied service quality work, formulated the plan for improving customer experience across the Bank, and pushed for its implementation.

Effectively improving services offered via online and offline channels

The Bank advanced the "Look Back" campaign of window service. It promoted the building of outlets featuring services for elderly people. "Jin Hui Sub-Branch" can be found in over 80% of prefecture-level cities. It also strengthened care for special customer groups, building outlets with sign language service and outlets featuring other barrier-free services. It also promoted and implemented the "Caring Services" campaign at outlets to provide customers with financial services that are more targeted, more active, more considerate, warmer, and more pleasant. At the same time, it streamlined the procedures of counter services and self-service devices at outlets, which improved interactive experience and made business handling more efficient. Moreover, the Bank refined the code of conduct of services at outlets, strengthened supervision and rectification of problems, traced and addressed complaints of outlets and the management of "Don'ts in services", and continued to enhance outlets' awareness of proactive service.

The Bank carried out the "Year for Improving Online Services" campaign in depth. Mobile banking 8.0 was launched with more application scenarios. On the basis of its Version 4.0, the credit card APP added more products and functions, building an ecosystem that can meet customers' needs concerning basic necessities of life as well as their preferences. Corporate online banking was upgraded to Version 3.0, which rolled out a special zone of characteristic services provided by branches. The corporate banking APP was launched, providing integrated, digital, intelligent butler services featuring a wholly new interface, diversified products and efficient operation.

Fostering and promoting the service culture of striving for excellence

The Bank established the positive evaluation mechanism that selects the excellent and advanced models. It organized the selection of Service Star of PSBC, Excellent Projects of Optimization of Customer Journeys, Excellent Customer Journey Optimizer and Excellent Part-time Experience Officer, to encourage staff to strive for advanced services and improve customer experience across the Bank.

The Bank cultivated a customer experience team. By setting access and exit, qualification certification, training and communication mechanisms, the Bank constantly optimized the professional customer experience team and held the training session on improving customer experience and customer journeys.

Continuing to build the multi-dimensional service monitoring system

The Bank conducted multidimensional experience evaluations to find the "problem list" in customer experience. It conducted experience evaluation from both customers' and employees' perspectives, including senior management experience, special evaluations, customer and employee satisfaction surveys, etc. The Bank strengthened closed-loop management, turned the "problem list" into the "task list" and effectively converted it into the "satisfaction list".

The Bank launched the development of an automatic customer journey monitoring system featuring active collection, automatic diagnosis, accurate positioning and continuous optimization, to make the service procedures more convenient and efficient and financial services more considerate. The Bank embedded customer experience into the full lifecycle of product R&D and established the early customer experience evaluation mechanism in an effort to improve customer satisfaction with new products and new systems.

Development of distinctive sub-branches

PSBC Rural Revitalization Sub-Branch



Since inception in 2021, PSBC Rural Revitalization Sub-Branch at Guanxu Town, Deqing County, Zhaoqing City, Guangdong Province, has taken a path of innovative financial services for rural revitalization by setting up cash withdrawal terminals for farmers, developing creditworthy villages, introducing a batch of financial products, serving new-type agricultural business entities and an agricultural product processing chain, and building an entrepreneurship base. As at the end of 2022, six cash withdrawal terminals were made available to farmers in the town where the Sub-Branch is located, ensuring full access to basic financial services in the town. The Sub-Branch developed a mechanism for sharing customers with 13 local service centers supporting farmers and agriculture, and created an innovative service model for rural industrial chain featuring "leading companies + cooperatives + farming households". The Sub-Branch also set up an entrepreneurship base, and offered local farming households financing and intellectual support through regular training on financial policies and skills.

PSBC Carbon Neutrality Sub-Branch

The Bank unveiled its first Carbon Neutrality Sub-Branch at Changpo Town, Gaozhou County-level City, Maoming City, Guangdong Province where there are abundant forest resources. With services for green and low-carbon development as a major task and local demand for investment and financing to develop green and low-carbon technology and promote green production, consumption and rural revitalization as the priority, the Sub-Branch took a range of measures to boost the coordinated development of economy, society and environment, e.g., building a green finance experience center, optimizing the allocation of green credit resources, and actively exploring and optimizing innovative green financial products such as loans with pledge of carbon emission right, carbon sink indicators or income right from energy saving and emission reduction.



PSBC Jinhui Sub-Branch



The Bank made solid strides in improving the quality of services for the elderly. As at the end of 2022, more than 400 outlets were put in place to provide convenient services for them. The outlet of PSBC Longyan Branch in Fujian Province proactively developed "Jinhui Sub-Branch" by updating hardware facilities and optimizing service processes. The outlet set up an elderly service section, where reading glasses, wheelchairs and some other service facilities are available. It also launched Jinhui Club where elderly customers have access to bonus points and exclusive value-added services. Moreover, it established a "Community Financial Service Station for the Elderly", which is tasked with door-to-door financial services and anti-telecommunications network fraud publicity on a regular basis. The outlet was rated by the local branch of the People's Bank of China as the "Model Elderly-Oriented Outlet".



PSBC Coffee Sub-Branch

Located at Shenzhen Software Industrial Base and surrounded by young customers, PSBC Shenzhen Bay Sub-Branch is designed to provide scenario-based services and improve customer experience. In addition to regular business, it set apart an area to offer drinks such as tea and coffee. It also set up a "Wealth Management Center" that serves as a venue for enterprises to carry out road show, salon, negotiation, training and other activities. The Sub-Branch was opened in 2019, and more than 60% of its customers were young and middle-aged customers.



Sign Language Sub-Branch



The Bank made proactive efforts in building outlets with sign language service. Adjacent to Jinzhong Special Education School, the outlet of PSBC Jinzhong Branch in Shanxi Province provided services in sign language to people with hearing loss. In recent years, the outlet regularly invited teachers from the special education school to teach employees how to use sign language, and put sign language practice on the agenda of its morning and evening assemblies to let each employee learn how to communicate with it. Services in sign language bridged the distance between employees and customers with hearing loss. As at the end of 2022, the Sub-Branch provided financial services for about 3,000 people with hearing loss, continuously rendering considerate services to special customers.

PSBC Care Station

Several branches of the Bank vigorously promoted handy services for the people, and set up "PSBC Care Station" at outlets as a space where citizens can take a rest, drink water, heat meals, recharge mobile phones and gain knowledge about inclusive finance, and where human-oriented and barrier-free services are tailored for special customer groups and maternal and child services are also available. The station also offers caring services to outdoor workers, including delivery men, sanitation workers and construction workers, rendering a space where they can rest when tired, refill water bottles when thirsty and get umbrellas in rainy or snowy days.



Responsibility Practice

Supporting green and low-carbon
development

Building a green bank

Developing green finance

Implementing green operation

GREEN WORLD, BETTER LIFE.





Building a green bank

The Bank actively practiced the idea that "lucid waters and lush mountains are invaluable assets", strictly implemented national policies and regulatory requirements, supported the UN' s Sustainable Development Goals (SDGs) by 2030 and the Paris Agreement, vigorously developed sustainable finance, green finance and climate financing, supported biodiversity, and assisted the realization of the carbon peak and carbon neutrality goals. As at the end of 2022, PSBC' s balance of green loans recorded RMB496,549 million, up 33.38% from the prior year-end; balance of green bond investments was RMB29.95 billion, up 29.58% from the prior year-end, and green bonds underwritten by the Bank totaled RMB11.77 billion. The balance of green financing was RMB583,232 million, up by 36.24% from the prior year-end. The projects supported by green credit saved 16.656 million tons of standard coal annually and reduced carbon emissions by 36.2357 million tons of carbon dioxide equivalent annually. With carbon emission reduction supporting tools, the Bank granted RMB30,979 million carbon emission reduction loans to 312 projects, which helped reduce carbon emissions by 6.1175 million tons of carbon dioxide equivalent.

The Bank was awarded "Advanced Unit in Green Bank Evaluation" by the China Banking Association again and was assigned an A by MSCI ESG Ratings for the second year straight. In the "2022 Asia (ex-Japan) Executive Team" organized by the magazine Institutional Investor, the Bank won "Best ESG" in the sector of banks and non-bank finance in Asia. The Bank also won "2022 Best Practice Case for ESG of A-share Listed Companies" of the China Association for Public Companies, "2022 Typical Case of Carbon Peak and Carbon Neutrality Actions" of China Business Executives Academy Dalian of the State-owned Assets Supervision and Administration Commission of the State Council, 2022 Excellent Case of the EY Sustainable Development Awards of the Year, "Sustainable Development Benefits Award" of the magazine Caijing, and "Top 10 Innovations in Green Finance" of The Banker.

Improving green governance and refining top-level design

The Bank promoted the building of a green bank from a strategic height. The Board of Directors took the primary responsibility of green finance and periodically listened to reports on the building of a green bank and ESG management. The Bank formulated the Action Plan on Implementing Carbon Peak and Carbon Neutrality of Postal Savings Bank of China, providing the schedule and roadmap for implementing carbon peak and carbon neutrality and laying down ten actions and 40 specific measures. The Bank promoted organizational innovation. The Head Office and branches established a leading group for carbon peak and carbon neutrality & green finance to make overall planning for and systematically advance the implementation of carbon peak and carbon neutrality. Meanwhile, the Bank actively explored experiences in innovation-oriented development of green finance. It set up a total of 23 green finance institutions including carbon neutrality sub-branches, green sub-branches and green finance departments. The Bank supported the sustainable marine economy and biodiversity protection, officially signed the UN' s Sustainable Blue Economy Finance Initiative, and became the first one for signing the initiative among large state-owned commercial banks.

Optimizing policies and regulations and improving the management mechanism

The Bank continued to optimize the credit policy, included and strengthened the content of biodiversity protection and climate change, and encouraged allocation of financial resources to biodiversity fields and nature-based solutions. It separately formulated the credit policy guidelines for green finance and climate financing and included hydropower, wind power, PV, garbage power, energy conservation & environmental protection, NEV, railway and rail transport industries as encouraged key industries. Meanwhile, the Bank actively supported the green transformation and development of high-carbon enterprises such as coal power, coal, steel and nonferrous metals enterprises and met their reasonable financing needs. It also firmly implemented the one-vote veto system in environmental impact assessment. The Bank issued the main tasks of carbon peak and carbon neutrality & green finance in 2022, the work plan for green inclusive financial services for small enterprises, the green financial development of the Sannong finance line, etc., laid down the work objectives and major tasks of the year, and promoted integrated development of inclusive finance and green finance.

Optimizing resource allocation and improving the incentive mechanism

The Bank channeled more resources in terms of performance evaluation, credit scale, FTP, economic capital measurement, etc. to vigorously support key areas of green finance such as low-carbon transportation, renewable energy, clean energy, green buildings and energy conservation and environmental protection. Specifically, the Bank refined the performance evaluation mechanism, provided preferential interest rates to green projects with remarkable carbon emission effect, gave preferential FTP support to green credit and green bonds, and adopted differentiated economic capital measurement coefficients for green financial services such as green credit.

Strengthening capability building and improving green performance

The Bank enriched the green finance training system and organized themed training on credit policy, green credit statistics, ESG and climate risk, environmental information disclosure, etc. across the Bank. Meanwhile, the Bank actively participated in the discussion and communication activities organized and held by the Ministry of Ecology and Environment, the People' s Bank of China, the China Banking and Insurance Regulatory Commission, the Green Finance Committee of the China Society for Finance and Banking, the Climate Investment and Finance Association of the China Society for Environmental Sciences, universities and research institutes. It also attended the China International Finance Annual Forum 2022 and the 2022 International Green Finance Summit - Dianchi Forum. The Bank signed the Common Action Plan for Banking Sector to Support Biodiversity Conservation. It published the book Research on Climate Financing of Commercial Banks and completed the report Research on Low-carbon Transformation Paths of Commercial Banks Under the Goal of Carbon Neutrality.

Developing green finance

In 2022, the Bank actively expanded product innovation scenarios. It was the first to apply the universal green collateral pool launched by China Central Depository & Clearing Co., Ltd. and successfully rolled out the first green bond pledged interbank deposit business. It launched the first blue bond business within its system, whose funds are used to build offshore wind power farms. Centering on scenarios like green finance, green living, green villages, green public welfare, etc., it launched personal carbon accounts, and promoted green low carbon cards. The Bank also provided carbon accounting service for customers. As at the end of 2022, the Bank completed carbon accounting for 2,182 corporate customers in total.

The Bank actively explored transition finance and just transition, rolled out a number of sustainability-linked financial services, and underwrote and invested in the first "sustainability-linked + energy supply guarantee" debt financing plan. It was the first to issue sustainability-linked syndicated loans and conducted underwriting of sustainability-linked medium-term notes. And it underwrote several green bonds including Bank of Hangzhou green finance bonds, Chengdu Rural Commercial Bank green finance bonds, and Poly Development green medium-term notes.

As at the end of 2022, the balance of bills discounted according to the PBOC's statistical standard of green loans was RMB8,932 million, up about 74% over the end of the previous year; and the balance of bills discounted according to the CBIRC's statistical standard of green loans was RMB6,841 million, up about 69% over the end of the previous year. The balance of green bond investments was RMB29.95 billion. The Bank was named Excellent Institutional Investor of the ChinaBond Green Bond Index for the fourth year straight.

For projects like green energy projects, low-carbon upgrading projects and ecological protection projects, the Bank used green energy financing lease factoring as the tool, cooperated with large lease companies and adopted the "direct lease + financing lease factoring" model to meet the projects' procurement needs of wind power equipment and PV equipment. That effectively helped project owners save financial cost and ease funds pressure. The total amount of green energy financing lease factoring issued in 2022 went up by 35% year on year.

As at the end of 2022

Green loan balance was **RMB496,549 million**

Up by **33.38%** from the end of last year

Balance of investments in green bonds was **RMB29.95 billion**

Up by **29.58%** from the end of last year



The offshore wind power project in Yangjiang, Guangdong to which the Bank provided financing support



Innovating in sustainability-linked financial products

To meet the funds needs of traditional industries for transition and sustainable development, the Bank launched sustainability-linked financial products, mainly including sustainability-linked loans, sustainability-linked bonds, sustainability-linked debt financing plans and sustainability-linked factoring business. The Bank used loan or bond terms as incentives to encourage borrowers to achieve preset sustainability performance targets (SPT), thus urging enterprises to promote energy conservation and carbon emission reduction. As at the end of 2022, the balance of the sustainability-linked financial business of the Bank recorded RMB7.8 billion. The sustainability-linked financial business is a beneficial practice and effective exploration of the Bank in the innovation of transition finance products. While meeting enterprises' funds needs for ensuring energy supply, it provided more differentiated financing options for green, low-carbon transition and development.

"PSBC C Record", a personal carbon account platform

PSBC Hunan Branch launched "PSBC C Record", a personal carbon account platform, which, centering on the four major low-carbon scenarios of green finance, green living, green villages and green public welfare, records 20 green behaviors of users including walking, public transport, railway, e-CNY, online loan, green delivery, green e-commerce, etc. and automatically converts them into carbon energy values. The platform also has a carbon energy accounting system and a privileges system and can record every act of green of users, providing users with a direct view on the carbon emission reduction effect brought by every act of green.

"PSBC C Record" builds a green rural characteristic ecosystem through Credit Village, Digital Village and Industrial Village, explores the carbon sequestration accounting mechanism for crops in the rural planting industry, and calculates fixed carbon content and reflects it in the personal carbon energy account to help farmers increase income and support rural revitalization. Users can also donate carbon energy, and join public welfare programs such as Golden Tea Tree Protection Program and the "PSBC Love" caring program for children in rural areas, making green actions warmer and more meaningful.



Launching an ESG-themed wealth management product

In November 2022, PSBC Wealth Management launched an ESG-themed wealth management product, PSBC Wealth • Hongjin Closed-end Phase 5 in 2022 (ESG-themed). By combining the positive management strategy that matches the economic cycle and value, the Bank realized balanced allocation of stocks and bonds while keeping risks under control, providing a new way for wealth management investors to participate in green finance.

Launching the Bank's first green bond pledged interbank deposit business

In 2022, the Bank connected to the first standardized green collateral pool in China launched by the China Central Depository & Clearing Co., Ltd. and launched the Bank's first green bond pledged interbank deposit business, helping small and medium-sized financial institutions lower financing costs and put their existing green bonds to better use, and instructing them to invest in more green bonds, to effectively lower the issuance costs of green bonds and foster sound financing environment for the development of the real economy.

 Read more



Green China

Looking for the melody of the green surge
Documenting the beauty of nature and humanity
Saluting to every effort made to build a beautiful China

The construction of smart agriculture demonstration park in Yangling Shaanxi with the Bank's financing support



Implementing green operation

PSBC continued to advocate and practice the environmental protection ideas of green office and low-carbon travel, and promoted bank-wide and in-depth implementation of regulations including the Regulations on Energy Management of the Head Office of Postal Savings Bank of China (2020 Version). It strengthened the philosophy of green operation among employees, and promoted electronic meeting materials and printing on both sides. The Bank carried out the "Clear Your Plate" campaign to put an end to waste and reduce cost. It also canceled unnecessary meetings and promoted remote videoconferencing. Meanwhile, the Bank actively carried out the green office building campaign. Through the campaign, 25 sub-branches across the Bank become "demonstration outlets of green office", setting an example of energy conservation, emission reduction, and green and low-carbon development. The Bank proactively assumed green social responsibility. The Head Office passed the energy-saving appraisal conducted by Xicheng District, Beijing City for several consecutive years, winning "Excellent" in 2021. In 2022, it was recognized by the Beijing Green Building Office and obtained the title of "Promoter of Green Building of Beijing".

The Bank reviewed the carbon amount in its own operation and deepened green operation. It launched greenhouse gas (GHG) emission accounting, reviewing and measuring the carbon emission data of all its self-run institutions from 2019 to 2022 including emissions of natural gas, fire coal, liquefied petroleum gas (LPG), gasoline, diesel, electric power, heating power, etc. It will formulate a targeted carbon emission reduction plan on a scientific basis to effectively promote carbon peak and carbon neutrality in operation. The Head Office signed the 2022 responsibility statement on ecological and environmental protection with 36 tier-1 branches and majority-owned subsidiaries to urge them to implement ecological and environmental protection requirements and promote energy conservation, emission reduction and green transition. The Head Office continued to improve energy efficiency through renovation projects of LED energy-saving lamps and enhanced daily energy conservation management. The Bank carried out energy efficiency benchmarking according to the Energy Consumption Indicators of Civil Buildings (DB11/T1413-2017). The average heat consumption per unit floor area, power consumption per unit floor area, gas consumption per unit floor area and comprehensive energy consumption per unit floor area of the office space of the Head Office all met the current value requirements, of which the heat consumption per unit floor area was 11%, better than the target value. For energy use, the Bank established a routine energy conservation supervision mechanism, which conducts a green office inspection periodically, promptly adjusts public lighting with seasonal changes, and dynamically changes the running time of central air conditioning based on outdoor temperature, striving to cut energy consumption in various respects. Going forward, in terms of energy management, the Bank will establish and improve the energy management system and fulfill corresponding energy conservation indicators requirement according to the local government's energy conservation target responsibility system; in terms of water resource management, the Bank will further enhance water use management and water-saving operation and maintenance of equipment, continue to put up signs for water saving, and cultivate awareness of water conservation among all employees; in terms of waste management, the Bank will further enhance the comprehensive management of solid waste, strictly conduct classified storage and treatment, and properly transfer hazardous wastes according to law.

Outlets of the Bank held lectures on green finance and spread knowledge of green finance through micro salons, micro classes, etc. They set up a renewable energy recycling station, posted posters on energy conservation and emission reduction, set up green finance corner, and placed table signs of energy conservation & emission reduction and green finance, to advocate recycling of renewable resources, reduce waste, and increase cyclic utilization of resources.

The Bank established and improved the energy consumption monitoring mechanism and technology system at its data centers. It realized intelligent control of energy consumption at data centers through a next-generation dynamic environment monitoring system and AI energy efficiency management. Meanwhile, the Bank strengthened refined operation maintenance management and continued to optimize the energy use of air conditioners through group control. The Bank intensified the concept of green in the design, purchase and construction of the new machine room in Hefei, using solutions like PV power, natural cooling, waste heat recovery, etc. to save energy and cut emissions.



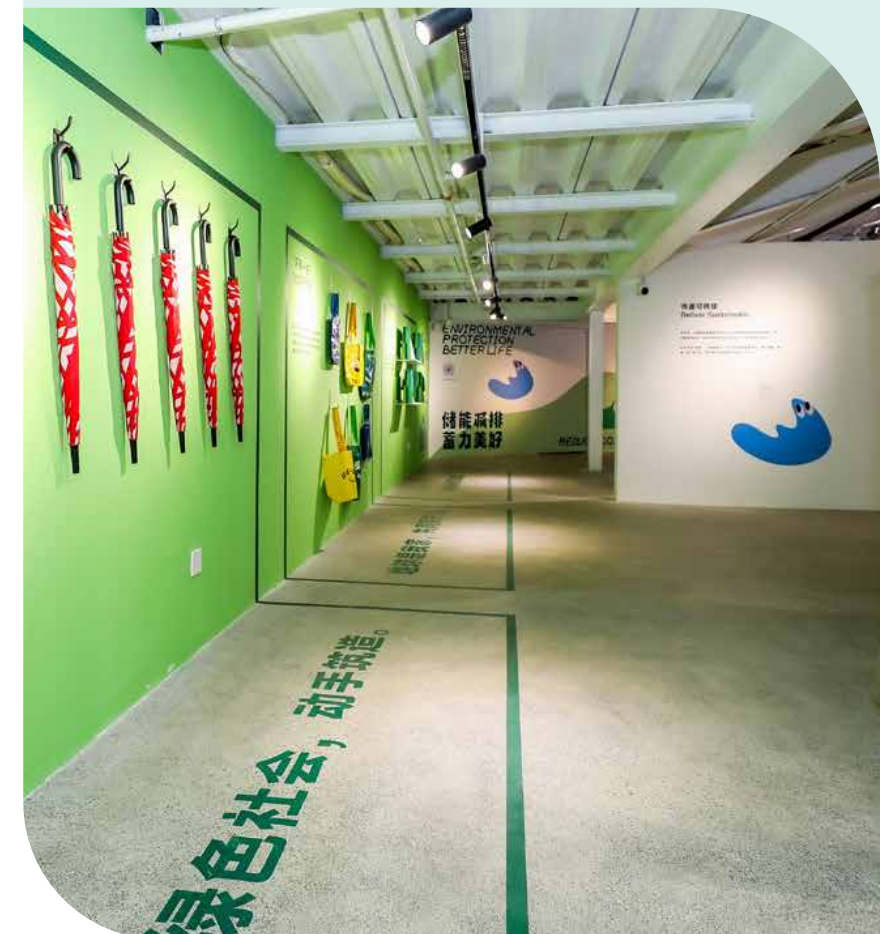
Case

PSBC Wealth Management realizes carbon neutrality in operation

PSBC Wealth Management Co., Ltd. launched the operation carbon neutrality action in 2022 and invited a professional institution to calculate and inspect the GHG emissions produced during operation in 2021. The carbon accounting involved direct GHG emissions from escape of air conditioner refrigerants and use of official cars, indirect GHG emissions produced by electric power and heating power, and other indirect GHG emissions produced by employees' business travel, commuting and consumption of office supplies. PSBC Wealth Management Co., Ltd. fully offset carbon emissions by purchasing CCER and it obtained the Carbon Neutrality Certificate after passing the carbon neutrality review by the Beijing Green Exchange.

"Save Energy and Cut Emissions for a Better Life" art exhibition

On December 20, 2022, PSBC Shenzhen Branch held the launch ceremony of "Save Energy and Cut Emissions for a Better Life" art exhibition. All the site arrangements and artistic installations of the art exhibition were made of environmentally-friendly materials and can be recycled. Multi-media art favoured by youths was combined with public environmental protection themes. With bright colors and design which look young, lively, diverse and fun, the art exhibition was also suitable for children. Keeping to the environmental protection theme, and through animated short films on environmental protection, applet games, art exhibitions, manual workshops, etc., the art exhibition actively conveyed the concept of energy conservation and emission reduction to society, which was abundant, interesting, and well-responded.



"Save Energy and Cut Emissions for a Better Life" art exhibition held by PSBC Shenzhen Branch

2022 Environmental Performance Indicators¹

Environmental Performance

Unless otherwise stated, the environmental performance data herein cover the Head Office, headquarters of domestic tier-1 branches, institutions directly under tier-1 branches and majority-owned subsidiaries of Postal Savings Bank of China.

Emissions ²	
SO ₂ (ton) ³	0.01
NOx (ton) ⁴	0.11
Total GHG emissions (Scope 1 and Scope 2) (ton) ⁵	214,016.26
GHG emissions per capita (Scope 1 and Scope 2) (ton/person)	5.64
GHG emissions per square meter of floor area (Scope 1 and Scope 2) (ton/m ²)	0.15
Direct emissions (Scope 1) (ton)	
Emissions from use of fuel by vehicles	862.28
Emissions from use of diesel by facilities	56.84
Natural gas emissions	3,931.53
Indirect emissions (Scope 2) (ton)	
Emissions from purchased electricity	209,165.61
Total hazardous waste (ton) ⁶	54.46
Hazardous waste per capita (ton/person)	0.0014
Hazardous waste per square meter of floor area (ton/m ²)	0.00004
Total non-hazardous waste (ton) ⁷	5,175.81
Non-hazardous waste per capita (ton/person)	0.14
Non-hazardous waste per square meter of floor area (ton/m ²)	0.0036

Notes:

- 1 The annual data covers the Head Office, headquarters of domestic tier-1 branches, institutions directly under tier-1 branches and majority-owned subsidiaries of Postal Savings Bank of China. In 2022, Chengdu Operation Center and Hefei Operation Center under the Operation Management Department of Head Office and YOU[®] BANK were included in the scope of environmental data statistics.
- 2 As the emission data and consumption data of energy and resources in the machine room could not be measured separately, the Bank's GHG emission intensity, hazardous waste emission intensity, non-hazardous waste emission intensity, energy consumption intensity and the intensity of daily workplace water consumption calculated by per person and per square meter of gross floor area include both office areas and machine rooms.
- 3 SO₂ emissions were mainly from use of fuel by vehicles, which were calculated as per the Technical Guidelines for the Compilation of Air Pollutant Emission Inventories of Road Motor Vehicles (Trial) released by the Ministry of Environmental Protection of the People's Republic of China.
- 4 NOx emissions were mainly from use of fuel by vehicles, which were calculated as per the Technical Guidelines for the Compilation of Air Pollutant Emission Inventories of Road Motor Vehicles (Trial) released by the Ministry of Environmental Protection of the People's Republic of China.
- 5 GHG inventories contain carbon dioxide, methane and nitrous oxide, which were mainly from purchased electricity and fuel. GHG emissions are presented in terms of carbon dioxide equivalent, and calculated in accordance with the 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories by the Intergovernmental Panel on Climate Change (IPCC), Appendix 2: Reporting Guidance on Environmental KPIs, to the Environmental, Social and Governance Reporting Guide by The Stock Exchange of Hong Kong Limited, Average Carbon Dioxide Emission Factors of China's Regional Power Grids in 2011 and 2012, and DB11/T1787-2020 Requirements for Carbon Dioxide Emission Accounting and Reporting Other Industrial Enterprises. As the reference standard for calculating indirect emissions (Scope 2) was changed in 2022, the comparison between 2022 indirect emissions (Scope 2) and 2021 indirect emissions (Scope 2) is not available.
- 6 Hazardous waste involved in the operation of the Bank, most of which were waste lead-acid batteries, was disposed of by qualified professional enterprises.
- 7 Non-hazardous waste of the Bank, most of which were office waste and discarded hard disks, was disposed of by recyclers. Office waste of some institutions was disposed of by property companies of the office areas and could not be measured separately. The Bank made an estimation in line with the First National Survey of Pollution Sources Urban Living Source Pollution Coefficient Manual issued by the State Council.

Energy and Resource Consumption	
Total energy consumption (MWh) ¹	344,774.89
Energy consumption per capita (MWh/person)	9.08
Energy consumption per square meter of floor area (MWh/m ²)	0.24
Direct energy consumption (MWh)	
Fuel consumption by vehicles ²	3,440.19
Diesel consumption by facilities ³	212.27
Natural gas	17,739.35
Indirect energy consumption (MWh)	
Purchased electricity	323,383.09
Consumption of purchased electricity of the Head Office (MWh) ⁴	117,696.20
Office water consumption (ton) ⁵	1,358,810.48
Office water consumption of the Head Office (ton) ⁶	242,271.91
Office water consumption per capita (ton/person)	35.79
Office water consumption per square meter of floor area (ton/m ²)	0.94

Notes:

- 1 Calculation of total energy consumption was based on electricity power and fuel consumption and relevant conversion coefficients provided in the national standards of the General Rules for Calculation of Comprehensive Energy Consumption (GBT2589-2020), including purchased electricity, natural gas, fuel consumption by vehicles and diesel consumption by facilities.
- 2 Fuel consumption by vehicles includes gasoline and diesel consumption by vehicles.
- 3 Diesel consumption by facilities refers to diesel consumed by standby generators and a small number of stoves.
- 4 Purchased electricity consumption of the Head Office is the total power consumption of Beijing-based institutions of the Head Office, including the office areas at Jinding Mansion, No. 72 Yard, Fengtai Road, Dacheng Mansion, Internet Finance Department at Advanced Business Park, Software Research and Development Center at Advanced Business Park, Yongfeng Industrial Base, Yizhuang, Xincheng Mansion, Orient Asset Mansion, Ximeng Mansion, Jinyu Mansion, New Era International Center, Nuode Mansion, and Kunlun Center. In 2022, Wanshang Galaxy Mansion was independently listed, which was not included in the scope of statistics of the purchased electricity consumption of the Head Office.
- 5 Office water consumption includes tap water and reclaimed water. Specifically, office water consumption of headquarters of Shanxi Branch, institutions directly under Jilin Branch, institutions directly under Shanghai Branch, institutions directly under Hainan Branch, regional audit offices in Guangzhou and Shenyang, and the office area at the Software Research and Development Center in Suzhou, was controlled by the property companies of the office areas. The water fees were included in the property fees and the water consumption could not be measured separately. The Bank made an estimation as per the national standards of The Code for Design of Water Supply and Drainage in Buildings (GB50015-2019) issued by the Ministry of Housing and Urban-Rural Development of the People's Republic of China.
- 6 The office water consumption of the Head Office is the total water consumption of Beijing-based institutions of the Head Office, including the office areas at Jinding Mansion, No. 72 Yard, Fengtai Road, Dacheng Mansion, Internet Finance Department at Advanced Business Park, Software Research and Development Center at Advanced Business Park, Yongfeng Industrial Base, Yizhuang, Xincheng Mansion, Orient Asset Mansion, Ximeng Mansion, Jinyu Mansion, New Era International Center, Nuode Mansion, and Kunlun Center. The water fees of the office area at Xincheng Mansion were included in the property fees and the water consumption could not be measured separately. Since the water consumption data at Xincheng Mansion has little impact and is of little significance, it is not included. In 2022, the office area at Wanshang Galaxy Mansion was independently listed, which was not included in the scope of statistics on the office water consumption of the Head Office.

Responsibility Practice

Building a harmonious and
beautiful future

Protecting consumers' rights and interests

Growing with employees

Actively giving back to society

GREEN WORLD, BETTER LIFE.

 中国邮政储蓄银行
POSTAL SAVINGS BANK OF CHINA

绿色让生活更美好





The Bank took advantage of its network covering urban and rural areas to popularize financial knowledge
The picture shows the financial knowledge popularization event of PSBC Beijing Branch

Protecting consumers' rights and interests

PSBC attached great importance to the protection of consumers' rights and interests. It held the bank-wide consumer protection working conference, made overall arrangements for priorities of consumer protection work, actively implemented regulatory requirements including the Implementation Measures of the People's Bank of China on Protecting Financial Consumers' Rights and Interests and the Guidelines of China Banking and Insurance Regulatory Commission for Banking and Insurance Institutions on Strengthening the Building of Consumer Protection Institutions and Mechanisms, and kept improving the consumer protection work to ensure the protection of consumers' rights and interests.

Integrating consumer protection into corporate governance

The Board of Directors of the Bank attaches great importance to consumer protection and sets up the Social Responsibility and Consumer Rights Protection Committee under it, which is chaired by the executive director and President. The Board of Directors and the members of the Social Responsibility and Consumer Rights Protection Committee of the Board of Directors practically performed their duties by reinforcing overall plans and guidance to consumer protection. They reviewed topics including the consumer protection work reports, internal evaluation and audit regarding consumer rights protection, the remediation of findings of regulatory evaluations on consumer protection work, etc. The senior management held the meeting of the consumer protection committee on a regular basis, discussed and reviewed important matters on consumer protection, and deeply pushed for the implementation of consumer protection tasks.

Improving the development of consumer protection mechanism

The Bank formulated the List of Responsibilities and Tasks of the Three Lines of Defense for Consumer Protection, stressing the primarily responsible role of the first line of defense, the guiding and urging role of the second line of defense, and the auditing and supervising role of the third line of defense. It aimed to strengthen full-process control from the three levels of source prevention, process control and results supervision, promote full duty performance by the three lines of defense, and improve work effectiveness.

Improving the consumer protection review work

The Bank updated and issued the Manual of Postal Savings Bank of China on Key Review Points for Protection of Consumer Rights and Interests (2022 Version) according to laws and regulatory provisions, making sure that the key review points are comprehensive and in compliance with norms and regulations and the manual can effectively help prevent risks. The Bank organized experience exchange meetings on consumer protection review of tier-1 branches periodically to guide sub-branches to improve review capability. In addition, the Bank explored application of digital technology in consumer protection review. Prompts about some potential risks now can automatically pop out and corresponding provisions and articles can be automatically displayed. Such application assisted review officers in review and improved the systemic and intelligent level of the consumer protection review system.

Optimizing the internal evaluation mechanism of consumer protection work

In accordance with regulatory requirements and work priorities, the Bank formulated the horizontal and vertical consumer protection evaluation indicators for 2022 to improve the pertinence of the evaluation.

Strengthening training on consumer protection

The Bank continued to build a multi-level and diversified training system on consumer protection. The training covered senior and middle management members, primary-level business personnel and new employees. The training courses were flexibly arranged according to personnel positions and responsibilities. The training contents covered protection of consumers' personal information, complaint management, consumer protection review, etc. Business and management lines included consumer protection in their respective training sessions. For personnel at key positions such as relationship managers, wealth management managers, and receptionists that are closely related to consumer protection, the Bank adopted the combination of online and offline approaches to increase the training frequency and stepped up efforts on training, so as to enhance consumer protection awareness and capability of employees in all lines and improve the consumer protection work across the Bank.

Protecting customer privacy

The Bank issued the Data Security Management Measures of Postal Savings Bank of China (2022 Revised Version), improved the bank-wide data security management system, refined data security classification and grading, data security assessment and data lifecycle protection requirements, and implemented key protection measures regarding important sensitive data, protecting customer information security from the source. With data security and protection of customer information as important contents, the Bank conducted IT risk checks, cybersecurity supervisory checks, network and data security inspections, etc., through which the Bank found and eliminated potential risks in a timely manner and ensured safe and stable operation of the systems across the Bank.



Carrying out a cybersecurity awareness campaign

The Bank participated in the China Cybersecurity Week for the ninth year straight. In 2022, centering on "Strengthen Fintech Ethics Building to Promote Safe and Healthy Development of Finance", the Bank participated in the Cybersecurity Expo, organized the staff across the Bank to go to communities and schools to enhance their cybersecurity awareness, and spread knowledge on payment security, customer information security, elderly-friendly financial services, etc. via various channels including outlets, APPs, official website, official WeChat account, etc., which further enhanced the information security awareness of the public.



The Bank has launched various forms of financial knowledge education and publicity campaigns through multiple channels
The picture shows staff of PSBC popularizing financial knowledge in a stage play during the 2022 Cyber Security Publicity Week

Growing with employees

Attaching great importance to employees' career development, the Bank promoted the building of the employer brand, organized and carried out the "U series" talent training program, and advanced the establishment of talent pools regularly. Meanwhile, it refined the market-oriented talent selection mechanism and the incentive and restraint mechanism, established and effectively implemented the "management + specialist" dual-path promotion mechanism, and encouraged employees to select a suitable career development path based on their personal traits and specialties. With these efforts, personnel and posts were highly matched, everybody was let to display his or her talents fully, and employees' capabilities and qualities further improved.

Carrying out campus recruitment in a creative way

The Bank accurately grasped the recruitment needs of the whole Bank and carried out campus recruitment work in creative ways. It developed the creative theme, "Wulin Assembly in the PSBC World", launched a series of online promotional speeches including PSBC Recruitment - the Wulin Assembly, U⁺ Program of the Head Office - the Growth of a Kongfu Master, and Branch Recruitment - the Jianghu Legends, and organized 36 tier-1 branches to record online promotional videos, actively advertising the vitality of PSBC and its recruitment sincerity. The series of online promotional speeches and videos were played 1.089 million times in total on all platforms, and the first online publicity livestreaming attracted more than 410,000 viewers. In the "Best Employer Award 2022" co-sponsored by zhaopin.com and the Institute of Social Science Survey, Peking University, the Bank ranked among the "Top 10 Best Employers of the Year" and "Top 10 Most Attractive Employers among College Students".

Carrying out "U series"¹ talent programs

The Bank created "U series" talent introduction and cultivation programs, dynamically integrating talent recruitment, cultivation and internal flow, and forming a brand-new paradigm. The programs provided a good example and reference of talent selection and cultivation across PSBC. The "U series" programs include "U⁺ Talent", "U Transfer Program" and "U Exchange Program". By guiding employees to find a clear career positioning, increasing their job experience and improving their professional abilities, those programs aim to jointly build a talent supply chain and cultivate a group of talents that are competent, visionary and responsible.

"U⁺ Talent" is a campus recruitment-based talent introduction and cultivation program. In the recruitment stage, it sets "U⁺ Talent" positions based on the Head Office's business segments. In the cultivation stage, with the tutorial system running through the whole journey, it realized mutual facilitation between organizational development and employee growth, growth of both tutors and new employees, and mutual benefit between the Head Office and primary-level branches. In the cultivation cycle, there are "U⁺ Intern Camp" "U⁺ Training Camp" "U⁺ Practice Camp" "U⁺ Backbone Camp" and "U⁺ Takeoff Camp". In 2022, the program conducted tutor certification for the first time and formulated the U⁺ Talent Cultivation Handbook to help new employees make an individual development plan (IDP). Through various forms of new employee training, tutor guidance, primary-level practice, subject research, review meetings, compilation of quarterly publications, etc. the program achieved good results.

"U Transfer Program" is the cross-department job transfer program at the Head Office. It aims to explore and establish an open, standard cross-department employee job transfer platform and refine the internal personnel job transfer mechanism. It also helps line managers further strengthen their departments' talent team building and cultivation of core backbone personnel and create a more open, inclusive and vibrant cultural atmosphere.

"U Exchange Program" is an exchange program among Head Office departments. It provides Head Office employees with more opportunities to experience different jobs and expand their minds, facilitates communication and understanding among departments, and helps build up team synergy and creativity.

Continuing to build talent pools

On the basis of fully summing up the prior experiences in talent pool building, the Bank conducted a survey on the building of the "Pilot Project" talent pool. It profoundly analyzed the building progress of the talent pool, continued to improve the working approaches, and innovated in the working procedures, which effectively improved the scientificity, effectiveness and fairness of talent selection as well as the cadre management level across the Bank.

Note: 1. "U" refers to, first, the homonym for "邮" (postal), second, the homonym for "优" (excellence), and third, the homonym for "YOU", meaning the Bank's attention to every individual employee.



Holding series labor contests

The Bank is committed to growing together with employees and enterprises. In 2022, the Bank held 14 labor contests centering on its business priorities in 2022, created a group of brand events including Data Modeling Contest, Top 10 Wealth Managers Competition and Skill Competition of Credit Business Review Officers, and upgraded the contests with digital technology. Meanwhile, the labor contests provided true and valid theoretical data for enterprises to make decisions, helping improve enterprises' operation and management.

"PSBC New Youth"

"PSBC New Youth" is a new program developed by PSBC. With a focus on young people, it aims to nurture an IP of PSBC culture and supports the growth of young employees across PSBC. With a focus on the young employees of PSBC, and starting with the basic traits and cultural preference of employees born between 1990 and 2000, the program used quality contents to connect to young employees and developed cultural and creative products to carry and extend the connotation of the IP. By integrating multiple cultural forms including "micro publication, comics, short films, derivative cultural and creative works, immersive exhibitions and themed forums", the program built a communication matrix and explored a wholly new internal cultural communication paradigm of enterprises.

In 2022, the Bank released short films We Are the Future and PSBC New Youth and launched the "Stories of 100 PSBC New Youth" column on the WeChat official account, through which young employees of the Bank shared their growth stories, work experiences and attitudes toward life. Based on the gripping first-person narrative, PSBC new youths demonstrated their innovative and enterprising spirits, which struck a chord with all young employees.



The Head Office of PSBC carried out the "U Star Project" training camp activities for fresh graduates

Actively giving back to society

The year 2022 marks the fifth anniversary of the founding of the PSBC Love Charity Program. Keeping in mind its original aspiration, the program continued to pay attention to education, and provided education funding and talent growth support to students, actively contributing to society. As at the end of 2022, the PSBC Love Charity Foundation raised a total of RMB49.9988 million cumulatively, of which, RMB25 million was donated by the Bank as an enterprise. In 2022, a total of RMB3.9388 million was raised from PSBC employees and social resources mobilized by the Bank.

Continuing to advance the PSBC Love Charity Program

The Bank continued to provide financial aid to the second batch of students in PSBC Love Classes of Self-Commitment for the third year. It supported 1,900 senior high school students with financial difficulties from 38 classes, giving them each RMB2,000 as tuition and fees. PSBC Love Scholarship granted each of 1,378 qualified senior high school graduates from the school of PSBC Love Classes a lump-sum RMB2,000 graduation scholarship. The PSBC Love Caring Package program donated customized packages worth RMB1 million to 10,000 elementary school students in rural areas of Lanping County, Yunnan Province. Through the China Foundation for Rural Development, the Bank continued to cooperate with the Beijing Financial Street Charity Foundation in the Financial Street Charity Sports Classroom Donation Program. The Bank donated a charity sports classroom each to Chayou Zhongqi No. 2 Middle School in Ulanqab, Inner Mongolia and Xihe County No. 1 Middle School in Longnan City, Gansu Province.

Organizing and holding PSBC Love Charity Activities

The Bank called on all its employees to participate in activities of various forms such as walking and flag passing online and offline to spread PSBC's charity philosophy to the whole society. It also organized and carried out PSBC Love Charity Visits, and organized volunteers of branches to go to the schools that had PSBC Love Classes of Self-Commitment and had discussions and themed class meetings with students to make PSBC's assistance warmer.

As at the end of 2022

Total funds raised by PSBC Love Charity Foundation

RMB49.9988 million

In 2022

Funds raised amounted to

RMB3.9388 million



PSBC Jiangxi Branch initiated the "Brisk Walking Campaign" on the "PSBC Love Charity Day"



Case

Jointly lighting up children's dreams

PSBC Guangdong Branch and Orange Charity jointly held the 18th session of Migrant Bird Training Camp, which, under the theme of "intangible cultural heritage", brought a charming "journey of intangible cultural heritage" to children. Before the event, the Branch spread intangible cultural heritage knowledge online, such as holding the wishing tree H5 interaction, to learn knowledge of intangible cultural heritage together with children, making it both educational and fun. The inheritance trainers of intangible cultural heritage from Guangdong Institute of Intangible Heritage Research brought splendid sharing sessions and intangible cultural heritage skills to the students - rubbing experience course. PSBC Guangdong Branch specially prepared a "growth gift bag" for the participating children, which was filled with various writing brushes, ink and rice paper, so that those children can experience and appreciate the charm of Chinese culture. In addition, it held a "photography exhibition for the public good" to demonstrate the splendid moment in the past three years regarding the public welfare activities conducted by PSBC Guangdong Branch. Meanwhile, the Branch used the Weibo Public Welfare Topics Contest to spread intangible cultural heritage and to improve the influence of the acts of compassion.

Read more



Beauty Comes from PSBC Love

Accompanied by PSBC, Your dream is just around the corner



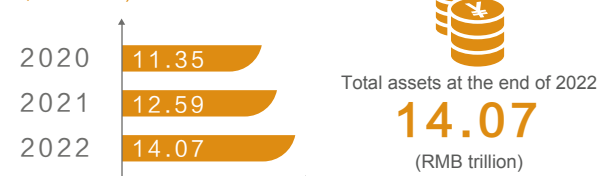
The "PSBC Love" volunteers of PSBC Guangxi Branch visited students of PSBC Love Classes of Self-Commitment

CSR data

Economic Performance

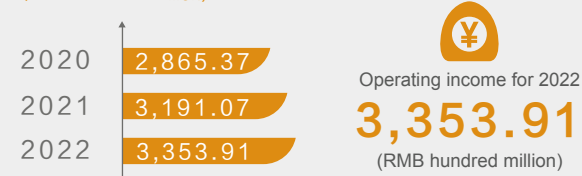
Total assets

(RMB trillion)



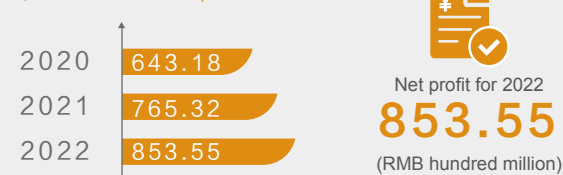
Operating income

(RMB hundred million)



Net profit

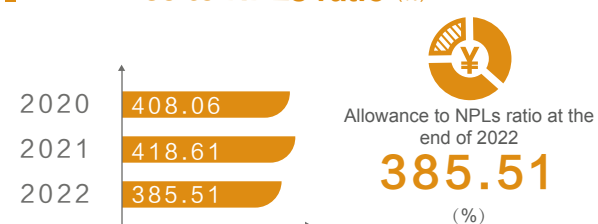
(RMB hundred million)



Non-performing loan ratio (%)



Allowance to NPLs ratio (%)



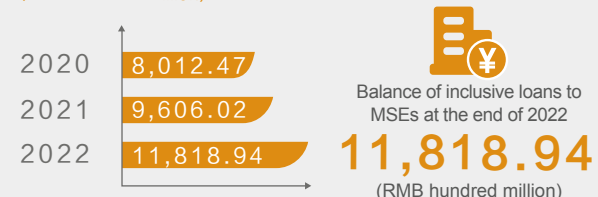
Balance of agriculture-related loans

(RMB trillion)



Balance of inclusive loans to MSEs

(RMB hundred million)



Balance of personal consumer loans

(RMB trillion)



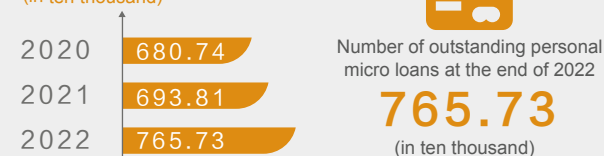
Balance of personal micro loans

(RMB hundred million)



Number of outstanding personal micro loans

(in ten thousand)



Environmental Performance

Indicator

2020 2021 2022

Balance of green loans (RMB hundred million)	2,809.36	3,722.94	4,965.49
Number of electronic banking customers (hundred million)	3.26	3.81	4.01



Balance of green loans at the end of 2022

4,965.49
(RMB hundred million)

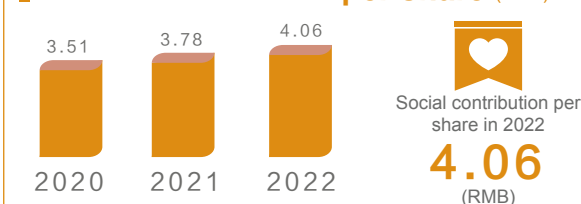


Number of electronic banking customers at the end of 2022

4.01
(hundred million)

Social Performance

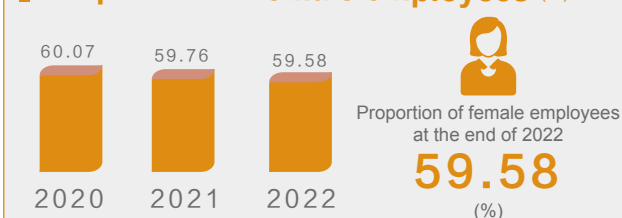
Social contribution per share¹ (RMB)



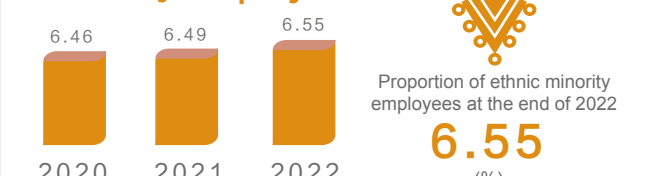
Total number of employees² (Person)



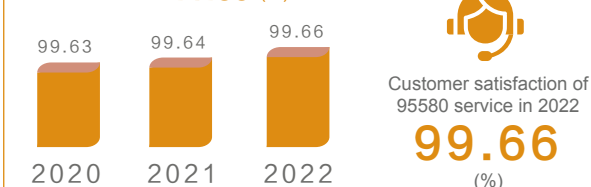
Proportion of female employees (%)



Proportion of ethnic minority employees (%)



Customer satisfaction of 95580 service (%)



External donations (domestic)



Notes: 1. Social contribution per share = basic earnings per share + (tax payment + employee expense + interest expense + external donation amount - social cost caused by environmental pollution)/total equity at the end of the period
2. The total number of employees refers to the contracted employees (including 1,697 employees in majority-owned subsidiaries) of the Bank, and there were 15,064 dispatched employees.

Social Recognition



Ranked **22nd**

Ranked 22nd in
Top 1000
World Banks in 2020
(in terms of tier 1 capital
at the end of 2019)

2020

Ranked **15th**

Ranked 15th in
Top 1000
World Banks in 2021
(in terms of tier 1 capital
at the end of 2020)

2021

Ranked **13th**

Ranked 13th in
Top 1000
World Banks in 2022
(in terms of tier 1 capital
at the end of 2021)

2022

Forbes

Ranked **30th**

Ranked 30th in the World's 2000 Largest
Public Companies in 2022

财富
FORTUNE

Ranked **42nd**

Ranked 42nd in China Top 500 Companies
(in terms of operating income in 2021)

Brand Finance

Ranked **121st**

Ranked 121st in the World's Top 500
Most Valuable Brands

MSCI

Grade **A**

Rated A in MSCI ESG Ratings

Awards and Honors

Institutions

Fintech Award of the Year	PBOC
Excellent Organizers for Joint Financial Education and Publicity Campaigns in the Banking and Insurance Industry	General Office of the CBIRC
Market Influencer of the Year	China Foreign Exchange Trade System (CFETS), aka the National Interbank Funding Center
Outstanding Participating Institution of Digital Supply Chain Financial Service Platform	China National Clearing Center, PBOC
Demonstration Case of Financial Services for Specialized and Sophisticated SMEs that Produce New and Unique Products	China Banking Association (CBA)
Best Practice Case for ESG of Listed Companies	China Association for Public Companies
Excellent Case of Digital Transformation of Listed Companies	China Association for Public Companies
Bond Market Leader Institution of the Year	China Central Depository & Clearing Co., Ltd.
Outstanding Asset Custodian	China Central Depository & Clearing Co., Ltd.
Outstanding Dealer (Bank)	Shanghai Commercial Paper Exchange Corporation Ltd.
Award for Outstanding Contribution to the Co-Building of Acceptance Environment of UnionPay Cards	China UnionPay
Excellent Case of Global Service Practice	China International Fair for Trade in Services
"Best ESG" Award in the Financial Sector of China's Mainland	Institutional Investor magazine
Best Consumer Bank	Global Finance
Best Fintech Innovation Bank	Global Finance
Best Listed Company	Ta Kung Wen Wei Media Group
Most Valuable Listed Company	Ta Kung Wen Wei Media Group
Outstanding Green Finance Institution	Hong Kong Commercial Daily
Outstanding Contribution Award for Digital Transformation in the Financial Industry	Financial Computerizing
Award for Outstanding Information Security in the Financial Industry	Financial Computerizing
Most Responsible Companies of the Year	China Newsweek
Top 10 Risk Control Innovation Award	The Chinese Banker
Best Financial Innovation Award	The Chinese Banker
The Gamma Award for High-Quality Development Bank of the Year	Securities Times
The Gamma Award for Inclusive Financial Services of the Year	Securities Times
The Gamma Award for Golden Bank Brand of the Year	Securities Times
Golden Bull Award for Bank Wealth Management Products	China Securities Journal
Sustainable Development Benefits Award	Caijing Magazine
Asian Excellent Commercial Bank of the Year	21st Century Business Herald
Technology Bank of the Year	21st Century Business Herald
Outstanding Customer Experience Bank of the Year	The Economic Observer
Best Bank of the Year	China Business News
Best Inclusive Financial Services of the Year	National Business Daily
Most Competitive State-owned Commercial Banks	China Business Journal
Best Consumer Bank of the Year	China Times
Excellent Case of Financial Services for Rural Revitalization of the Year	China.com.cn
Best Financial Institution for Rural Revitalization of the Year	The Paper
Green Finance Pioneer Award	Caillian Press
Outstanding Wealth Management Bank Award	JRJ.com
Top 10 Best Employers in China 2022	Zhaopin.com and the Institute of Social Science Survey of Peking University

ESG Disclosure

Governance

Corporate governance

Always adhering to the leadership of the Party, the Bank has accelerated refining the modern enterprise system with Chinese characteristics and promoted deep integration of the Party' s leadership into corporate governance. It dynamically combined the major decisions and plans of the CPC Central Committee and the State Council with the corporate governance practices of developing major strategies, formulating major policies, deploying major tasks and advancing important work, converting Party building strengths into governance strengths. Meanwhile, it further pushed forward deep integration of Party building and business development and effectively given play to the role of the Party Committee of the Bank in steering the direction, managing the big picture and ensuring implementation, laying a foundation and boosting mental strength for the high-quality development of the Bank.

The Board of Directors attached great importance to ESG work. It urged the Bank to explore in depth the ways to integrate the ESG concept into the whole Bank' s corporate governance, development strategy, corporate culture and business process and mainly promoted green bank building, inclusive finance, consumer protection, etc.

The Social Responsibility and Consumer Rights Protection Committee of the Board of Directors is primarily responsible for the following: drafting social responsibility and consumer protection strategies, policies and objectives commensurate with the Bank' s development strategy and actual situation, and submitting them to the Board of Directors for approval before implementation; drafting the Bank' s basic management rules for social responsibility and consumer protection, and submitting them to the Board of Directors for approval before implementation; supervising, inspecting and assessing the implementation and effect of the Bank' s strategies, policies, objectives and basic management rules for social responsibility and consumer protection, and putting forward suggestions to the Board of Directors; and reviewing the credit extension policies related to environment and sustainable development and putting forward suggestions to the Board of Directors. Meanwhile, the Board of Directors set up the Strategic Planning Committee, which is primarily responsible for reviewing the implementation of relevant policy requirements on inclusive finance, deliberating on the Bank' s development plan, major management policies and other important matters on inclusive finance, and giving advice to the Board of Directors. It also reviews relevant matters on the implementation of the major decisions and plans of the CPC Central Committee and gives advice to the Board of Directors.

Attaching great importance to the major decisions and plans of the CPC Central Committee and the State Council on carbon peak and carbon neutrality, the Board of Directors vigorously developed inclusive finance, sustainable finance, green finance and climate financing and promoted the building of a first-rate green, inclusive bank and climate-friendly bank. Meanwhile, it improved the corporate governance mechanism and the incentive and restraint mechanism, continued to strengthen information disclosure and communication with the capital market, and optimized the stock equity management system. The Board of Directors and its Social Responsibility and Consumer Rights Protection Committee reviewed seven topics including the 2021 Annual Work Report on the Building of a Green Bank, the 2021 Annual ESG (Environmental, Social, Governance) Report, the summary of and plan for consumer protection work, and the special audit report on consumer protection, listened to two reports, namely, the Bank' s ESG ratings and peer benchmarking and complaints transferred by regulators, and gave important guidance to the Bank regarding its efforts to actively fulfill social responsibilities, build a green bank and improve consumer protection, laying a solid foundation for the Bank to continue to strengthen ESG building.

The Board of Directors and its Strategic Planning Committee deliberated on the topics about the implementation of inclusive finance policies in 2021 and its

development plan for 2022, financial services for the real economy, high-quality development of manufacturing, support for rural revitalization, etc. They effectively implemented the major decisions and plans of the CPC Central Committee and inclusive finance policies and promoted the high-quality development of the inclusive finance business of the Bank. The Board of Directors reviewed the topics about the formulation of the Management Measures of Commitments of Substantial Shareholders and the revision of the Shareholder Communication Policy and the Management Measures of PSBC Shares Held by Directors, Supervisors and Senior Management and Their Changes, and periodically listened to stock equity management reports. It refined relevant policies and regulations from top-level design and continued to strengthen equity management, and effectively protected minority shareholders' rights and interests.

Meanwhile, directors listened to special reports from the management level such as the revision to the corporate governance authorization plan and actively participated in the training on green finance, sustainable development, carbon pricing, corporate governance of commercial banks, comprehensive risk management, etc. They gave many professional advice and suggestions on strengthening consumer protection, intensifying sustainable development and ESG investment, financial services for the real economy and development of the manufacturing industry.

During the reporting period, directors conducted surveys by 72 person-times, continued to improve the form of surveys, and extended the radius of surveys. By listening to the overall reports by branches and sub-branches, visiting customers, paying field visits to outlets, having face-to-face communication with primary-level employees, etc., directors gained in-depth knowledge of the actual situations of branches, sub-branches and the frontline institutions. Directors formed survey reports centering on the topics of protection of consumers' rights and interests of agency finance, comprehensive risk management, coordination between PSBC and China Post Group in supporting rural revitalization, management of majority-owned subsidiaries, etc., offered advice and suggestions to the Board of Directors, fulfilled directors' responsibilities in all respects, and effectively ensured the scientific decision-making of the Board of Directors.

Information disclosure

The Bank strictly abided by laws and regulations, and the local regulatory requirements of the places where its shares are listed, and disclosed information in a true, accurate, complete, timely and fair manner. Adhering to the principle of providing clear, concise and easy-to-understand information, the Bank improved top-level design, innovated working mechanism, enriched representation form, and advanced the standardized voluntary disclosure. With no corrections to major accounting errors and no material omission during the reporting period, the Bank was rated A (Excellent) by the SSE in its evaluation on information disclosure work of listed companies of the year. The Bank expanded the scope and depth of voluntary information disclosure so as to protect the rights and interests of investors, and improved the transparency of corporate information. Centering on the concerns of the market and investors, the Bank proactively released its strategic plans, corporate culture, business features and other highlights. Moreover, the Bank continued improving the information disclosure management system. In line with the latest regulatory requirements, it reviewed information disclosure policies, revised internal reporting management measures for important events and management measures for insider information and insiders of the Bank. Furthermore, the Bank updated the information disclosure management system, standardized the process of information transmission, raised the efficiency of report preparation coordination, and enhanced the online management of insider information and insiders.

The Bank continuously innovated the disclosure forms of annual reports and won awards and recognition from various organizations. For the 2021 Annual Report, PSBC won the ARC Awards: Cover Photo/Design (Silver Winner), the

LACP Vision Awards Annual Report Competition: Gold Award (Commercial Banks), and the Galaxy Awards: Design-Cover: Annual Reports – Special Treatment, etc.

Investor relations

The Bank follows the principles of being proactive, sincere, transparent, compliant, accurate, effective, fair and comprehensive, and through investor communication activities such as performance presentations, roadshows, surveys, summits and forums and via communication platforms like investor relations hotline and email and "SSE E-interactive" , the Bank maintains routine communication with the capital market, showcases its business development results in an all-round way, and fully delivers the investment value of the Bank.

During the reporting period, under the guidance of the Board of Directors and Senior Management, the Bank held four annual, mid-year and quarterly performance presentations in the form of on-site or telephone conference, all of which were attended by Senior Management members. The 2021 annual performance presentation and the 2022 mid-year performance presentation were held in the form of "live video streaming + telephone access + live text broadcast" . Those performance presentations fully showed the Bank' s development strategy and long-term investment value to the capital market. The Bank' s 2021 annual performance presentation was awarded the "Best Practice of 2021 Annual Report Performance Presentation by Listed Companies" by the China Association for Public Companies.

After releasing its 2021 annual performance and 2022 mid-year performance, the Bank' s Senior Management members led respective teams to roadshows and communicated with the capital market. With a sincere and open-minded attitude, they had in-depth discussions on the Bank' s business development, transformation and innovation, strategic vision, etc. with investors and analysts and actively responded to the concerns of the capital market. Throughout 2022, the Bank held one performance presentation & investor relations event, received visits of 82 surveys, carried out 23 roadshows, attended 24 investment forums and summits, and communicated with domestic and foreign investors and analysts by more than 2,000 person-times.

At the 12th China Securities Golden Bauhinia Awards 2022, the Bank won "Best Listed Company" and "Best Investment Value for Listed Companies" , and at the "Panorama Investor Relations Awards (2021)" , the Bank won "Institutional Friendly Communication Award" and "Excellent IR Team".

The Bank kept records of the foregoing investor reception and communication activities according to regulatory requirements and kept relevant files properly.

The Board of Supervisors performs supervision duty

The Board of Supervisors of the Bank earnestly performed its duty of supervising CSR work, paid constant attention to the performance of social responsibilities by the Board of Directors and Senior Management, and actively safeguarded the legitimate rights and interests of the Bank, shareholders, employees, creditors and other stakeholders. During the reporting period, the Board of Supervisors reviewed and adopted the 2021 CSR (Environmental, Social, Governance) Report, voiced their own opinions on the deliberation of the report, and disclosed them in the annual report. The Board of Supervisors listened to the Bank' s reports on support for rural revitalization, implementation of inclusive finance policies, improvement in the quality and efficiency of services for the real economy, financial services for the high-quality development of the manufacturing industry, protection of consumers' rights and interests, building of a green bank, anti-money laundering, etc.; continued to strengthen the supervision and evaluation of duty performance by the Board of Directors and the Senior Management, and included the building of a clean financial culture, consumer rights protection, safeguarding of stakeholders' interests and

fulfillment of social responsibilities into the annual duty performance evaluation indicator system.

During the reporting period, with a focus on serving the rural revitalization strategy, the Board of Supervisors carried out supervision on the digital transition of Sannong finance, which effectively promoted fintech empowerment in rural revitalization. Focusing on the green development concept, the Board of Supervisors conducted research on PSBC' s "carbon peak and carbon neutrality" strategies, which helped improve the Bank' s green finance services and risk control capability and accelerated the building of a green, inclusive bank, climate-friendly bank and eco-friendly bank.

Earnestly fulfilling audit supervision responsibility

During the reporting period, the Bank completed the optimization of the independent, vertical audit management architecture. It included the audit departments of tier-1 branches into the Head Office' s vertical management system, built a three-tiered audit structure comprising the Audit Department of the Head Office, Regional Audit Offices and audit divisions, pushed for improvement in internal audit policies and mechanisms, and further improved audit independence and authority. Meanwhile, by actively giving play to the role of the independent, vertical audit system, the Bank intensified audit system building and quality control, promoted the building of a professional audit team, accelerated digital transformation of audit, and strengthened application of audit results, providing strong support for the stable operation and high-quality development of the Bank.

The internal audit aimed to refine corporate governance, improve operation management, strengthen risk management and facilitate internal control and compliance. Being problem-oriented and risk-based, the Bank, with a focus on important businesses, major risks and prominent problems, conducted the audit on the implementation of the central government' s decisions and plans, the consumer protection audit, the anti-money laundering audit, the green finance audit, the audit on the inclusive loan business to MSEs, the audit on government credit risk, and the audit on corporate finance business involving major city banks, which promoted implementation of relevant policies and decision and helped improve the effect of the implementation. Meanwhile, the Bank intensified IT audit with a focus on development and operation maintenance of important information systems, data security, cybersecurity, outsourcing management, business continuity, etc., which helped improve the Bank' s IT governance level and risk control capability.

Comprehensive risk management

As always, the Bank adhered to being risk-based, actively implemented decisions and plans to ensure risk management play a leading role in development and took strict measures to ensure no systemic risks arise. The Bank continued to refine the comprehensive risk management system that covers "all aspects, whole process and entire staff" and implemented advanced approaches for capital management in an orderly manner. It actively built risk management capability of "looking into the future" to learn about risk trends of the market, industry and enterprises in a forward-looking manner, deepened the dynamic risk monitoring mechanism, and rapidly analyzed and responded to newly-emerging, crossed, and infectious risk signals. Meanwhile, the Bank worked faster to improve the digital and intensive level of risk management, continuously deepened the application of intelligent risk control in the entire credit process, compliance management, anti-fraud, AML and consumer rights protection, promoted concentration of approval authorization and monitoring review in higher levels, adopted multiple measures to improve the management quality and efficiency of professional risks, strengthened forward-looking, targeted control in key risk fields, and continued to build excellent risk management capability.

Maintaining business continuity

The Bank continued to strengthen business continuity management, refined the business continuity management system, comprehensively improved the quality of the contingency plan for business continuity, and actively intensified the development of key business continuity resources. In addition, the Bank carried out emergency drills of important business such as savings, settlement, counter business, telephone banking, e-CNY, as well as disaster recovery switchover, application, network and power drills of relevant information systems. Through 2022, no major operation interruptions, major information system failures or major information security loopholes occurred, and information systems maintained high availability and ensured continuous and stable operation of businesses.

Stakeholder related management

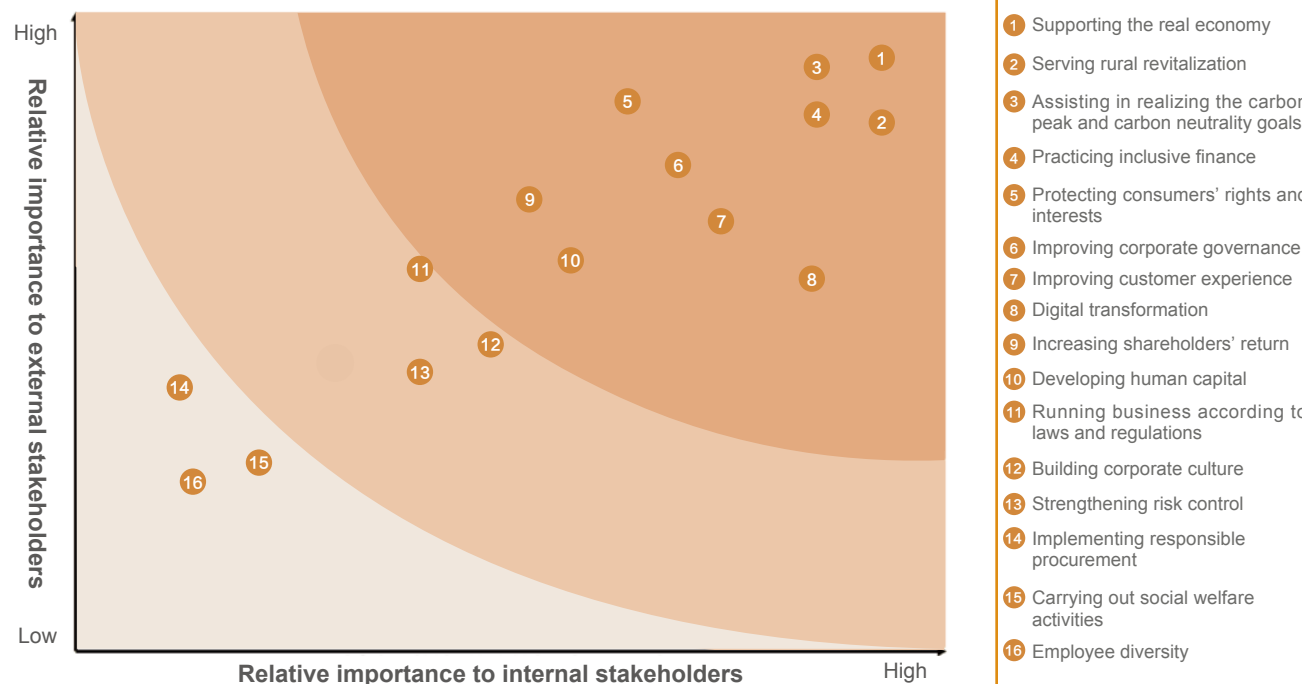
Stakeholders	Core expectations and appeals	Form of communication	Response measures
Government	<ul style="list-style-type: none"> Serve the new development pattern in all respects Practice inclusive finance Assist in realizing carbon peak and carbon neutrality goals Support the real economy Serve rural revitalization 	<ul style="list-style-type: none"> Special report Day-to-day communication 	<ul style="list-style-type: none"> Implement policies and guidelines Implement national strategies and plans
Regulatory authorities	<ul style="list-style-type: none"> Run business according to laws and regulations Improve corporate governance Strengthen comprehensive risk management Step up efforts in anti-money laundering 	<ul style="list-style-type: none"> Work report On-site inspection Off-site regulation Discussion at meetings 	<ul style="list-style-type: none"> Implement regulatory policies and requirements Improve corporate governance Strengthen risk control and internal control management
Shareholders /investors	<ul style="list-style-type: none"> Promote business development, improve profitability, and increase shareholders' return Strictly control ESG risks and ensure secure and stable operations Timely, accurate and comprehensive information disclosure 	<ul style="list-style-type: none"> Shareholders' General Meeting Announcements by the Board of Directors Periodical reports Results presentation Day-to-day communication 	<ul style="list-style-type: none"> Achieve stable operations and strengthen sustainable competitiveness Conduct comprehensive risk management Improve the transparency of information disclosure
Customers	<ul style="list-style-type: none"> Protect consumers' rights and interests Improve customer experience Strengthen innovation in fintech Accelerate innovation in financial products and services 	<ul style="list-style-type: none"> Physical channels and online platforms Satisfaction survey Training and roadshows 	<ul style="list-style-type: none"> Strengthen innovation in science and technology Strengthen consumer rights protection Implement projects aimed to improve customer experience
Partners	<ul style="list-style-type: none"> Be fair and transparent Develop mutual beneficial and win-win cooperation Promote industrial development Implement responsible procurement 	<ul style="list-style-type: none"> Business communication Industry seminars Information disclosure Supply-demand seminars 	<ul style="list-style-type: none"> Adhere to the principles of good faith and fair competition Improve purchase management
Employees	<ul style="list-style-type: none"> Safeguard employees' legal rights and interests Employee diversity Promote the development of human resources Enrich employees' sparetime life 	<ul style="list-style-type: none"> Employee representatives' meeting Employee survey Opinion collection and feedback 	<ul style="list-style-type: none"> Revise relevant policies and regulations Improve the talent cultivation system Care for employees' work and life Refine the promotion mechanism

Stakeholders	Core expectations and appeals	Form of communication	Response measures
Public and media	<ul style="list-style-type: none"> Disclose information in a timely and objective manner Ensure smooth communication and response Jointly build harmonious communities 	<ul style="list-style-type: none"> Official website Weibo, WeChat and other platforms Education on financial knowledge Media interview 	<ul style="list-style-type: none"> Educate the public on financial knowledge Carry out charity activities Participate in community building
Environment	<ul style="list-style-type: none"> Actively address climate challenges and assist in realizing the carbon peak and carbon neutrality goals Promote the development of the green financial system Improve environmental and social risk management Support the development of green, low-carbon economy 	<ul style="list-style-type: none"> Information disclosure Publicity of green finance Special researches and articles 	<ul style="list-style-type: none"> Optimize the credit structure Strengthen environmental and social risk management Develop new green financial products and services Develop green office Implement green procurement

Substantive issue analysis

In 2022, the Bank continued to communicate with stakeholders through official and non-official channels in the forms of routine exchanges, collection of policy documents, work meetings, and special reports. The stakeholders included government and regulatory authorities, shareholders and investors, employees of the Bank at all levels, customers, suppliers, financial peers and industry associations, and domestic and overseas sustainable development advocacy organizations and professional bodies.

By coordinating policy analysis and reviewing the suggestions and feedback of relevant stakeholders, the Bank focused on the main substantive issues, namely, supporting the real economy to serve rural revitalization, contributing to the carbon peak and carbon neutrality goals, practicing inclusive finance and digital transformation, protecting consumer rights, developing human capital, improving customer experience, etc., and continued to properly respond to the concerns of all stakeholders.



Environment

Aspect A4: Climate Change

Climate risk

The Bank attached great importance environmental and climate risks and included them into its comprehensive risk management system. The Bank identified and gave early warnings about environmental and climate risks through top-level design, enhanced management and technological empowerment, so as to effectively forestall and defuse environmental and climate risks.

First, being strategy-led. The Bank’ s 14th Five-Year Plan Outline and the action plan for implementing carbon peak and carbon neutrality required including environmental and climate risks into the Bank’ s comprehensive risk management system and including ESG and climate risk into the Bank’ s credit business procedures such as rating access, pre-lending investigation, in-process loan review, contract management, loan granting review, post-lending management, etc. Those documents also required including climate risk stress testing into the Bank’ s stress test system, conducting climate risk stress testing of high-carbon industries, assessing the Bank’s capability to respond to climate shift risk and applying the stress test results scientifically.

Second, strengthening management. The Bank included environmental and climate risks into full-process management including risk policy, risk limits, credit policy, customer rating, review and approval, loan granting management, post-lending management, etc. The Bank formulated the Management Measures for Environmental, Social and Governance Risks of Postal Savings Bank of China (2022 Revised Version), including governance requirements into the management process and the comprehensive risk management system. “ESG risk and climate risk” was added in credit investigation and review reports, and ESG risk was included as an adjustment factor of internal ratings. In 2022, the Bank conducted ESG and climate risk screening for the sixth year straight. It adopted a specific policy for each customer with potential risks and promptly took measures to forestall and defuse risks. The Bank strictly controlled the growth and proportion of credit to fields with “high energy consumption, high emissions and overcapacity”¹. Over the past three years, the proportion of corporate loans to companies with high energy consumption, high emissions and overcapacity decreased year by year. As at the end of 2022, the balance of corporate loans to companies with high energy consumption, high emissions and overcapacity recorded RMB57,103 million, accounting for 2.14% of corporate loans, down 0.10 percentage point from the prior year-end.

Third, carrying out stress testing. In 2022, the Bank carried out stress testing for climate risk sensitivity for eight industries, including power, iron and steel, building materials, petrochemical, chemical, paper, civil aviation and non-ferrous metal smelting, to analyze the default situation caused by the rising costs for high-carbon industries due to the introduction of carbon cost as well as how such default affected the Bank’ s asset quality and capital adequacy. Test results indicated that the credit risk of some customers from high-carbon industries slightly increased under stress scenarios. However, the impact on capital adequacy was controllable on the whole.

Fourth, technological empowerment. The Bank applied the “Jinjing” credit risk monitoring system to explore and promote carbon accounting of corporate customers. With the help of the current “Jinjing” credit risk monitoring system, the Bank advanced in depth “Big Data-based Green Credit Service” , a pilot program of comprehensive application of financial data launched by the People’ s Bank of China. The Bank was the first to access to environmental data such as Blue Map, refined its environmental information database, and accessed to carbon emission data of credit receiving enterprises, and annual data of actual and allowable emissions of wastewater and waste gases, which eased the information asymmetry problem in transaction activities on the green finance market. Moreover, the Bank officially launched automatic identification function of green labels and energy conservation and emission reduction data measurement function, meeting the management needs of digital development of green finance.

Society

Aspect B1: Employment, Aspect B4: Labor Standards

PSBC strictly complied with the Labor Law of the People’ s Republic of China, the Labor Contract Law of the People’ s Republic of China, the Provisions on Prohibiting the Use of Child Labor promulgated by the State Council and other relevant laws and regulations, ensured employees’ labor rights, and protected their rights and interests. The Bank signed the labor contracts with employees according to law, and clearly stipulated working hours, rest days and vacation, labor protection and working conditions in the labor contract. It fulfilled its obligations as provided in the labor contract, which include guaranteeing the occupational health and safety of employees, paying remuneration on time and in full, arranging reasonable working hours, following the rules of annual paid leave, and protecting other rights and interests of employees. As at the end of 2022, the Bank hired neither child labor nor any forced labor. It recruited employees based on business development needs and in compliance with laws and regulations, and adhered to the principle of selecting talents in a competitive way. It showed no discriminatory treatment due to sex, nationality, physiological condition, etc. in its policies and practices of employee recruitment and internal promotion, and ensured justice and equity.

The Bank actively took on social responsibilities. It supported introduction of personnel from less developed areas and appropriately relaxed the requirements on educational background when recruiting from remote, poor or areas with harsh conditions. Since its implementation, the commitment has effectively helped increase employment in areas with harsh conditions and also enriched the human resources that the Bank needs for business operation and development.

In terms of employee remuneration and benefit, as always, the Bank was performance- and value-oriented, constantly optimized the total remuneration distribution system, and took into account both efficiency and fairness to support the high-quality development of the Bank as an enterprise. The Bank established and refined the remuneration distribution mechanism with employees’ post value as its basis and their job performance at its core. It further defined the employee remuneration distribution in a scientific manner and continued to channel more resources to talents who have made outstanding contributions and frontline key posts to unleash the internal driving force of development of the Bank. Aiming to improve employee satisfaction, the Bank continued to enrich the content and extend the scope of employee benefit management according to national policies and regulations, and further strengthened the building of the employee benefit system. Meanwhile, it optimized the enterprise annuity investment management measures and strengthened guidance and supervision of managers. It revised

and supplemented the medical management regulations and refined the medical security system for employees to truly address employees’ worries.

In terms of performance management, the Bank continued to improve the unified employee performance system, highlighted the performance and value creation orientation, and implemented stricter forced distribution of evaluation grades. It strengthened performance evaluation and results application and closely related evaluation results to employee remuneration distribution, career development, training, etc. Meanwhile, the Bank strengthened full-process management of performance evaluation, standardized performance tutoring and communication, and continued to improve organizational performance and employee performance.

The Bank continued to pay attention to employees’ psychological health. By selecting internal trainers for psychological care, selecting demonstration points of employee psychological care and model projects of psychological services, holding series lectures on psychological care and opening the employee psychological counseling hotline, the Bank gradually formed a professional, routine employee psychological care facilitation model that has unique features, stresses actual effect and can be promoted.

The Bank conducted the annual survey of PSBCers continuously. It continued to track employee experience and collected their opinions and advice. Over the past four years, a total of more than 560,000 pieces of sample data were collected. In 2022, the Bank completed the annual survey of PSBCers 2021. The survey recovered a total of 161,212 samples, covered employees from all business lines and positions at 36 tier-1 branches, majority-owned subsidiaries, Head Office departments, and released the report Advanced + Annual Survey of PSBCers 2021. The survey discussed how to, with a focus on employee experience, build PSBCers’ confidence in work and shape the internal drive of common growth for both PSBCers and the Bank in the background of enterprise transition.

Indicator	Unit	Figure
Total number of employees	Person	180,038
Total number of male employees	Person	72,775
Total number of female employees	Person	107,263
Number of contracted employees	Person	180,038
Number of dispatched employees	Person	15,064
Total number of full-time employees	Person	180,038
Total number of part-time employees	Person	0
Number of employees aged 30 or below	Person	34,788
Number of employees aged between 31 and 40	Person	88,584
Number of employees aged between 41 and 50	Person	40,631
Number of employees aged 51 or above	Person	16,035
Number of Head Office employees	Person	7,035
Number of employees in Yangtze River Delta	Person	20,246
Number of employees in Pearl River Delta	Person	18,793
Number of employees in Bohai Rim	Person	26,464
Number of employees in Central China	Person	45,943
Number of employees in Western China	Person	41,443
Number of employees in Northeastern China	Person	20,114
Employee turnover rate	%	2.10
Male employee turnover rate	%	2.20
Female employee turnover rate	%	2.03
Turnover rate of employees aged 30 or below	%	6.32
Turnover rate of employees aged between 31 and 40	%	1.58

Note: 1. With respect to the classification of industries with high energy consumption, high emissions and overcapacity, please refer to the Notice on Issuing Key Evaluation Indicators for Green Credit (Y.J.B.F. [2014] No. 186).

Indicator	Unit	Figure
Turnover rate of employees aged between 41 and 50	%	0.38
Turnover rate of employees aged 51 or above	%	0.10
Head Office employee turnover rate	%	1.87
Turnover rate of employees in Yangtze River Delta	%	3.60
Turnover rate of employees in Pearl River Delta	%	2.90
Turnover rate of employees in Bohai Rim	%	1.42
Turnover rate of employees in Central China	%	1.50
Turnover rate of employees in Western China	%	2.53
Turnover rate of employees in Northeastern China	%	1.33
Proportion of female employees	%	59.58
Proportion of ethnic minority employees	%	6.55
Labor contract signing rate	%	100
Male-female ratio in middle- and senior management	%	4.03:1

Aspect B2: Health and Safety

Indicator	Unit	Figure
Number of employees who died on the job in 2020	Person	4
Number of employees who died on the job in 2021	Person	3
Number of employees who died on the job in 2022	Person	6
Ratio of employees who died on the job in 2020	%	0.0022
Ratio of employees who died on the job in 2021	%	0.0017
Ratio of employees who died on the job in 2022	%	0.0033
Number of working days lost due to work-related injuries in 2022	Day	12,044

In 2022, the Bank continued to ensure a good job in employee education on safety in production. Adhering to the working principle of "mainly relying on prevention with handling as a supporting approach", the Bank inspected and addressed areas with potential risk in all respects, accomplished with high quality all the job objectives of the three-year action plan for rectification concerning safety in production, and ensured no major safety liability accident occur.

First, ensuring safety management responsibilities are properly fulfilled and improving safety management. The liability statement on safety in production was signed by relevant management personnel level by level to make sure all responsible persons are covered and all responsibilities are assigned to specific personnel. Meanwhile, the Bank intensified efforts in production safety evaluation. It steadily advanced the building of "Safe Post" and "Safe PSBC" units and optimized the development plan and evaluation indicators of "Safe PSBC", which effectively helped improve the quality and efficiency of safety management.

Second, focusing on fulfillment of safety responsibilities to build a strong line of defense for safety in production. The Bank organized and conducted a bank-wide production safety inspection and obtained general information of safety risk overall situation, further improving the level of safety management. It also organized and conducted a bank-wide check of data rooms, effectively ensuring safe and stable operation of data rooms. Meanwhile, the Bank strengthened off-site safety inspection and monitoring rotation and implemented quarterly safety checks and safety checks during holidays and major events to ensure the safety of the working environment.

Third, strengthening safety education and training to enhance safety awareness and capability. The Bank organized and held themed campaigns including "Safety Awareness Month", "Safety in Production Month" and "Fire Safety Month" and carried out safety publicity, safety training and warning education in various ways to enhance employees' safety awareness. The Bank also held PSBC Financial Safety Management Training Class, Safety Management Capability Improvement Training Class for Tier-1 Branches, and Remote Training Class of Fire Protection Engineers, to improve the professional competence of safety management personnel. Meanwhile, it organized and held practical fire fighting training drills to enhance the ability of employees to deal with fire emergencies.

Fourth, strengthening technology-based prevention capability and improving the level of technological empowerment. The Bank formulated the Implementation Measures of China Postal Savings Bank of China for Safeguarding Safety in Digital Transformation, laying down the direction and specific implementation measures for safety protection in digital transformation of the whole Bank. The Bank brought online the safety protection management system and launched the development of the next-generation centralized security system, using technological means to improve work quality and efficiency and optimize employees' working experience. It accomplished the task of building the connected monitoring center of tier-2 branches across PSBC, which improved branch institutions' alarm receiving and handling efficiency and response capability to external risk events.

Aspect B3: Development and Training

In 2022, the Bank continued to deepen talent development and training. Centering on supporting the implementation of strategies, the Bank, with talent cultivation and empowerment at the core and the building of a learning bank as the goal, upgraded major training programs, enhanced team capability, and developed more training resources. It continued to improve training quality and effectiveness, systematically refined the education and training system, and further enhanced the comprehensive competence of officials and employees.

Indicator	Unit	Figure
Total number of employees attending training ¹	Person	194,876
Percentage of employees attending training	%	99.89
Percentage of male employees attending training	%	99.79
Percentage of female employees attending training	%	100
Percentage of middle and senior management personnel attending training	%	97.87
Percentage of personnel at other levels attending training	%	100
Duration of training per employee	Hour	94.95
Duration of training per male employee	Hour	86.22
Duration of training per female employee	Hour	99.22
Duration of training per employee at middle and senior management	Hour	84.69
Duration of training per employee at any other level	Hour	94.05

Pushing for the building of a learning bank

With developing a learning bank as the goal, the Bank formulated the annual training plan and continued to urge business lines to improve their professional capabilities. The Bank built a training operation model in which centralized face-to-face teaching, remote online training and television and telephone training complement each other, and formed special training plans for personnel on the business lines of agency finance, audit, internal control & compliance, legal affairs, discipline inspection commission, etc. It advanced the Head Office's "Lectures by Department General Managers", which gave 34 sessions of lectures facing the whole Bank, and the live streaming had a total of nearly 20,000 viewers.

The Bank pushed for regular holding of job qualification certification tests and guided position sequences to update resources such as teaching materials, outlines and test questions, strengthening the role of testing in promoting learning. It completed job qualification tests of 21 sequences, continued to increase the ratio of certificate holders across the Bank, and guided employees to improve their personal professional capability.

Note: 1. Employees attending training included contracted and dispatched employees.

Implementing layered, classified empowerment training

The Bank implemented layered, classified empowerment training mainly through major training programs. The Bank upgraded the “Voyage Plan” training program targeting management personnel. Through survey and analysis, it systematically built the progressive learning map for management personnel. The Bank held a total of four sessions of “Sailing Plan” and three sessions of “Pilot Plan”, which trained 685 management personnel in total.

The Bank held two sessions of “U Star Project” , a training program of new campus recruits of the Head Office, online and offline simultaneously. It applied the social operation management mode and bonus point management system and designed contents like quality extension and report-back performance, which helped new employees quickly adapt to the Bank’s corporate culture. The program trained 993 people in total.

The Bank carried out the “Young Officials Huawei Reserve Camp” training program in a creative way. Based on evaluation results, the Bank grouped young officials into classes and commissioned Huawei Training Center to develop a targeted curriculum program that best matches the Bank’s personnel.

At the same time, the Bank effectively expanded online training and promoted the application of the live streaming training form, which effectively supported business training. In 2022, live streaming training accounted for over 60% of online training and it continued to improve employees’ professional level.

Enriching training resources and platforms

With building of training resources as the major means, the Bank kept improving the internal drive of training. It strengthened the building of the internal trainer team, urged the four departments in the major business segments of corporate banking to hold the joint selection of Head Office-level internal trainers, and trained, selected and recruited Head Office-level internal trainers of various business lines including internal control & compliance, operation management and labor union. The Bank established a Head Office-level internal trainer team comprising more than 400 members.

The Bank optimized and upgraded the “U Class U Case” selection activity. It intensified selection of excellent micro classes and cases, developed quality teaching resources, continuously displayed and spread excellent works, and established a course resource library that is contributed and shared by the whole Bank.

Meanwhile, the Bank launched a new edition of the online training and learning APP. Aiming to build a new model of intelligent learning featuring real-time resource sharing, collaborative knowledge innovation, rolling iteration of intelligent services and real-time cognitive feedback, the Bank continued to develop a self-motivated and service-oriented intelligent learning platform that will gradually make employee learning a one-stop experience.

Aspect B5: Supply Chain Management

Centering on the theme of promoting high-quality development, PSBC applied in depth the idea of “compliance, professionalism and service” in procurement management, strictly implemented laws and regulations about procurement, continuously refined procurement management policies and regulations, optimized the organizational process for procurement, and promoted IT-based procurement.

First, the Bank made it clear in procurement management regulations that it is necessary to follow the principles of openness, fairness and justice, give priority to energy-saving and environment-friendly products and green-labeled products, and meet green packaging and green transportation requirements.

Second, throughout the whole procurement process, the Bank urged suppliers to fulfill social responsibilities, and listed suppliers’ fulfillment of such social responsibilities as green and environmental protection practice, environmental management, quality management and employees’ benefits, as an important evaluation indicator in business steps including supplier qualification access, business scoring, agreement signing and post-evaluation.

Third, the Bank continued to require suppliers to sign and perform the Agreement on Energy Conservation, Emission Reduction, and Green and Eco-friendly Development and the Letter of Commitment of Integrity, to promote suppliers to jointly perform their social responsibilities such as green and environmental protection responsibilities.

Fourth, the Bank strengthened IT-based procurement and promoted online procurement and green procurement.

Indicator	Unit	Figure
Total number of suppliers of the Head Office’s centralized procurement	/	460
Number of suppliers in Yangtze River Delta	/	102
Number of suppliers in Pearl River Delta	/	64
Number of suppliers in Bohai Rim	/	247
Number of suppliers in Central China	/	18
Number of suppliers in Western China	/	12
Number of suppliers in Northeastern China	/	4
Number of suppliers in Hong Kong, Macao and Taiwan and overseas regions	/	13
Number of suppliers already finishing environmental and social risk assessment	/	460

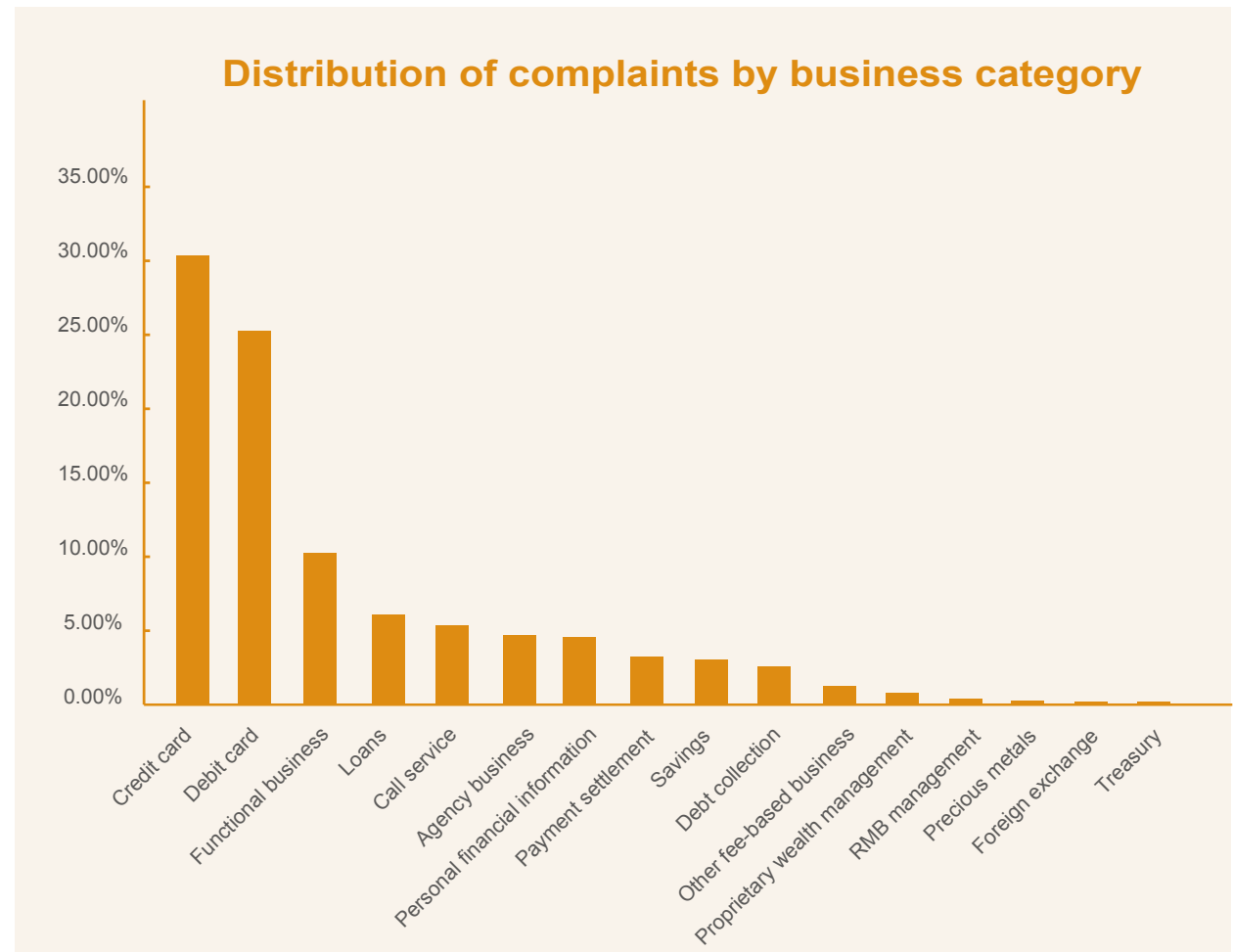
Aspect B6: Product Responsibility¹

Intellectual property

In 2022, PSBC strictly abided by applicable laws and regulations including the Patent Law of the People’ s Republic of China, the Trademark Law of the People’ s Republic of China and the Copyright Law of the People’ s Republic of China, and carried out solid work in the creation, utilization, management and protection of intellectual property on an ongoing basis. The Bank encouraged independent innovation and fostered an innovative corporate culture. In all operating and management activities, the Bank strengthened monitoring and prevention of legal risk concerning intellectual property and actively fulfilled its intellectual property protection responsibility.

Complaint management

In 2022, the Bank released announcements on complaints across PSBC periodically, analyzed in depth the reasons for major complaints, and strengthened source management. The Bank optimized the complaint circulation mechanism, strictly implemented the responsibility system under which the first personnel who is asked by a customer should give the customer a satisfactory solution, and dynamically incorporated the diversified resolution mechanism of financial disputes into the dispute handling process, which improved complaint handling quality and efficiency. Meanwhile, the Bank refined the categories of businesses and products of complaint work order, enriched the dimensions of complaint indicators, and realized direct display of relative quantity indicators such as average number of complaints per outlet and number of complaints per 10,000 customers. It also strengthened complaint monitoring and analysis. In 2022, the Bank received and handled a total of 505,500 complaints from customers with an average of 12.79 complaints per outlet and 7.75 complaints per 10,000 personal customers. Customer satisfaction with the handling of complaints was 96.00%, and complaint settlement ratio was 99.85%. The complaints mainly involved credit card business (30.16%), debit card business (25.32%), functional business (10.32%), loan business (6.63%) and call service (5.73%). Except for Credit Card Center (33.74%) and the Bank’ s Head Office (13.90%), they were mainly from Guangdong (4.60%), Shandong (3.46%), Henan (3.39%), Jiangsu (3.04%) and Hubei (3.03%). See the figure below for details. (The complaint statistics standards may vary from bank to bank. The number of complaints recorded by the Bank may not be used to compare with those of other banks.)



Note: 1. Please refer to chapters and sections of “protecting consumers’ rights and interests” for contents related to personal information protection, payment security and product review.

Regional distribution of complaints



Preventing new types of telecommunications and internet fraud

The Bank deepened governance of the “funds chain” . It improved the overall capability of the Bank to prevent telecommunications and internet fraud in all respects. It continued to refine system functions and improve the capability of primary-level employees to identify and prevent risks of telecommunications fraud, and adopted stricter account opening measures to enhance the control of risks from the source. The Bank also continued to develop and constantly refine new risk monitoring models to strengthen risk identification and response. Meanwhile, publicity and education activities of various forms were held regularly via multiple channels on both the Head Office level and the branch level, to vigorously improve the ability of the public to identify and avoid fraud.

Spreading financial knowledge

The Bank actively participated in relevant activities organized by regulators and industry associations including “3.15 Consumer Rights and Interests Protection Education and Publicity Week” , “Protect Your Pockets with Financial Knowledge” , “Journey for Financial Knowledge” , “Illegal Fundraising Prevention Publicity Month” , “Telecommunications and Internet Fraud Prevention Month” , “Be Aware of Gambling and Fraud in Payment’ Awareness Month” , etc. The Bank won “Excellent Organizer in the Joint Education and Publicity Activity of Banking and Insurance Institutions in 2022” . Based on consumers’ needs for financial knowledge, the Bank organized such activities as popularization of insurance knowledge, popularization of knowledge on sales zones and audio and video recording knowledge, popularization of knowledge about safe use of bank cards, popularization of loan knowledge in campuses, small lectures on use of credit cards, guide to protect personal financial information, how to prevent telecommunications and internet e-CNY fraud, etc. The Bank expanded the reach of those activities via online and offline channels. The activities had a total of 520 million audiences. They guided consumers to establish risk prevention awareness and increased their financial knowledge.

Aspect B7: Anti-corruption

Clean financial culture

In 2022, the Bank fully implemented relevant requirements specified in the Suggestions on Strengthening the Building of a Clean Culture in a New Era of the CPC Central Committee and the Guidelines for Deepening the Building of a Clean Financial Culture in the CBIRC System (Trial) of China Banking and Insurance Regulatory Commission. It formulated the three-year action plan for building a clean financial culture, laying down the overall objectives, major tasks and implementation steps for building a clean financial culture from 2022 to 2024. The action plan says that the Bank will deeply combine clean financial culture with PSBC’ s corporate culture and compliance culture, push for integration of a clean financial culture into corporate governance, compliance control, business operation, etc., establish a value orientation that encourages and praises honesty and integrity, and stimulate the endogenous power of honesty and compliance, thus further strengthening the foundation of integrity and nurturing a clean culture. The Bank held routine education on the Party Constitution and

Party rules, strengthened Party discipline building, and gave warning education using internal and external case resources. Those efforts strengthened the line of defense against corruption and helped create a clean atmosphere. The Bank made clean practice a required course in official and employee training and steadily promoted education of clean politics among leadership and officials, which improved the ideological consciousness, political integrity, morality, conduct and style of work of officials and employees across the Bank.

AML

The Bank strictly implemented AML requirements specified by regulators, practiced the AML philosophy of being “risk-based” , and actively carried out AML tasks.

First, the Bank helped create a sound financial market order. It held the bank-wide AML Awareness Month campaign with the theme of “Prevent e-CNY-based Money Laundering” . Using various channels online and offline, it advised the public to identify and prevent e-CNY-based money laundering. The campaign enhanced the risk prevent awareness of the public.

Second, the Bank strengthened AML duty performance capability by intensifying AML training. It held all kinds of targeted AML training among management and business personnel of all levels, and formulated and issued the Handbook of Typical AML Cases, providing pragmatic guidance and reference for AML across the Bank.

Third, the Bank developed a unified and standard customer money laundering risk control policy, deepened the risk-based work approach, refined customer money laundering risk control strategies for business lines, and strengthened the management of customers’ money laundering risk.

Fourth, the Bank scientifically assessed and prevented money laundering risk, refined the institution and business money laundering risk assessment mechanisms, and conducted the first institution money laundering risk self-assessment based on the new regulatory rules.

Fifth, the Bank improved IT support capability. It developed and brought online the new-generation AML system, organized and carried out AML data governance, refined the suspicious transaction monitoring model system, and provided strong support to improving the AML work.

Internal control & compliance

In 2022, the Bank advanced in depth the strategy of dispatching risk managers to institutions at the primary level. Throughout the year, more than 2,400 risk managers were dispatched, which effectively extended the management tentacles of higher-level banks toward primary-level institutions in risk control. With operational risk and compliance risk in non-counter businesses at primary-level institutions as the focuses of risk control, the Bank achieved substantial results in the risk control of loan management, personal investment & wealth management, credit card management and employee behavior, effectively strengthened the building of the internal control mechanisms of primary-level institutions, and continued to improve the effectiveness of internal control of primary-level institutions.

The Bank summed up the major risks of commercial banks exposed in regulatory penalties, put forward recommended risk control measures for each risk point, sorted relevant risk control measures, and formed and issued the Handbook for Control of Major Risks of Commercial Banks. The Bank produced three episodes of live-action case warning education films and the course on analysis of major crimes of bank employees and held remote training sessions of case warning education among all financial employees across PSBC, which had a total of 366,411 views.

The Bank held the internal control knowledge contest in the nationwide postal finance system. The contest covered all business areas including internal control & compliance management, legal affairs, personal finance, consumer credit, credit card, internet finance, counter business, small enterprises business, corporate banking, etc. It pushed all employees to study in depth internal control and compliance rules and regulations and improved the law and rule abiding awareness of employees at primary-level institutions.

In 2022, there was no corruption litigation case lodged against the company or its employees or any settled corruption litigation case relating to the company or its employees.

Indicator	Unit	Figure
Number of AML training sessions	Session	25,844
Number of participants in AML training	Person-time	913,586
Number of anti-corruption training sessions for directors and employees	Session	8
Number of directors and employees participating in anti-corruption training	Person	194,876
Anti-corruption training hours attended by directors and employees	Hour	242,211.11
Number of settled corruption litigation cases relating to employees	/	0
Number of settled AML cases relating to the Bank	/	0

Aspect B8: Community Investment¹

Third-party Assurance Report



Independent Assurance Report

To the Board of Directors of Postal Savings Bank of China Co., Ltd. (the "Board of Directors"):

We have been engaged by the Board of Directors of Postal Savings Bank of China Co., Ltd. ("PSBC") to perform a limited assurance engagement on the *Postal Savings Bank of China 2022 Corporate Social Responsibility (Environmental, Social, Governance) Report ("CSR Report")* for the period from 1 January 2022 to 31 December 2022.

Responsibilities of the Board of Directors

The Board of Directors is responsible for preparing the *CSR Report* to meet the preparation guidelines of the Opinions on Strengthening Social Responsibilities of Banking Institutions (the former China Banking Regulatory Commission), the Corporate Social Responsibilities Guidelines for China's Banking Institutions (China Banking Association), the Guidelines No.1 for Self-discipline of Listed Companies Standardized Operation and Guidelines for Report on Performance of Corporate Social Responsibility (the Shanghai Stock Exchange), relevant requirements of the Environmental, Social and Governance Reporting Guide (the Stock Exchange of Hong Kong Limited), and the Principles for Responsible Banking (the United Nations Environment Programme) and its presentation (i.e., reporting guidelines, limitations, reporting data and relevant identification procedures). The *CSR Report* is prepared with reference to the Recommendations of the Task Force on Climate-related Financial Disclosures issued by the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board, the GRI Sustainability Reporting Standards (GRI Standards) issued by the Global Sustainability Standard Board, ISO26000: 2010-Guidance on Social Responsibility issued by the International Organization for Standardization and GB/T36000: Guidance on Social Responsibility issued by the Standardization Administration of the PRC, and relevant opinions.

The Board of Directors is also responsible for determining PSBC's objectives in respect of CSR performance and reporting, including identifying stakeholders and relevant major issues, establishing and maintaining appropriate CSR performance management system and internal control system for obtaining performance information in the report, and maintaining sufficient records.

Our Responsibilities

In accordance with the agreed terms with PSBC, we are responsible for performing a limited level of assurance engagement in selected data and performance claims ("the Subject Matter Information") of the *CSR Report*. Besides this responsibility, we have no more others. We do not assume responsibility or accept liability to any other person or third party for our work or the contents of this report.

The Subject Matter Information include:

- Total number of outlets
 - Balance of agriculture-related loans
 - Balance of green loans
 - Balance of inclusive loans to micro and small businesses
 - Balance of personal micro loans
- Consumption of purchased electricity of the Head Office
 - Office water consumption
 - Office water consumption of the Head Office
 - Total assets
 - Total number of employees
 - Proportion of female employees

Note: 1. Please refer to "Actively giving back to society".

- Total number of outlets which were distributed in counties and areas below the county level
- Total amount of green bonds underwritten by the Bank
- Balance of green financing
- SO₂ emissions
- NO_x emissions
- Total GHG emissions (Scope 1 and Scope 2)
- Total hazardous waste
- Total energy consumption
- Fuel consumption of vehicles
- Diesel consumption of facilities
- Natural gas consumption
- Consumption of purchased electricity
- Proportion of ethnic minority employees
- Customer satisfaction of 95580 service
- External donations (domestic)
- Number of employees by age
- Employee turnover rate
- Labor contract signing rate
- Male-female ratio in middle- and senior management
- Total number of employees attending training
- Duration of training per employee
- Total number of suppliers of the Head Office's centralized procurement
- Total complaints from customers

Our Independence and Quality Control

We conducted our engagement in accordance with the independence and other ethical requirements in the "Code of Ethics for Professional Accountants" issued by the International Ethics Standards Board for Accountants. We maintain a comprehensive system of quality control applying "International Standard on Quality Control 1".

Basis of Our Assurance Work

We conducted our work in accordance with "International Standard on Assurance Engagements 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (Revised)" issued by the International Federation of Accountants. We planned and performed our engagement to obtain all the information and evidence which we considered necessary to form conclusions.

Procedures, Scopes and Limitations of Our Work

Our independent limited assurance engagements in the CSR Report include interviewing personnel responsible for the CSR Report, analyzing information, and proceeding other steps to collect evidence. Specifically, our procedures include:

- Interviewing the bank management and staff responsible for information collection, consolidation and disclosure to understand the process of determining the key stakeholders and their major concerns, and relevant controls of the CSR Report preparation.
- According to interviews and review of related supporting documents, we learnt the inter-communication mechanism between PSBC and its key stakeholders, the expectations and requirements of key stakeholders, and PSBC's responses to these expectations and requirements.
- Establishing Subject Matter Information and relevant evaluation criteria of the 2022 CSR Report together with PSBC, which were included by the independent and limited assurance engagement.
- Sampling testing the consistency between PSBC's Subject Matter Information in 2022 and our work results, assessing relevant control of the CSR Report preparation procedures.
- Conducting the consistency comparison with related data in the financial report.

Limitations of Assurance

The Limited assurance work aimed to ensure information reliability. The procedure scope was less than that of a reasonable assurance engagement. Our work performed and independent limited assurance report did not provide opinions on the effectiveness of PSBC's systems and procedures.

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We performed our limited assurance engagement in PSBC's headquarter and Beijing Branch. For this engagement, we did not carry out such engagement at any other branches and subsidiaries of PSBC, nor interview external stakeholders. Historical comparison data were exclusive by this engagement.

Meanwhile the scope of the said limited assurance engagement excluded other information beyond Subject Matter Information disclosed in the CSR Report of PSBC.

Conclusions

- Based on the above work performed, nothing has come to our attention that would lead us to believe that there is any material misstatement related to the Subject Matter Information in PSBC's CSR Report prepared in accordance with reference to the standards.

Use of Independent Limited Assurance Report

This independent limited assurance report is only for the purpose of preparing the CSR Report of the Board of Directors, is not suitable and cannot be used for other purposes.

Deloitte Touche Tohmatsu Certified Public Accountants LLP



March 30, 2023

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GRI Content Index

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GRI 2 General Disclosures 2021	2-1 Organizational details	About Us
	2-2 Entities included in the organization 's sustainability reporting	About Us About This Report
	2-3 Reporting period, frequency and contact point	About This Report
	2-4 Restatements of information	About This Report
	2-5 External assurance	Third-party assurance report
	2-6 Activities, value chain and other business relationships	Message from President Refer to the annual report
	2-7 Employees	Growing with employees ESG Disclosure
	2-8 Workers who are not employees	ESG Disclosure
	2-9 Governance structure and composition	ESG Disclosure
	2-10 Nomination and selection of the highest governance body	ESG Disclosure
	2-11 Chair of the highest governance body	Refer to the annual report
	2-12 Role of the highest governance body in overseeing the management of impacts	ESG Disclosure
	2-13 Delegation of responsibility for managing impacts	ESG Disclosure
	2-14 Role of the highest governance body in sustainability reporting	ESG Disclosure
	2-15 Conflicts of interest	Refer to the annual report
	2-16 Communication of critical concerns	ESG Disclosure
	2-17 Collective knowledge of the highest governance body	Message from President Responsibility Planning ESG Disclosure
	2-18 Evaluation of the performance of the highest governance body	Refer to the annual report
	2-19 Remuneration policies	Refer to the annual report
	2-20 Process to determine remuneration	Refer to the annual report
	2-21 Annual total compensation ratio	Refer to the annual report
	2-22 Statement on sustainable development strategy	Responsibility Planning ESG Disclosure
	2-23 Policy commitments	
	2-24 Embedding policy commitments	
	2-25 Processes to remediate negative impacts	
	2-26 Mechanisms for seeking advice and raising concerns	ESG Disclosure
	2-27 Compliance with laws and regulations	ESG Disclosure
	2-28 Membership associations	
	2-29 Approach to stakeholder engagement	ESG Disclosure
	2-30 Collective bargaining agreements	ESG Disclosure

Standard number and description		Note
GRI 3 Material Topics 2021	3-1 Process to determine material topics	ESG Disclosure
	3-2 List of material topics	ESG Disclosure
	3-3 Management of material topics	ESG Disclosure
GRI 201 Economic Performance 2016	201-1 Direct economic value generated and distributed	Boosting new drivers of economic development CSR Data
	201-2 Financial implications and other risks and opportunities due to climate change	Supporting green and low-carbon development ESG Disclosure
	201-3 Defined benefit plan obligations and other retirement plans	Refer to the annual report
	201-4 Financial assistance received from government	
GRI 202 Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	
	202-2 Proportion of senior management hired from the local community	
GRI 203 Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Boosting new drivers of economic development
	203-2 Significant indirect economic impacts	Supporting micro, small and medium-sized enterprises
GRI 204 Procurement Practices 2016	204-1 Proportion of spending on local suppliers	
GRI 205 Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	
	205-2 Communication and training about anti-corruption policies and procedures	ESG Disclosure
	205-3 Confirmed incidents of corruption and actions taken	
GRI 206 Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	
GRI 207 Tax 2019	207-1 Approach to tax	
	207-2 Tax governance, control, and risk management	
	207-3 Stakeholder engagement and management of concerns related to tax	
	207-4 Country-by-country reporting	
GRI 301 Materials 2016	301-1 Materials used by weight or volume	Not applicable
	301-2 Recycled input materials used	Not applicable
	301-3 Reclaimed products and their packaging materials	Not applicable
GRI 302 Energy 2016	302-1 Energy consumption within the organization	Implementing green operation
	302-2 Energy consumption outside of the organization	Implementing green operation

Standard number and description		Note
GRI 302 Energy 2016	302–3 Energy intensity	Implementing green operation
	302–4 Reduction of energy consumption	Implementing green operation
	302–5 Reductions in energy requirements of products and services	Implementing green operation
GRI 303 Water and Effluents 2018	303–1 Interactions with water as a shared resource	
	303–2 Management of water discharge–related impacts	
	303–3 Water withdrawal	
	303–4 Water discharge	
	303–5 Water consumption	Implementing green operation
GRI 304 Biodiversity 2016	304–1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	
	304–2 Significant impacts of activities, products and services on biodiversity	Supporting green and low–carbon development
	304–3 Habitats protected or restored	
	304–4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	
GRI 305 Emissions 2016	305–1 Direct (Scope 1) GHG emissions	Implementing green operation
	305–2 Energy indirect (Scope 2) GHG emissions	Implementing green operation
	305–3 Other indirect (Scope 3) GHG emissions	Implementing green operation
	305–4 GHG emissions intensity	Implementing green operation
	305–5 Reduction of GHG emissions	Implementing green operation
	305–6 Emissions of ozone–depleting substances (ODS)	Implementing green operation
	305–7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Implementing green operation
GRI 306 Waste 2020	306–1 Waste generation and significant waste–related impacts	
	306–2 Management of significant waste–related impacts	
	306–3 Waste generated	Implementing green operation
	306–4 Waste diverted from disposal	
	306–5 Waste directed to disposal	
GRI 308 Supplier Environmental Assessment 2016	308–1 New suppliers that were screened using environmental criteria	ESG Disclosure
	308–2 Negative environmental impacts in the supply chain and actions taken	

Standard number and description		Note
GRI 401 Employment 2016	401–1 New employee hires and employee turnover	ESG Disclosure
	401–2 Benefits provided to full–time employees that are not provided to temporary or part–time employees	Growing with employees
	401–3 Parental leave	ESG Disclosure
GRI 402 Labor/ Management Relations 2016	402–1 Minimum notice periods regarding operational changes	
GRI 403 Occupational Health and Safety 2018	403–1 Occupational health and safety management system	
	403–2 Hazard identification, risk assessment, and incident investigation	ESG Disclosure
	403–3 Occupational health services	ESG Disclosure
	403–4 Worker participation, consultation, and communication on occupational health and safety	ESG Disclosure
	403–5 Worker training on occupational health and safety	ESG Disclosure
	403–6 Promotion of worker health	ESG Disclosure
	403–7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Growing with employees ESG Disclosure
	403–8 Workers covered by an occupational health and safety management system	
	403–9 Work–related injuries	ESG Disclosure
	403–10 Work–related ill health	
GRI 404 Training and Education 2016	404–1 Average hours of training per year per employee	ESG Disclosure
	404–2 Programs for upgrading employee skills and transition assistance programs	ESG Disclosure
	404–3 Percentage of employees receiving regular performance and career development reviews	
GRI 405 Diversity and Equal Opportunity 2016	405–1 Diversity of governance bodies and employees	ESG Disclosure
	405–2 Ratio of basic salary and remuneration of women to men	
GRI 406 Non–discrimination 2016	406–1 Incidents of discrimination and corrective actions taken	
GRI 407 Freedom of Association and Collective Bargaining 2016	407–1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	

Standard number and description		Note
GRI 408 Child Labor 2016	408–1 Operations and suppliers at significant risk for incidents of child labor	
GRI 409 Forced or Compulsory Labor 2016	409–1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	
GRI 410 Security Practices 2016	410–1 Security personnel trained in human rights policies or procedures	
GRI 411 Rights of Indigenous Peoples 2016	411–1 Incidents of violations involving rights of indigenous peoples	
GRI 413 Local Communities 2016	413–1 Operations with local community engagement, impact assessments, and development programs	
	413–2 Operations with significant actual and potential negative impacts on local communities	
GRI 414 Supplier Social Assessment 2016	414–1 New suppliers that were screened using social criteria	ESG Disclosure
	414–2 Negative social impacts in the supply chain and actions taken	
GRI 415 Public Policy 2016	415–1 Political contributions	
GRI 416 Customer Health and Safety 2016	416–1 Assessment of the health and safety impacts of product and service categories	Protecting consumers’ rights and interests ESG Disclosure
	416–2 Incidents of non–compliance concerning the health and safety impacts of products and services	
GRI 417 Marketing and Labeling 2016	417–1 Requirements for product and service information and labeling	Protecting consumers’ rights and interests ESG Disclosure
	417–2 Incidents of non–compliance concerning product and service information and labeling	
	417–3 Incidents of non–compliance concerning marketing communications	
GRI 418 Customer Privacy 2016	418–1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	

Feedback Form

Dear readers,

Thank you for taking time to read the 2022 Corporate Social Responsibility (Environmental, Social and Governance) Report of Postal Savings Bank of China Co., Ltd. We value your advice to our CSR report very much. In order to further improve this report, please kindly give us your suggestions and feedback regarding this report.

• Please identify yourself with one of the following options:

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Excellent ☐ Good ☐ Acceptable ☐ Poor ☐ Very poor ☐

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• Do you have any comment or suggestion on the CSR Report or social responsibility work of the Bank?

Thank you again for your support. You can send your feedback to us in any of the following ways:

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