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POSTAL SAVINGS BANK OF CHINA CO., LTD. 中國郵政儲蓄銀行股份有限公司

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

(Stock Code: 1658)

ANNOUNCEMENT CONTINUING CONNECTED TRANSACTIONS AND ADJUSTMENT TO DEPOSIT AGENCY FEE RATES FOR AGENCY RENMINBI PERSONAL DEPOSIT TAKING BUSINESS

BACKGROUND

Reference is made to the section headed “Connected Transactions” in the Prospectus, in relation to, among others, the Agency Banking Businesses Framework Agreement entered into between the Bank and China Post Group regarding the Bank’s entrustment of China Post Group to conduct part of the Bank’s commercial banking businesses through agency outlets (the “**Agency Banking Businesses**”). References are also made to the announcement of the Bank dated September 29, 2022 and the circular of the Bank dated October 14, 2022, in relation to, among others, the 2022 Supplemental Agreement entered into between the Bank and China Post Group to adjust the scaled fee rates for deposit agency fees for the agency Renminbi personal deposit taking business (the “**2022 Deposit Agency Fee Rate Adjustment**”) and reset the trigger conditions for the passive adjustment, the announcement of the Bank dated September 30, 2024 and the circular of the Bank dated October 9, 2024, in relation to, among others, the 2024 Supplemental Agreement entered into between the Bank and China Post Group to adjust the deposit agency fee pricing for the agency deposit taking business (the “**2024 Deposit Agency Fee Pricing Adjustment**”) and reset the trigger conditions for the passive adjustment, and the announcement of the Bank dated March 27, 2025 in relation to the 2025 Supplemental Agreement entered into between the Bank and China Post Group to adjust the deposit agency fee rates for the agency deposit taking business (the “**2025 Deposit Agency Fee Rate Adjustment**”).

OVERVIEW OF TRANSACTION

The Agency Banking Businesses under the Agency Banking Businesses Framework Agreement include: (1) Renminbi personal deposit taking business (the “**Agency Renminbi Deposit Taking Business**”) and foreign currency personal deposit taking business (the “**Agency Foreign Currency Deposit Taking Business**”) (the Agency Renminbi Deposit Taking Business and the Agency Foreign Currency Deposit Taking Business are collectively referred to as the “**Agency Deposit Taking Business**”); and (2) financial settlement services, financial agency services and other services provided by agency outlets (collectively, the “**Agency Banking Intermediary Businesses**”).

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

As disclosed in the Prospectus, the Agency Banking Businesses Framework Agreement shall have an indefinite term, and there shall be no annual caps expressed in monetary terms on the Agency Deposit Taking Business and Agency Banking Intermediary Businesses. For this reason, upon the listing of H Shares, the Bank has applied for, and the Hong Kong Stock Exchange has granted the Bank, in respect of the Agency Banking Businesses Framework Agreement, a waiver from strict compliance with the requirement to set a term of not exceeding three years under Rule 14A.52 of the Hong Kong Listing Rules; and in respect of Agency Deposit Taking Business and Agency Banking Intermediary Businesses, a waiver from strict compliance with the requirements to set annual monetary caps under Rule 14A.53(1) of the Hong Kong Listing Rules.

ADJUSTMENT TO DEPOSIT AGENCY FEE RATES FOR AGENCY RENMINBI PERSONAL DEPOSIT TAKING BUSINESS

(I) Pricing mechanism

In 2011, the Bank and China Post Group, agreed to set an initial composite rate of 1.50% for deposit agency fee, after taking into account costs and other factors and with reference to the historical weighted average net interest spread of agency deposits of the Bank. On this basis, the “Fixed Rate, Scaled Fees Based on Deposit Type” pricing model was implemented, i.e. different deposit agency fee rates are applicable to deposits with different maturities (the “**Scaled Fee Rates**”). Accordingly, the Bank and China Post Group agreed to impose an initial cap on the composite rate (the “**Composite Rate**”) for deposit agency fee (the “**Cap on Composite Rate**”) at 1.50% in 2016.

After the proactive adjustment to the deposit agency fee rates in 2025, the current Scaled Fee Rates for all types of deposits are set out in the table below:

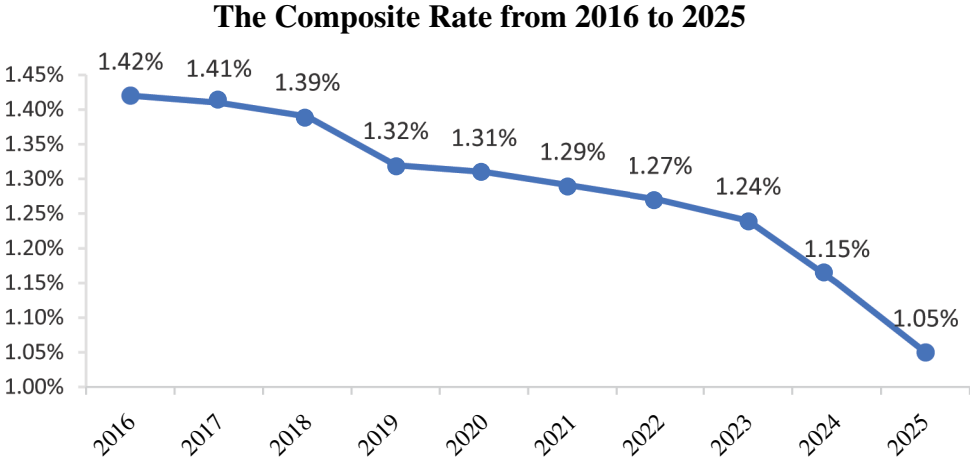
Type	Scaled Fee Rate
Demand deposits	1.943%
Time-demand optional deposits	1.242%
Call deposits	1.407%
3-month time deposits	1.060%
6-month time deposits	0.985%
1-year time deposits	0.963%
2-year time deposits	0.142%
3-year time deposits	0.019%
5-year time deposits	0.000%
Daily aggregate cash (including cash in transit)	-1.500%

Deposit agency fee is calculated according to the Scaled Fee Rates and the aggregate amount of deposit for each type of deposit. The formula is as follows: monthly deposit agency fee at the relevant outlet = \sum (aggregate amount of deposit for each type of deposit at the outlet for the month \times the respective deposit agency fee rate¹ of the relevant type of deposit/365) – aggregate cash (including cash in transit) for the month at the relevant outlet \times 1.50%/365.

Deposit agency fee is only payable for the agency deposits received by the Bank, deducting the deposit agency fee corresponding to the “cash at the relevant outlet” (comprising the reserves held by agency outlets and the agency deposits in transit). 1.50% (being the initial Composite Rate set and implemented in 2011) instead of the actual Composite Rate for any relevant year is applied for calculating the fee corresponding to the “cash at the relevant outlet” which is to be deducted from the total deposit agency fee payable.

Overview of the actual Composite Rate

The Composite Rate for each year is calculated from the Scaled Fee Rates and the daily average balance of deposits with different maturities during the year, and the Composite Rate derived varies with the Bank’s agency deposit structure. Since the listing of H Shares of the Bank in 2016, the Composite Rate decreased from 1.42% by 37 BPs to 1.05% in 2025, representing a decrease of 25.93%, as shown in the following chart:



Note: Adjustments to the deposit agency fee rates were made in 2022, 2024 and 2025, in particular, the Composite Rates of 2022 and 2024 were calculated in sections based on the Scaled Fee Rates prior to and after the adjustment; and the Composite Rate of 2025 was calculated based on the Scaled Fee Rates after the adjustment.

(II) Adjustment to deposit agency fee rates and background

The proactive adjustment and passive adjustment mechanisms for the deposit agency fee pricing for the agency Renminbi personal deposit taking business are clearly prescribed under the Agency Banking Businesses Framework Agreement signed between the Bank and China Post Group in 2016. In 2024 passive adjustment, both parties reached a consensus on strengthening the application of the proactive adjustment mechanism. In 2025, both parties implemented the proactive adjustment for the first time. In response to the current operational conditions of

¹ Namely, the Scaled Fee Rates listed in the above table.

declining market interest rates and to reasonably optimise the Bank's composite cost of liabilities, in 2026, both parties reached a consensus and proposed to launch a new round of proactive adjustment to deposit agency fee rates for Agency Renminbi Deposit Taking Business.

According to the Agency Banking Businesses Framework Agreement, the proactive adjustment refers to the adjustment to the Scaled Fee Rates according to factors such as actual business demands by both parties. Where the Composite Rate derived from the adjusted Scaled Fee Rates and the daily average balance of each type of deposits for the preceding accounting year does not exceed the Cap on Composite Rate (1.50%):

- (1) If the Composite Rate will remain the same as the actual Composite Rate for the preceding accounting year, such adjustment will be determined by negotiations between China Post Group and the Bank and a supplemental agreement shall be entered into;
- (2) If the Composite Rate will be different from the actual Composite Rate for the preceding accounting year, the decision-making procedure below shall be followed for such adjustment and a supplemental agreement shall be entered into: The Related Party Transactions Control Committee under the Board shall conduct a review and issue its written opinion to the Board for consideration; all independent non-executive Directors shall express their written opinion after considering the advice of an independent financial advisor; the Board shall then make a resolution.

(III) Adjustment plan for the deposit agency fee rates

The Bank, along with China Post Group, based on principles of fairness, impartiality, commercial sustainability, protection of Shareholders' interests, market orientation, coordination of the growth rate of deposit agency fees with the growth rate of operating income of the Bank, and smooth transition as always, strictly adhering to the relevant requirements of laws and regulations such as the Notice of the China Banking Regulatory Commission on Issuing the Measures for the Administration of Agency Business Institutions of Postal Savings Bank of China (Revision) and the Administrative Measures for Related Party Transactions of Banking and Insurance Institutions, as well as regulatory rules of places where the Bank' shares are listed, and in accordance with the Agency Banking Businesses Framework Agreement, proposes to make proactive adjustment to the deposit agency fee rates and enter into the 2026 Supplemental Agreement.

Adjustment to the Scaled Fee Rates

Having taken into account the historical changes in the market interest rates represented by the net interest spread of the Big Four² in recent years, the Bank's actual operating needs, the connection between the growth of deposit agency fees and the growth of operating income of the Bank, etc., and in consultation with China Post Group, the Bank proposes to adjust downward the Scaled Fee Rates for agency deposits with a maturity of three years and below on a pro-rata basis, with the Scaled Fee Rates for deposits with different maturities adjusted downward by 3.86% on a pro-rata basis. The details are as shown in the table below:

² i.e. Industrial and Commercial Bank of China, Agricultural Bank of China, Bank of China and China Construction Bank.

Type	Before the Adjustment	After the Adjustment	Change
Demand deposits	1.943%	1.868%	Decreased by 7.5 BPs
Time-demand optional deposits	1.242%	1.194%	Decreased by 4.8 BPs
Call deposits	1.407%	1.353%	Decreased by 5.4 BPs
3-month time deposits	1.060%	1.019%	Decreased by 4.1 BPs
6-month time deposits	0.985%	0.947%	Decreased by 3.8 BPs
1-year time deposits	0.963%	0.926%	Decreased by 3.7 BPs
2-year time deposits	0.142%	0.137%	Decreased by 0.5 BPs
3-year time deposits	0.019%	0.018%	Decreased by 0.1 BPs
5-year time deposits	0.000%	0.000%	–
Daily aggregate cash (including cash in transit)	-1.500%	-1.500%	–

Note: After the adjustment to the Scaled Fee Rates for deposits with different maturities on a pro-rata basis, they are rounded to three decimal places.

As a result of the above adjustments, the Scaled Fee Rates for agency deposits with a maturity of three years and below are adjusted downward on a pro-rata basis. The higher the Scaled Fee Rate, the more basis points it is reduced by in this adjustment. After the adjustment, the Scaled Fee Rates continue to reflect the principle that longer maturities correspond to lower rates. The Scaled Fee Rates for demand deposits, time-demand optional deposits, call deposits, and time deposits with maturities of three months, six months, one year, two years, and three years are reduced by 7.5 BPs, 4.8 BPs, 5.4 BPs, 4.1 BPs, 3.8 BPs, 3.7 BPs, 0.5 BPs and 0.1 BPs, respectively.

The adjusted Scaled Fee Rates shall become effective from the date of approval by the Board of Directors. Considering that nearly 3 months have passed from the beginning of the year to this proactive adjustment, and in order to better reflect the changes in the interest rate environment and to protect the interests of minority Shareholders, upon negotiation between the Bank and China Post Group, it is proposed that the deposit agency fees incurred for the period from January 1, 2026 to the date of the Board approval shall be settled in accordance with the adjusted Scaled Fee Rates.

2026 SUPPLEMENTAL AGREEMENT

The details of the Supplemental Agreement are set out below:

Date of Signing : March 27, 2026

Contracting Parties : The Bank and China Post Group

- Adjustment to the Scaled Fee Rates : The deposit agency fees for the Agency Renminbi Deposit Taking Business continue to follow the current principle of “Fixed Rate, Scaled Fees Based on Deposit Types”, i.e. different deposit agency fee rates are applicable to savings deposits with different maturities. The existing Scaled Fee Rates shall be subject to adjustment, and please refer to the above “Adjustment to Deposit Agency Fee Rates for Agency Renminbi Personal Deposit Taking Business – Adjustment plan for the deposit agency fee rates” for specific adjustment method.
- Conditions Precedent : The 2026 Supplemental Agreement shall not take effect until all of the following conditions are satisfied:
1. The 2026 Supplemental Agreement shall be signed by the legal representatives/persons-in-charge or their authorized representatives of both parties and affixed with official seals of both parties;
 2. The relevant contents of the 2026 Supplemental Agreement are approved by the Board of the Bank.

The 2026 Supplemental Agreement is an alteration of the Agency Banking Businesses Framework Agreement and shall have the same legal effect as the Agency Banking Businesses Framework Agreement. To the extent of any inconsistency between the 2026 Supplemental Agreement and the Agency Banking Businesses Framework Agreement, the 2026 Supplemental Agreement shall prevail. Upon the entry into force of the 2026 Supplemental Agreement, the provisions regarding adjustment to the Scaled Fee Rates under the 2025 Supplemental Agreement will be repealed.

REASONS FOR AND BENEFITS OF THE ADJUSTMENT AND THE ENTERING INTO OF THE 2026 SUPPLEMENTAL AGREEMENT

For a long time, agency deposits have played a vital role in the development of the Bank. Agency deposits of more than RMB11 trillion provide the Bank with a long-term, stable and relatively low-cost source of funding, provide strong support to the development of the Bank’s credit business, provide solid guarantee for asset layout and funds utilization, and enhance the Bank’s ability to continuously serve the real economy and promote inclusive finance.

Based on the agency deposits in 2025 and a simulative calculation using the adjusted Scaled Fee Rates, the Composite Rate is adjusted downward by 4 BPs from 1.05% to 1.01%, and deposit agency fees drop from RMB118.520 billion by RMB4.572 billion to RMB113.948 billion.

INTERNAL CONTROL MEASURES

To ensure that the terms of the Agency Banking Businesses Framework Agreement (as amended by the 2026 Supplemental Agreement) are fair and reasonable and that the transactions contemplated thereunder are conducted on normal commercial terms, the Bank has adopted the following internal control measures:

- The Bank shall re-comply with the announcement and Independent Shareholders' approval requirements before any proposed substantial amendment to the terms of the Agency Banking Businesses Framework Agreement pursuant to Rule 14A.54 of the Hong Kong Listing Rules;
- The Bank's Independent Non-executive Directors shall review the transactions under the Agency Banking Businesses Framework Agreement every year pursuant to Rule 14A.55 of the Hong Kong Listing Rules and confirm in the annual report whether such transactions are: (1) entered into in the Bank's ordinary and usual course of business; (2) conducted on normal commercial terms or better; and (3) carried out in accordance with the Agency Banking Businesses Framework Agreement on terms that are fair and reasonable and in the interests of the Shareholders as a whole;
- In the event that the Composite Rate for a certain year is expected to exceed the Cap on Composite Rate (namely 1.50%), it will be regarded as a material change to the Agency Banking Businesses Framework Agreement and will require compliance with the circular, independent financial adviser's opinion and Independent Shareholders' approval requirements under the Hong Kong Listing Rules. The adjustment to Scaled Fee Rates in other scenarios will also be subject to the supervision by the Related Party Transactions Control Committee under the Board, Independent Non-executive Directors, the Board and/or the Independent Shareholders to varying degrees, and will be disclosed by way of announcement;
- The Board shall report annually to the Shareholders' general meeting on the implementation of related party transaction management systems, operation of the Related Party Transactions Control Committee under the Board as well as the related party transactions, mainly covering the Composite Rate of Renminbi deposit agency fee, market interest rate and other matters as specified by laws and regulations;
- The Bank will disclose in the annual reports the information in respect of the Agency Deposit Taking Business (in respect of Agency Renminbi Deposit Taking Business, the Composite Rates, the Scaled Fee Rates, the daily average balance of deposits with different maturities and the corresponding deposit agency fee for the relevant year; in respect of Agency Foreign Currency Deposit Taking Business, the pricing principle of the deposit agency fee for short-term and long-term agency deposits for the relevant year) and Agency Banking Intermediary Businesses (including the fees and commissions paid in the relevant year); and
- The transactions under the Agency Banking Businesses Framework Agreement shall be reviewed by accountants engaged by the Bank on an annual basis pursuant to Rule 14A.56 of the Hong Kong Listing Rules.

HONG KONG LISTING RULES IMPLICATIONS

China Post Group, as the controlling Shareholder of the Bank, holds approximately 51.87% of the total issued ordinary share capital of the Bank as at the date of this announcement. Therefore, China Post Group constitutes a connected person of the Bank under Chapter 14A of the Hong Kong Listing Rules, and the Agency Banking Businesses Framework Agreement, the 2026 Supplemental Agreement and the transactions contemplated thereunder constitute continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules.

Pursuant to Rule 14A.54(2) of the Hong Kong Listing Rules, if the Bank proposes to effect a material change to the terms of the continuing connected transaction agreement, the Bank will be required to re-comply with the relevant provisions of Chapter 14A of the Hong Kong Listing Rules in respect of the relevant continuing connected transactions. The Adjustment does not involve any material change to the terms of the continuing connected transaction agreement by the Bank.

As the Composite Rate (1.01%) derived from the adjusted Scaled Fee Rates and the average daily balance of each type of deposits for the preceding accounting year (2025) is different from the actual Composite Rate (1.05%) for the preceding accounting year but does not exceed the Cap on Composite Rate (1.50%), according to the terms under the Agency Banking Businesses Framework Agreement, the Adjustment is subject to consideration by the Board and the signing of a supplemental agreement, and is not required to be submitted to the Shareholders' general meeting of the Bank for consideration.

BOARD CONFIRMATION

The Directors (including the Independent Non-executive Directors) believe that the 2026 Supplemental Agreement is entered into in the ordinary and usual course of business of the Bank on normal commercial terms. The Adjustment and the entering into of the 2026 Supplemental Agreement are fair and reasonable and in the interests of the Bank and the Shareholders as a whole.

For the Adjustment and the entering into of the 2026 Supplemental Agreement, except for Mr. Zheng Guoyu, Mr. Lu Wei, Ms. Yao Hong, Mr. Liu Xin'an, Mr. Zhang Xuanbo, Mr. Liu Ruigang and Ms. Chen Xue, none of the Directors has a material interest in the above matters and is required to abstain from voting on the Board resolution approving the above matters. The above Directors have abstained from voting on the resolution.

INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee comprising all Independent Non-executive Directors has been established to advise on the Adjustment and the entering into of the 2026 Supplemental Agreement. Please refer to Appendix I of this announcement for details.

An Independent Financial Adviser, Altus Capital, has been appointed by the Bank to advise the Independent Board Committee on the Adjustment and the entering into of the 2026 Supplemental Agreement. Please refer to Appendix II of this announcement for details.

The Independent Board Committee and the Independent Financial Adviser are of the opinion that the Adjustment and the entering into of the 2026 Supplemental Agreement are in the interests of the Bank and the Shareholders as a whole.

GENERAL INFORMATION OF THE BANK AND CHINA POST GROUP

The Bank is a leading large-scale retail bank in China with a large customer base and sound asset quality. The major businesses of the Bank include personal banking, corporate banking and treasury business.

In accordance with the national regulations, China Post Group conducts diversified operations with postal services, express logistics, finance and e-commerce as its main businesses. China Post Group is principally engaged in domestic and international mail delivery; domestic and international parcel express delivery; distribution of publications such as newspapers, journals and books; stamp issuance; postal remittance; confidential correspondence; postal financial business; postal logistics; e-commerce; postal agency businesses; and other businesses conducted as stipulated by the state.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms and expressions have the following meanings:

“2022 Supplemental Agreement”	supplemental agreement to the Agency Banking Businesses Framework Agreement (2022) dated September 29, 2022 between the Bank and China Post Group with conditions precedent
“2024 Supplemental Agreement”	supplemental agreement to the Agency Banking Businesses Framework Agreement (2024) dated September 30, 2024 between the Bank and China Post Group with conditions precedent
“2025 Supplemental Agreement”	supplemental agreement to the Agency Banking Businesses Framework Agreement (2025) dated March 27, 2025 between the Bank and China Post Group with conditions precedent
“2026 Supplemental Agreement”	supplemental agreement to the Agency Banking Businesses Framework Agreement (2026) dated March 27, 2026 between the Bank and China Post Group with conditions precedent
“Adjustment to Deposit Agency Fee Rates” or “Adjustment”	the Bank and China Post Group’s proposed proactive adjustment of deposit agency fee rates of agency Renminbi personal deposit taking business under the Agency Banking Businesses Framework Agreement, details of which are set out in this announcement
“Agency Banking Businesses Framework Agreement”	the agency banking businesses framework agreement dated September 7, 2016 between the Bank and China Post Group
“associate(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules

“Bank”	Postal Savings Bank of China Co., Ltd., a joint stock limited liability company incorporated in the PRC in accordance with PRC laws, including its predecessors, branches and sub-branches, directly-operated outlets and agency outlets (to the extent of agency outlets’ operations, risk management and licenses in relation to agency banking businesses they conduct) and subsidiaries (where the context so requires)
“Board” or “Board of Directors”	the board of Directors of the Bank
“China Post Group”	China Post Group Corporation Limited, a wholly state-owned company restructured from the former China Post Group Corporation in accordance with the Company Law of the People’s Republic of China, is the controlling Shareholder of the Bank
“connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Director(s)”	the director(s) of the Bank
“H Share(s)”	Ordinary Share(s) in the share capital of the Bank with a nominal value of RMB1.00 each, which is (are) subscribed for and traded in Hong Kong dollars and listed on the Hong Kong Stock Exchange
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Independent Board Committee”	the independent board committee comprising Mr. Wen Tiejun, Mr. Chung Shui Ming Timpson, Ms. Pan Yingli, Mr. Tang Zhihong, Mr. Hong Xiaoyuan, Mr. Yang Yong and Mr. Pu Yonghao, the Independent Non-executive Directors
“Independent Financial Adviser” or “Altus Capital”	Altus Capital Limited, a corporation licensed to carry on Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, has been appointed as the independent financial adviser to advise the Independent Board Committee in relation to the Adjustment to Deposit Agency Fee Rates and entering into of the 2026 Supplemental Agreement
“Independent Shareholder(s)”	the Shareholder(s) of the Bank except for China Post Group and its associates
“Prospectus”	prospectus of the Bank dated September 14, 2016
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shareholder(s)”	holder(s) of Shares of the Bank
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
Postal Savings Bank of China Co., Ltd.
Du Chunye
Joint Company Secretary

Beijing, the PRC
March 27, 2026

As at the date of this announcement, the Board of the Bank comprises Mr. Zheng Guoyu as Chairman of the Board and Non-executive Director; Mr. Lu Wei and Ms. Yao Hong as Executive Directors; Mr. Liu Xin'an, Mr. Zhang Xuanbo, Mr. Liu Ruigang, Ms. Chen Xue, Mr. Hu Yuting, Mr. Ding Xiangming and Mr. Yu Mingxiong as Non-executive Directors; Mr. Wen Tiejun, Mr. Chung Shui Ming Timpson, Ms. Pan Yingli, Mr. Tang Zhihong, Mr. Hong Xiaoyuan, Mr. Yang Yong and Mr. Pu Yonghao as Independent Non-executive Directors.

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



POSTAL SAVINGS BANK OF CHINA CO., LTD.
中國郵政儲蓄銀行股份有限公司

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

(Stock Code: 1658)

**CONTINUING CONNECTED TRANSACTION: ADJUSTMENT TO
DEPOSIT AGENCY FEE RATES AND THE ENTERING INTO OF
THE 2026 SUPPLEMENTAL AGREEMENT**

We refer to the announcement of the Bank dated March 27, 2026 (the “**Announcement**”), in relation to, among others, the Bank and China Post Group propose to make a proactive adjustment to deposit agency fee rates for the agency Renminbi personal deposit taking business under the Agency Banking Businesses Framework Agreement. Unless otherwise defined, terms used herein shall have the same meanings as those defined in the Announcement.

We have formed the Independent Board Committee to provide opinions on as to whether, in our opinion, the 2026 Supplemental Agreement has been entered into in the ordinary and usual course of business of the Bank on normal commercial terms, on whether the Adjustment to Deposit Agency Fee Rates and the entering into of the 2026 Supplemental Agreement are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Bank and the Shareholders as a whole.

Altus Capital has been appointed as the Independent Financial Adviser to advise us in this regard. The details of the recommendations, together with the major considerations and reasons for reaching the recommendations, are set out in the Letter from Altus Capital on pages 13 to 30 of the Announcement.

After considering the information contained in the Announcement, the interests of Independent Shareholders and the opinions and suggestions of Altus Capital, we are of the opinion that the 2026 Supplemental Agreement is entered into in the ordinary and usual course of business of the Bank on normal commercial terms, the Adjustment to Deposit Agency Fee Rates and the entering into of the 2026 Supplemental Agreement are fair and reasonable and in the interests of the Bank and the Shareholders as a whole.

Independent Board Committee

Wen Tiejun	Chung Shui Ming Timpson	Pan Yingli	Tang Zhihong	Hong Xiaoyuan	Yang Yong	Pu Yonghao
<i>Independent Non- executive Director</i>	<i>Independent Non- executive Director</i>	<i>Independent Non- executive Director</i>	<i>Independent Non- executive Director</i>	<i>Independent Non- executive Director</i>	<i>Independent Non- executive Director</i>	<i>Independent Non- executive Director</i>

The following is the text of a letter of advice from the Independent Financial Adviser to the Independent Board Committee in relation to the Adjustment to Deposit Agency Fee Rates and the entering into of the 2026 Supplemental Agreement.

ALTUS
Altus Capital Limited
21 Wing Wo Street
Central
Hong Kong

March 27, 2026

To the Independent Board Committee

Dear Sirs,

**CONTINUING CONNECTED TRANSACTIONS AND
ADJUSTMENT TO DEPOSIT AGENCY FEE RATES FOR AGENCY
RENMINBI PERSONAL DEPOSIT-TAKING BUSINESS**

OVERVIEW

The proactive adjustment mechanism for the personal deposit agency fee rates for the agency Renminbi deposit-taking business is clearly prescribed under the Agency Banking Businesses Framework Agreement signed between Postal Savings Bank of China Co., Ltd. (the “**Bank**”) and China Post Group Corporation Limited (“**China Post Group**”) on September 7, 2016. Having considered the sustained low level of market interest rates and the actual operational conditions of the Bank, in order to achieve a sustainable and healthy development of the “directly-operated + agency” model, the Bank and China Post Group negotiated in accordance with the Agency Banking Businesses Framework Agreement and the 2025 Supplemental Agreement, and propose to proactively adjust the Renminbi deposit agency fee rates for personal deposit-taking business, and enter into the 2026 Supplemental Agreement.

Altus Capital Limited (“**Altus Capital**”) has been engaged to issue an independent financial adviser’s written opinion (the “**Report**”) in relation to the Adjustment to Deposit Agency Fee Rates, which has been prepared for the purposes of incorporation into the announcement of the Bank dated March 27, 2026 (the “**Announcement**”). Capitalised terms used in this letter shall have the same meanings as those defined in the Announcement unless the context requires otherwise.

PRINCIPAL FACTORS AND REASONS CONSIDERED FOR THE ADJUSTMENT

1. Basic information on the connected transaction

1.1. General information of the Bank and China Post Group

The Bank is a leading large-scale retail bank in China with a large customer base and sound asset quality. The major businesses of the Bank include personal banking, corporate banking and treasury business.

In accordance with the national regulations, China Post Group conducts diversified operations with postal services, express logistics, finance and e-commerce as its main businesses. China Post Group is principally engaged in domestic and international mail delivery; domestic and international parcel express delivery; distribution of publications such as newspapers, journals and books; stamp issuance; postal remittance; confidential correspondence; postal financial business; postal logistics; e-commerce; postal agency businesses; and other businesses conducted as stipulated by the state.

1.2. Basic information relating to the agency deposit business

According to the Agency Banking Businesses Framework Agreement, China Post Group provides, among others, Renminbi personal deposit-taking business (the “**Agency Renminbi Deposit-Taking Business**”) and foreign currency personal deposit-taking business (“**Agency Foreign Currency Deposit-Taking Business**”) (the Agency Renminbi Deposit-Taking Business and the Agency Foreign Currency Deposit-Taking Business are collectively referred to as the “**Agency Deposit-Taking Business**”).

Both the Bank and China Post Group shall follow a proprietary “directly-operated + agency” operation model for an indefinite term and neither of them shall have the right to terminate the agency relationship. The Agency Banking Businesses Framework Agreement took effect from the date of execution (i.e. September 7, 2016) and would be valid for an indefinite period subject to compliance with the requirements of the regulatory rules of the place where the shares of the Bank are listed or if the relevant requirements are waived. At the time of the listing of the Bank’s H shares in 2016 and A shares in 2019, given that it is not feasible to estimate the annual caps due to the special nature of the agency banking businesses, waivers from strict compliance with the requirement that the term of the agreement must not exceed three years and the requirement to set annual caps in terms of monetary value had been applied for and granted by The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) according to the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”); and, in accordance with the relevant requirements of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the review and disclosure as a related party transaction had been waived.

The Bank and China Post Group entered into the 2022 Supplemental Agreement on September 29, 2022 to adjust the scaled fee rates for deposit agency fees for the Agency Renminbi Deposit-Taking Business and reset the trigger conditions of the passive adjustment, details of which were set out in the Bank’s circular dated October 14, 2022. In addition, the Bank and China Post Group entered into the 2024 Supplemental Agreement on September 30, 2024 to adjust the scaled fee rates for deposit agency fees for the Agency Renminbi Deposit-Taking Business and reset the trigger conditions of the passive adjustment, details of which were set out in the Bank’s circular dated October 9, 2024. Subsequently, the Bank and China Post Group entered into the 2025 Supplement Agreement on March 27, 2025 to proactively adjust the Renminbi deposit agency fee rates, details of which were set out in the Bank’s announcement dated March 27, 2025.

1.3. The particularity of the “directly-operated + agency” model and its significance to the business development of the Bank

1.3.1. The “directly-operated + agency” model is based on a unique policy approval

According to the Notice of the State Council on Issue of the Postal Service System Reform Plan (Guo Fa [2005] No. 27) and the Notice of the CBRC on Issuing Measures for the Administration of Agency Business Institutions (Amended) for PSBC (Yin Jian Fa [2015] No. 49), both the Bank and China Post Group shall follow a proprietary “directly-operated + agency” operation model for an indefinite period and neither of them is entitled to terminate the agency arrangement.

In view of the unique “directly-operated + agency” model in the banking industry in China, the Bank was granted a waiver on the term and caps for its agency banking businesses by the regulatory authorities when its H shares were listed in 2016 and A shares were listed in 2019.

1.3.2. The significance of the “directly-operated + agency” model for the business development of the Bank

The “directly-operated + agency” model has positive implications for the business development of the Bank.

Firstly, by operating under the “directly-operated + agency” model, the Bank leads the Big Four (as defined below) in terms of the number of outlets. According to the Interim Report of the Bank for 2025, as at June 30, 2025, the Bank had 39,188 outlets, with approximately 19.2% being directly-operated outlets and 80.8% being agency outlets respectively. According to publicly available information, as at June 30, 2025, the number of outlets or domestic branches of each of Industrial and Commercial Bank of China Limited, Agricultural Bank of China Limited, Bank of China Limited and China Construction Bank Corporation (the “**Big Four**”) was 15,333, 22,914, 10,279 and 14,143 respectively.

Secondly, the agency outlets provide an important source of deposits. According to the information provided by the Bank as at December 31, 2025, the deposits taken through agency outlets accounted for approximately 80% of the Bank’s personal deposits.

1.4. Pricing mechanism for deposit agency fee

1.4.1. Agency Renminbi Deposit-Taking Business

In respect of the Agency Renminbi Deposit-Taking Business, the Bank calculates the deposit agency fees according to the principle of “Fixed Rate, Scaled Fees Based on Deposit Type”, i.e. different fee rates are applicable to deposits with different maturities (the “**Scaled Fee Rates**”), and the actual weighted average deposit agency fee rate based on the Scaled Fee Rates and daily average balance of agency deposits of each type (“**Composite Rate**”).

Formula for the deposit agency fee corresponding to each type of deposit based on the Scaled Fee Rates is set out below:

Monthly deposit agency fee at the relevant outlet = Σ (aggregate amount of deposit for each type of deposit at the outlet for the month \times the respective deposit agency fee rate¹ of the relevant type of deposit/365) – aggregate cash (including that in transit) for the month at the relevant outlet \times 1.50%/365

When the above formula is used to calculate the actual deposit agency fee to be paid by the Bank, the corresponding deposit agency fee for the cash of the outlet (i.e. reserve funds retained by the agency outlet and agency deposits in transit) will be deducted.

Fixed Rate, Scaled Fees Based on Deposit Type

The fixed rate for each type of deposit varies with the maturity of the deposit, with Scaled Fee Rates ranging from 0.000% to 1.943%. The daily average balance and Scaled Fee Rates of each type of agency deposit of the Bank and the deposit agency fees of the relevant type of deposit paid to China Post Group in 2023, 2024 and 2025 are set out below.

Table 1

In RMB million, except for percentages

Type	2025			2024				2023		
	Daily average balance	Scaled Fee Rates after adjustment (%) (Note 1)	Deposit agency fee	Daily average balance	Scaled Fee Rates before adjustment (%) (Note 2)	Scaled Fee Rates after adjustment (%) (Note 2)	Deposit agency fee	Daily average balance	Scaled Fee Rates (%)	Deposit agency fee (%)
Demand deposits	2,213,308	1.943	43,005	2,131,125	2.330	1.992	46,016	2,080,719	2.330	48,481
Time-demand optional deposits	12,344	1.242	153	13,565	1.500	1.302	190	14,853	1.500	223
Call deposits	16,100	1.407	227	20,467	1.700	1.475	331	42,286	1.700	719
3-month time deposits	147,377	1.060	1,562	171,583	1.250	1.085	2,011	166,080	1.250	2,076
6-month time deposits	239,138	0.985	2,356	257,800	1.150	1.001	2,770	252,535	1.150	2,904
1-year time deposits	7,351,445	0.963	70,794	6,412,608	1.100	0.999	67,193	5,318,262	1.100	58,501
2-year time deposits	329,881	0.142	468	507,639	0.350	0.149	1,298	611,376	0.350	2,140
3-year time deposits	940,514	0.019	179	893,786	0.100	0.020	529	810,787	0.100	811
5-year time deposits	11,343	0.000	0	6,989	0.000	0.000	0	4,655	0.000	0
Daily aggregate cash (including cash in transit)	14,918	- 1.500	- 224	15,048	- 1.500	- 1.500	- 225	15,467	- 1.500	- 232
Total	11,261,450	1.05 (Note 3)	118,520	10,415,562	1.15 (Note 3)		120,113	9,301,553	1.24 (Note 3)	115,623

¹ Namely, the Scaled Fee Rate.

Notes:

1. The Scaled Fee Rates were adjusted during 2025 pursuant to the 2025 Supplemental Agreement.
2. The Scaled Fee Rates were adjusted during 2024 pursuant to the 2024 Supplemental Agreement.
3. i.e. the Composite Rate of the relevant year.

Composite Rate

The Composite Rate for each year is calculated based on the Scaled Fee Rates and daily average balance of each type of deposit during the year, which varies with the composition of agency deposits of the Bank from year to year. The Cap on Composite Rate is set at 1.50% as prescribed in the Agency Banking Businesses Framework Agreement. From 2016 to 2025, the Composite Rate of the deposit agency fee for Renminbi personal deposits was 1.42%, 1.41%, 1.39%, 1.32%, 1.31%, 1.29%, 1.27%, 1.24%, 1.15% and 1.05% respectively, representing a cumulative decline of 37 BPs.

1.5. Adjustment method of deposit agency fee rates and decision-making procedures

1.5.1. Agency Renminbi Deposit-Taking Business

The deposit agency fee rate adjustment for Agency Renminbi Deposit-Taking Business includes proactive adjustment and passive adjustment. The Adjustment is a proactive adjustment.

Proactive adjustment mechanism and decision-making procedures

According to the Agency Banking Businesses Framework Agreement, the Bank and China Post Group adjust the deposit agency fee rates based on factors including the actual operational needs. Where the Composite Rate derived from the adjusted Scaled Fee Rates and the daily average balance of each type of deposits for the preceding accounting year does not exceed the Cap on Composite Rate (1.50%):

- (1) If the Composite Rate will remain the same as the actual Composite Rate for the preceding accounting year, such adjustment will be determined by negotiations between China Post Group and the Bank and a supplemental agreement shall be entered into;
- (2) If the Composite Rate will be different from the actual Composite Rate for the preceding accounting year, the decision-making procedure below shall be followed for such adjustment and a supplemental agreement shall be entered into: the Related Party Transactions Control Committee shall conduct a review and issue its written opinion to the Board for consideration; all independent Directors shall express their written opinion after considering the advice of an independent financial advisor; the Board shall then make a resolution.

Since entering into the Agency Banking Businesses Framework Agreement, the Bank and China Post Group entered into the 2025 Supplemental Agreement on March 27, 2025 to proactively adjust the Renminbi deposit agency fee rates. Details are set out in the announcement of Postal Savings Bank of China dated March 27, 2025.

In accordance with the Agency Banking Businesses Framework Agreement, as shown in Table 3 below, as the simulated Composite Rate (1.01%²) calculated based on the adjusted Scaled Fee Rates and the average daily balance of each type of deposits for 2025 is different from the actual Composite Rate (1.05%) for the preceding accounting year but does not exceed the Cap on Composite Rate (1.50%), the Adjustment is subject to consideration by the Board and the signing of the Supplemental Agreement.

The Independent Board Committee has been formed to advise the Board as to whether, in its opinion, the 2026 Supplemental Agreement was entered into in the ordinary and usual course of business of the Bank on normal commercial terms, and whether the Adjustment to Deposit Agency Fee Rates and the entering into of the 2026 Supplemental Agreement are fair and reasonable and in the interests of the Bank and the Shareholders as a whole.

2. Hong Kong Listing Rules implications

China Post Group, as the controlling Shareholder of the Bank, holds approximately 51.87% of the total issued ordinary share capital of the Bank as at the Latest Practicable Date. Therefore, China Post Group constitutes a connected person of the Bank under Chapter 14A of the Hong Kong Listing Rules, and the 2026 Supplemental Agreement and the transactions contemplated thereunder constitute continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules.

Pursuant to Rule 14A.54(2) of the Hong Kong Listing Rules, if the Bank proposes to effect a material change to the terms of the continuing connected transaction agreement, the Bank will be required to re-comply with the relevant provisions of Chapter 14A of the Hong Kong Listing Rules in respect of the relevant continuing connected transactions. The Adjustment does not involve any material change to the terms of the continuing connected transaction agreement by the Bank. At the same time, as disclosed in the Prospectus, in the event that the Composite Rate for a certain year is expected to exceed the Cap on Composite Rate (1.50%), it will be regarded as a material change to the terms of the Agency Banking Businesses Framework Agreement and will require compliance with the circular, independent financial advice and Independent Shareholders' approval requirements under the Hong Kong Listing Rules. Given the adjusted Composite Rate does not exceed the Cap on Composite Rate, the adjustment to the Scaled Fee Rates under such circumstances will only be subject to scrutiny by the Related Party Transactions Control Committee, independent non-executive Directors, and the Board.

² Please refer to Table 3 for the results of the simulated calculations.

3. Independent Financial Adviser

3.1. Purpose of this Report and the role of the independent financial adviser

Altus Capital, a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of the Hong Kong Special Administrative Region), has been appointed as the Independent Financial Adviser to the Independent Board Committee.

As the independent financial adviser to the Independent Board Committee, our role is to give an independent opinion to the Independent Board Committee as to: (i) whether the 2026 Supplemental Agreement was entered into in the ordinary and usual course of business of the Bank on normal commercial terms; and (ii) whether the adjustment to deposit agency fee rates of Agency Renminbi Deposit-Taking Business and the entering into and the terms of the 2026 Supplemental Agreement are fair and reasonable and in the interests of the Bank and the Shareholders as a whole.

Altus Capital had acted as the independent financial adviser of the Bank for: (i) the discloseable and connected transaction in relation to the transfer of the beneficial interest of the trusts and the beneficial interest of the asset management plan; (ii) the adjustment to the deposit agency fee rates of the Agency Deposit-Taking Business; and (iii) the adjustment to the deposit agency fee rates of the Agency Renminbi Deposit-Taking Business, details of which were set out in the Bank's circulars dated June 7, 2024 and October 9, 2024 and the announcement of the Bank dated March 27, 2025.

Except for the above transactions, Altus Capital has not acted as an independent financial adviser or financial adviser in respect of any transactions of the Bank in the last two years from the date of the Report. In accordance with Rule 13.84 of the Hong Kong Listing Rules, and given that the remuneration of Altus Capital for its engagement to opine on the Adjustment to Deposit Agency Fee Rates is at market level, and that the engagement of Altus Capital is on normal commercial terms, Altus Capital is independent of and not associated with the Bank, its controlling Shareholder or connected person(s).

3.2. Basis and assumptions of the opinion of the Independent Financial Adviser

In formulating our opinion, we have carried out the following work: (i) reviewing the relevant materials, including: (1) the prospectus for the initial public offering of shares (A shares) of the Bank dated November 6, 2019; (2) the prospectus for H shares of the Bank dated September 14, 2016; (3) the annual reports for A shares and H shares of each of the Big Four for the years 2020 to 2024 and their interim reports for 2025; (4) the annual reports for A shares and H shares of the Bank for the years 2020 to 2024 and its interim report for 2025; and (5) other materials provided by the Bank; (ii) communicating with the relevant staff of the Bank to understand the operation of the pricing mechanism of the deposit agency fee; and (iii) reviewing the questions and concerns of small and medium investors in relation to the deposit agency fee on public channels.

We have also relied on the information, opinions and statements provided to us by the Bank and the management. We have assumed that all the information, opinions and statements provided by the Bank and the management in relation to the Bank were reasonably made after due and careful enquiry and were true, accurate and complete at the time they were made and up to the Latest Practicable Date. We consider that we have been provided with, and have reviewed, sufficient data to reach an informed view and provide a reasonable basis for our opinion.

4. Background of the Adjustment to Deposit Agency Fee Rates

The Bank is advancing towards its goal of building a first-class large retail bank that is more inclusive, balanced, stable, intelligent and dynamic. The directly-operated outlets and agency outlets are the two channels for its retail banking business to obtain deposits from retail customers. Generally, the establishment of directly-operated outlets may incur expenses related to site selection with scientific methods, rental and maintenance of offices, employment of outlet staff and business operations, as well as depreciation of offices and equipment. Compared to the establishment of directly-operated outlets, the Bank only needs to pay deposit agency fee for deposits received through agency outlets. If the deposit agency fee is reasonable, the agency outlets model will continuously attract deposits for the Bank, and help to promote synergistic development with China Post Group.

In addition to considering the factors that lead to the proactive adjustment mechanism, we have also taken into account the following market conditions.

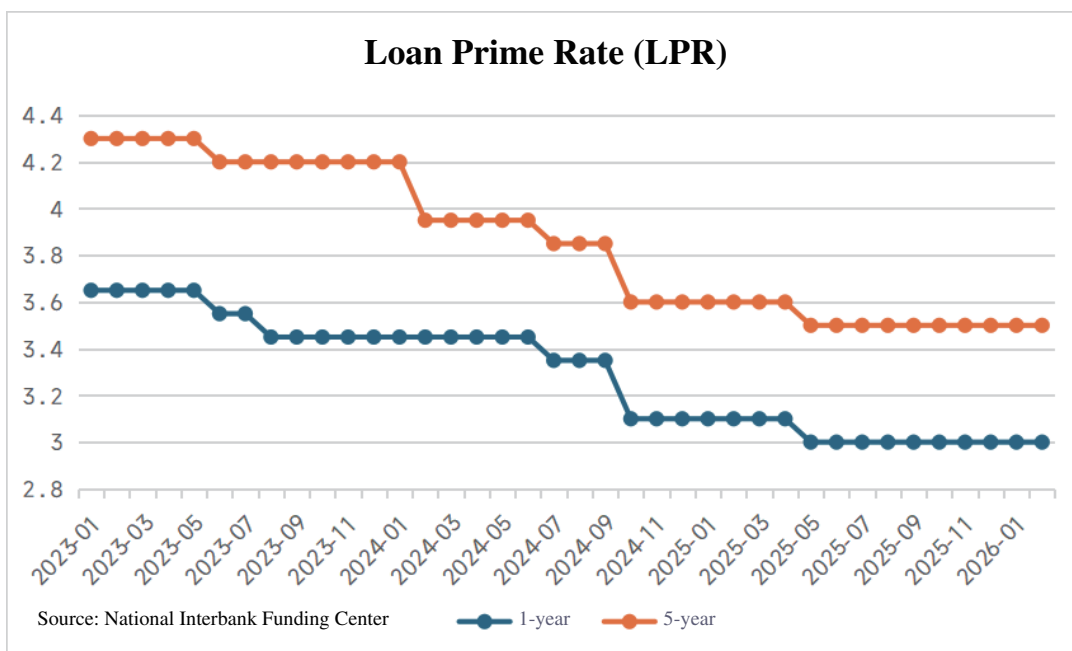
4.1. Downward movement of net interest spread

Considering the recent years' downward trend and the current sustained low level of the market interest rates and the net interest spread of the commercial banks, we believe that the Bank's proactive adjustment to the Renminbi deposit agency fee rates to control the overall cost of absorbing RMB deposits is in the interests of the Bank and the Shareholders as a whole.

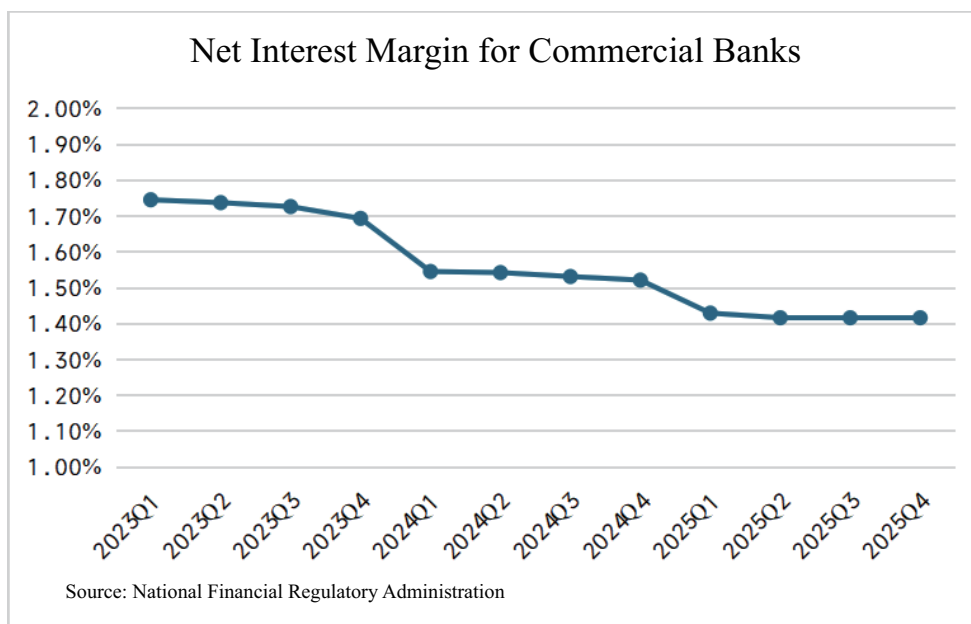
4.2. Downward movement of loan interest rates and net interest margin

With the further development of interest rate liberalization reforms in China, the overall interest rate environment has shown the following changes since 2023:

(1) The loan interest rates are declining continuously, which remain at low levels currently. The following table outlines the trends of the Loan Prime Rate (LPR) for both one-year and five-year terms since January 2023.



(2) The overall net interest margin for commercial banks is narrowing. The table below outlines the historical quarterly data of the overall net interest margin in the banking industry since the first quarter of 2023.



Since the adjustment to the Scaled Fee Rates pursuant to the 2022 Supplemental Agreement effective from November 1, 2022 and the adjustment to the Scaled Fee Rates pursuant to the 2025 Supplemental Agreement effective from March 27, 2025, loan interest rates and net interest margins for commercial banks have continued to decline in recent years and are currently at low levels. Against the backdrop of changes in the overall interest rate environment, given that deposits are the primary source of loan funding and deposit agency fee is part of the Bank's comprehensive cost of Renminbi deposit-taking, we believe that the Bank's proactive adjustment to the Renminbi deposit agency fee rates to control the overall cost of absorbing RMB deposits is in the interests of the Bank and the Shareholders as a whole.

4.3. Section conclusion

Taking into account that the continuous downward trends in the loan interest rates, net interest margins and net interest spreads for commercial banks in recent years, together with the current interest rate environment and the persistently low net interest margin of commercial banks, we believe that the Bank's proactive adjustment to the deposit agency fee rates of Agency Renminbi Deposit-Taking Business to control the overall cost of absorbing RMB deposits is a proactive measure. We also believe that by responding more proactively to market environment and enhancing its proactive liability management capabilities, the Bank can promote the long-term healthy development of its Agency Deposit-Taking Business, which is not only beneficial to the Bank but also in the interest of the Shareholders as a whole.

5. Adjustment plan of the agency fee rates of Agency Renminbi Deposit-Taking Business

The Bank, along with China Post Group, continues to adhere to the principles of fairness, impartiality, commercial sustainability, protection of shareholders' interests, market orientation, coordinated growth rate between the deposit agency fees and the revenue of the Bank, and smooth transition and strictly abides by the relevant requirements of laws and regulations such as the Notice of the China Banking Regulatory Commission on Issuing the Measures for the Administration of Agency Business Institutions of Postal Savings Bank of China (Revision) and the Administrative Measures for Related Party Transactions of Banking and Insurance Institutions, as well as regulatory rules of places where the Bank's shares are listed. In accordance with the Agency Banking Businesses Framework Agreement and the 2025 Supplemental Agreement, and based on the Bank's negotiations with China Post Group, the Bank proposes to adjust the deposit agency fees rates.

5.1. Adjustment plan of the agency fee rates of Agency Renminbi Deposit-Taking Business

5.1.1. Adjustment to the Scaled Fee Rates

Taking into account the historical changes in market interest rates represented by the net interest margin of the Big Four in recent years, the actual operating needs of the Bank, the relationship between the growth of deposit agency fee and the growth of the Bank's operating income, and in accordance with the principle of reasonably guiding and optimizing the liability structure of the Bank and reducing the comprehensive cost, the Bank, in consultation the China Post Group, proposes to adjust downward the Scaled Fee Rates for agency deposits with a maturity of three years and below.

The specific adjustment to the Scaled Fee Rates is as follows:

Table 2

Type	Before the Adjustment	After the Adjustment	Change
Demand deposits	1.943%	1.868%	Decreased by 7.5 BPs
Time-demand optional deposits	1.242%	1.194%	Decreased by 4.8 BPs
Call deposits	1.407%	1.353%	Decreased by 5.4 BPs
3-month time deposits	1.060%	1.019%	Decreased by 4.1 BPs
6-month time deposits	0.985%	0.947%	Decreased by 3.8 BPs
1-year time deposits	0.963%	0.926%	Decreased by 3.7 BPs
2-year time deposits	0.142%	0.137%	Decreased by 0.5 BPs
3-year time deposits	0.019%	0.018%	Decreased by 0.1 BPs
5-year time deposits	0.000%	0.000%	–
Daily aggregate cash (including cash in transit)	-1.500%	-1.500%	–

According to the table above, the Scaled Fee Rates for agency deposits with a maturity of three years and below are adjusted downward by 3.86%. The higher the Scaled Fee Rate, the greater the reduction in basis points. After the adjustment, the Scaled Fee Rates continue to demonstrate the feature that longer-term deposits are associated with lower Scaled Fee Rates. The Scaled Fee Rates for demand deposits, time-demand optional deposits, call deposits, 3-month time deposits, 6-month time deposits, 1-year time deposits, 2-year time deposits and 3-year time deposits are respectively reduced by 7.5BPs, 4.8BPs, 5.4BPs, 4.1BPs, 3.8BPs, 3.7BPs, 0.5BPs and 0.1BPs.

We have reviewed the composition of agency deposits of the Bank for the recent three years (2023-2025), and noted that:

- (i) Deposits with a maturity of less than one year (excluding one-year): The portion over total daily average balance of agency deposits (i.e. the proportion of the daily average balance of the relevant type of deposits over total daily average balance of agency deposits) decreased from approximately 27.5% in 2023 to approximately 23.3% in 2025, representing a cumulative drop of approximately 4.1 percentage points.
- (ii) One-year time deposits: The portion over total daily average balance of agency deposits has continued to increase, rising from approximately 57.2% in 2023 to approximately 65.3% in 2025, representing a cumulative increase of approximately 8.1 percentage points, making it the largest portion of Renminbi agency deposits.

- (iii) Time deposits with a maturity of over one year (excluding one-year): The portion over total daily average balance of agency deposits decreased from approximately 15.3% in 2023 to approximately 11.4% in 2025, representing a cumulative drop of approximately 4.0 percentage points. For the five-year time deposits, there was no significant change in the portion over total daily average balance of agency deposits.

We noted that the Scaled Fee Rates for agency deposits with a maturity of three years and below are adjusted downwards. The adjusted Scaled Fee Rates maintained the characteristic of lower Scaled Fee Rates for longer deposit terms. Based on the analysis above, we believe that the adjustment to the Scaled Fee Rates for agency deposits of different maturities under the adjustment plan reflects the value guidance for agency deposits of different maturities and enhances the Bank's proactive liability management capability. Moreover, given that deposit agency fee is part of the Bank's comprehensive cost of Renminbi deposit-taking, we believe that the Bank's proactive adjustment to the Renminbi deposit agency fee rates to control the overall cost of absorbing RMB deposits is in the interests of the Bank and the Shareholders as a whole.

The adjusted Scaled Fee Rates shall become effective from the date of approval by the Board of Directors. Considering that nearly 3 months have passed from the beginning of the year to this proactive adjustment, and in order to better reflect the changes in the interest rate environment and to protect the interests of minority Shareholders, upon negotiation between the Bank and China Post Group, it is proposed that the deposit agency fees incurred for the period from January 1, 2026 to the date of approval by the Board shall be settled in accordance with the adjusted Scaled Fee Rates.

5.1.2. Possible effect of the adjustment plan on the Bank: using the composition of agency deposits of 2025 (for illustrative purposes only)

Taking into account the uniqueness of the "directly-operated + agency" operation model of the Bank in the banking industry in China, it is unlikely to find any comparable transactions in the market to assess its pricing, especially the fairness of the specific Scaled Fee Rate. Composite Rate is a reflection of the combined effect of the composition of agency deposits and Scaled Fee Rate. The effect of the adjusted Scaled Fee Rate on the overall deposit agency fees is therefore reflected in the Composite Rate. Therefore, if we calculate and compare the historical Composite Rate based on the adjusted Scaled Fee Rate, the result will be able to reflect the effect of the adjustment plan (if implemented) on deposit agency fees.

For illustrative purposes only, based on the composition of agency deposits in 2025 and calculated according to the adjusted Scaled Fee Rates, the Composite Rate was adjusted downward by 4 BPs from 1.05% to 1.01%, and the deposit agency fee decreased from RMB118.520 billion by RMB4.572 billion to RMB113.948 billion. Details are as follows.

Table 3*In RMB million, except for percentages*

Type	Daily average balance	Before the Adjustment		After the Adjustment		Change in level of deposit agency fee
		Scaled Fee Rate (%)	Deposit agency fee	Scaled Fee Rate (%)	Deposit agency fee	
Demand deposits	2,213,308	1.943	43,005	1.868	41,345	Decreased by 1,660
Time-demand optional deposits	12,344	1.242	153	1.194	147	Decreased by 6
Call deposits	16,100	1.407	227	1.353	218	Decreased by 9
3-month time deposits	147,377	1.060	1,562	1.019	1,502	Decreased by 60
6-month time deposits	239,138	0.985	2,356	0.947	2,265	Decreased by 91
1-year time deposits	7,351,445	0.963	70,794	0.926	68,074	Decreased by 2,720
2-year time deposits	329,881	0.142	468	0.137	452	Decreased by 16
3-year time deposits	940,514	0.019	179	0.018	169	Decreased by 9
5-year time deposits	11,343	0.000	0	0.000	0	Unchanged
Daily aggregate cash (including cash in transit)	14,918	-1.500	-224	-1.500	-224	Unchanged
Total	11,261,450	1.052	118,520	1.012	113,948	Decreased by 4,572

Changes in net interest spread reflect the extent of changes in the interest rate environment. In order to fully reflect the market-orientated principle, the Composite Rate for the deposit agency fee can be adjusted with reference to the percentage change in the net interest spread of the Big Four.

The table below shows the average net interest spread of the Big Four from 2020 to the first half of 2025 (“1H2025”). As the annual reports of the Big Four for 2025 have not yet been released, the table below also sets out the net interest spread for the first half of 2025 for reference.

Table 4

Year	2020	2021	2022	2023	2024	1H2025
Average net interest spread	1.94%	1.86%	1.72%	1.44%	1.26%	1.18%
Average of the previous 3 years					1.47%	1.29%
Average of the previous 5 years					1.64%	1.49%

Data source: Compiled based on the A Share and H Share annual reports/interim reports of the Big Four from 2020 to 2025

In order to ensure the stability of the data, as well as to reduce the impact of contingent factors, the percentage change (-12.27%) in the average net interest spread of the Big Four in the most recent three years (2023-1H2025) (1.29%) compared with the average net interest spread of the Big Four in the three years before the last adjustment (2022-2024) (1.47%) can be used as a reference for the extent of the deposit agency fee rate adjustment. Therefore, the current adjusted agency fee rate is calculated on the basis of the agency fee rate in 2024 to reflect the changes in the market environment in recent years. On the basis of the agency fee rate of 1.15% in 2024, the Composite Rate for agency fee is calculated to be 1.01% ($1.15\% \times (1-12.27\%)$). In addition, if the three-year interval is expanded to a five-year interval, i.e. the percentage change (-9.33%) in the average net interest spread of the Big Four in the most recent five-year period (2021-1H2025) (1.49%) compared with the average net interest spread of the Big Four in the five years before the last adjustment (2020-2024) (1.64%) can be used as a reference for the extent of the deposit agency fee rate adjustment. Based on the agency fee rate of 1.15% in 2024, the Composite Rate for agency fee is calculated to be 1.05% ($1.15\% \times (1-9.33\%)$). Based on the recent three-year and five-year periods, the Composite Rates for agency fee are 1.01% and 1.05%, respectively, we further believe the Composite Rate of 1.01% after the Adjustment is reasonable.

Based on the analysis set out in this section, we are of the view that the Composite Rate of 1.01% after the Adjustment is fair, reasonable and in the interests of the Bank and the Shareholders as a whole.

5.1.3. Possible effect of the adjustment plan on the Bank: taking into account the historical trend of the composition of agency deposits and total daily average balance (for illustrative purposes only)

To further illustrate the potential effect of the Adjustment on the deposit agency fee, we consider that the adjustment to the Scaled Fee Rates, along with changes in the composition of deposits and daily average balance, will have varying degrees of impact on the total amount of deposit agency fee and the Composite Rate. We propose to measure the effect of the Adjustment on the deposit agency fee by factoring in (i) change in composition of agency deposits; and (ii) growth of the total daily average balance of agency deposits.

The analysis in this section is merely an illustrative calculation intended to demonstrate the potential long-term impact of the Adjustment and will not constitute a forecast of future deposit agency fee.

Regarding the “(i) change in composition of agency deposits”, we use the average annual change in the proportion of the daily average balance of each type of agency deposit over total daily average balance of agency deposit for the recent years to adjust the composition of agency deposits (the “**Composition Adjustment**”). Considering that the more recent changes in composition of deposits better reflect the changes in the current market environment and the depositors’ choices in this context, we use the average annual change in composition of deposits over the past three years (2023-2025) as the basis for the Composition Adjustment. The table below shows the proportion of daily average balance of each type of agency deposit to the total daily average balance for the most recent three years (2023-2025).

Table 5

Type	2023	2024	2025	Approximate average annual change (2023-2025)
	(%)	(%)	(%)	(Note)
Demand deposits	22.4	20.5	19.7	Decreased by 140BPs
Time-demand optional deposits	0.2	0.1	0.1	Generally unchanged
Call deposits	0.5	0.2	0.1	Decreased by 20BPs
3-month time deposits	1.8	1.6	1.3	Decreased by 20BPs
6-month time deposits	2.7	2.5	2.1	Decreased by 30BPs
1-year time deposits	57.2	61.6	65.3	Increased by 410BPs
2-year time deposits	6.6	4.9	2.9	Decreased by 180BPs
3-year time deposits	8.7	8.6	8.4	Decreased by 20BPs
5-year time deposits	0.1	0.1	0.1	Generally unchanged
Total	100	100	100	

Note: The average change between the current year and the previous year from 2023 to 2025.

Regarding the “(ii) growth of the total daily average balance of agency deposits”, we use the mean of the annual growth rate of the total daily average balance of agency deposit for the recent years to adjust the total daily average balance (the “**Total Balance Adjustment**”). The table below shows the total daily average balance and average annual growth rate for the last three years.

Table 6

In RMB million, except for percentages

Daily average balance of agency deposit	2023	2024	2025	Approximate average annual change (2023-2025)
				(Note)
Total	9,301,553	10,415,562	11,261,450	10.0%

Note: Mean of the percentage change between the current year and the previous year from 2023 to 2025.

As set out in the above table, the average annual growth rate of the total daily average balance for the last three years (2023-2025) is approximately 10.0%. After calculation, if we conduct Total Balance Adjustment based on the total daily average balance of agency deposits for 2025 (approximately RMB11,261,450 million), the total daily average will be approximately RMB12,387,595 million.

Assuming that a Total Balance Adjustment is conducted on the total daily average balance of agency deposits in 2025, serving as the comparison benchmark. Based on the same adjusted total daily average balance, we conducted a Composition Adjustment on the composition of agency deposits based on the average annual change for the last three years (2023-2025). With the application of the adjusted Scaled Fee Rates, we set out below the impact to the deposit agency fee and the Composite Rate.

Table 7

In RMB million, except for percentages

Type	Before the Adjustment			After the Adjustment			Change in level of deposit agency fee
	Daily average balance	Scaled Fee Rate (%)	Deposit agency fee	Daily average balance	Scaled Fee Rate (%)	Deposit agency fee	
Demand deposits	2,434,639	1.943	47,305	2,434,639	1.868	45,479	Decreased by 1,826
Time-demand optional deposits	13,578	1.242	169	13,578	1.194	162	Decreased by 7
Call deposits	17,710	1.407	249	17,710	1.353	240	Decreased by 10
3-month time deposits	162,115	1.060	1,718	162,115	1.019	1,652	Decreased by 66
6-month time deposits	263,052	0.985	2,591	263,052	0.947	2,491	Decreased by 100
1-year time deposits	8,086,590	0.963	77,874	8,086,590	0.926	74,882	Decreased by 2,992
2-year time deposits	362,869	0.142	515	362,869	0.137	497	Decreased by 18
3-year time deposits	1,034,565	0.019	197	1,034,565	0.018	186	Decreased by 10
5-year time deposits	12,477	0.000	0	12,477	0.000	0	Unchanged
Daily aggregate cash(including cash in transit)	16,410	-1.500	-246	16,410	-1.500	-246	Unchanged
Total	12,387,595	1.05	130,372	12,387,595	1.01	125,343	Decreased by 5,029

After calculation, the Composite Rate decreased from 1.05% to 1.01%, representing a decrease of 4 BPs, and corresponding deposit agency fee decreased by RMB5,029 million.

5.2. Analysis on the reasonableness of the adjustment plan

Considering that:

- (i) as illustrated in section 4 above, considering that the trends in the interest rate environment and net interest margins for commercial banks in recent years, we believe that the Bank's proactive adjustment to the Renminbi deposit agency fee rates to control the overall cost of absorbing RMB deposits is in the interests of the Bank and the Shareholders as a whole.
- (ii) as illustrated in paragraph 5.1.1. above, the adjustment to the Scaled Fee Rates for agency deposits of different maturities under the adjustment plan reflects the value guidance for agency deposits of different maturities and enhances the Bank's proactive liability management capability; and
- (iii) as illustrated in paragraphs 5.1.2. and 5.1.3. above, under certain assumptions, the adjustment plan could lower the Composite Rate and the level of deposit agency fee, which is in the interest of the Bank,

we are of the view that the adjustment to deposit agency fee rates of Agency Renminbi Deposit-Taking Business is fair and reasonable. The Adjustment is conducive to lowering the comprehensive cost, promoting the long-term healthy development of the Agency Deposit-Taking Business. In light of the aforesaid, we are of the view that (i) the 2026 Supplemental Agreement was entered into in the ordinary and usual course of business of the Bank on normal commercial terms; and (ii) the adjustment to deposit agency fee rates of Agency Renminbi Deposit-Taking Business and the entering into and the terms relating to the adjustment to deposit agency fee rates of Agency Renminbi Deposit-Taking Business under the 2026 Supplemental Agreement are fair and reasonable and in the interests of the Bank and the Shareholders as a whole.

CONCLUSION AND RECOMMENDATION

Having considered the above principal factors and reasons, we are of the view that (1) the 2026 Supplemental Agreement was entered into in the ordinary and usual course of business of the Bank on normal commercial terms; and (2) the adjustment to deposit agency fee rates of Agency Renminbi Deposit-Taking Business and the entering into and the terms of the 2026 Supplemental Agreement are fair and reasonable and in the interests of the Bank and the Shareholders as a whole.

Yours faithfully,
For and behalf of
Altus Capital Limited
Leung Churk Yin Jeanny
Responsible Officer

*Ms. Leung Churk Yin Jeanny (“**Ms. Leung**”) is a Responsible Officer of Altus Capital Limited licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO and permitted to undertake work as a sponsor. She is also a Responsible Officer of Altus Investments Limited licensed to carry on Type 1 (dealing in securities) regulated activity under the SFO. Ms. Leung has over 30 years of experience in corporate finance advisory and commercial field in Greater China, in particular, she has participated in sponsorship work for initial public offerings and acted as financial adviser or independent financial adviser in various corporate finance advisory transactions.*

Unless otherwise stated, the data in this report have been rounded. As a result, certain percentage figures, totals and subtotals may not add up exactly to the sum of the individual items. Any such differences are solely due to rounding adjustments.