

2017 Annual Results Announcement

March 29th, 2018

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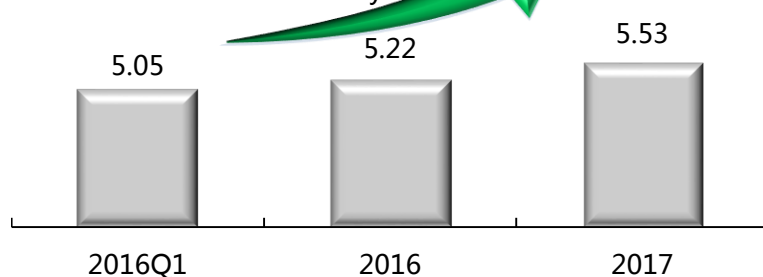
Key Milestones and Achievements Since IPO



Continuously Strengthen Large Network and Customer Base, Actively Engage Fin-tech

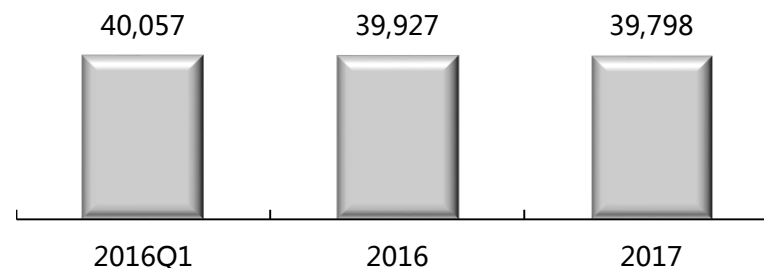
Large Customer Base and Engaged Customer Relationship

Number of individual customers (100 million)
Up by 9.50%
accumulatively



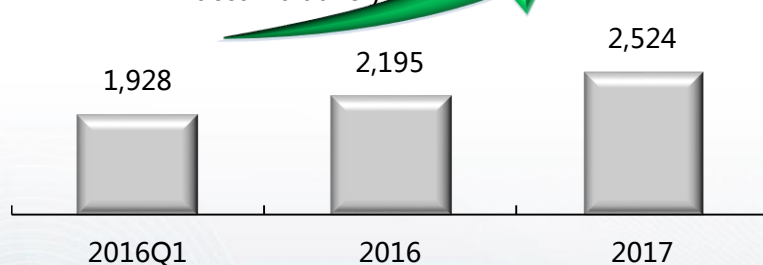
Extensive Network Coverage Deep into Rural Area

Number of outlets



Continuously Improving Customer Value

VIP customers (10,000)
Up by 30.91%
accumulatively



Improve Technology Support Capabilities



Formulate *Postal Savings Bank of China Internet Finance Development Planning Report*



As the end of 2017, the Bank deploys more than **2800 ITMs**, covering **more than 60** common counter transactions

Source: H share prospectus, PSBC Annual Reports

Note: Some figures are rounded based on the data in the prospectus and annual reports.



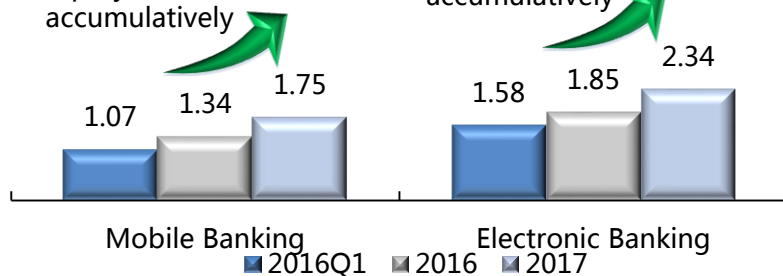
Continuously Strengthen Large Network and Customer Base, Actively Engage Fin-tech (cont'd)

Rapid Development in Mobile Banking and Electronic Banking Customer Base

Number of customers (100 million)

Up by 63.55%
accumulatively

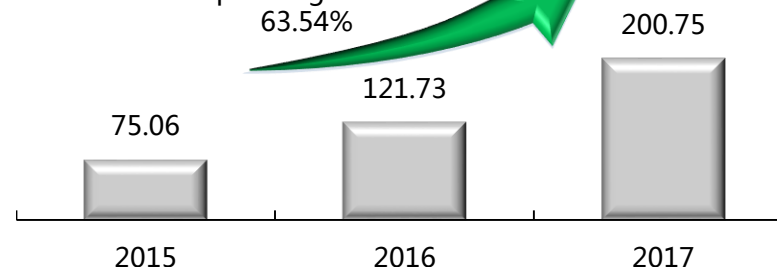
Up by 48.10%
accumulatively



Substantial Growth in Electronic Banking Transactions

Number of e-banking transactions (100 million)

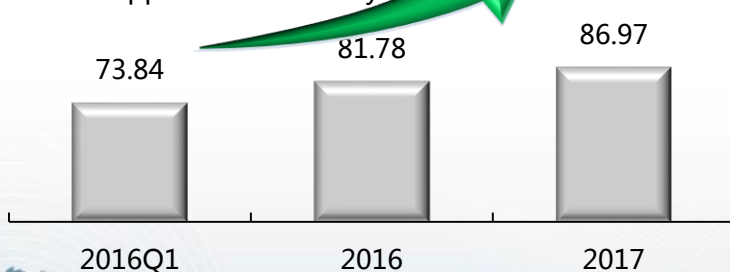
Compound growth rate
63.54%



Fast Growth in Electronic Banking Substitution Rate

Substitution ratio of electronic banking transactions (%)

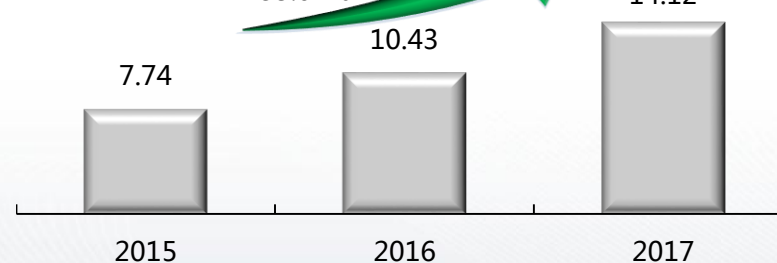
Up by
13.13ppts accumulatively



Huge Increase in E-banking Transaction Amount

E-banking transaction amount (RMB trillion)

Compound growth rate
35.07%



Source: H shares prospectus, PSBC Annual Reports

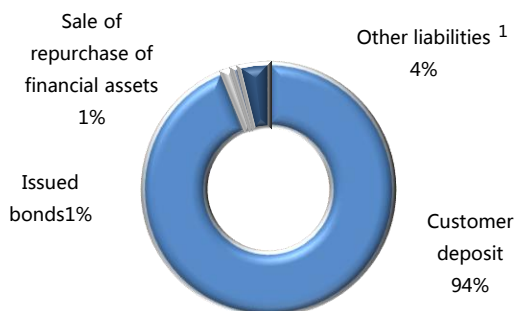
Note: Some figures are rounded based on the data in the prospectus and annual reports.



Enhance Deposit and Funding Base, Play the Role of Financial Market Stabilizer

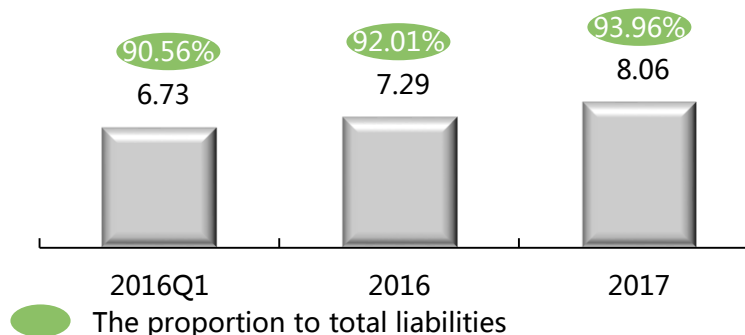
Strong Deposit Advantages in Funding Mix

Ratio of deposits to total liabilities
By the end of 2017 (%)



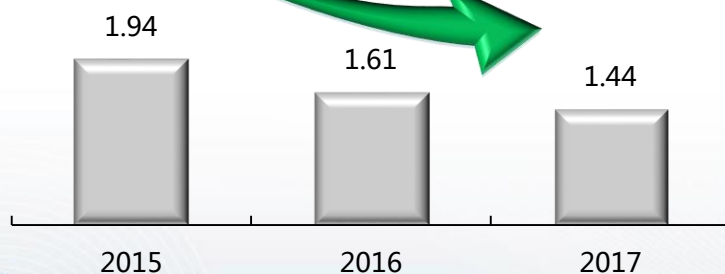
Leading Deposit Taking Capabilities

Deposit amount (RMB trillion)



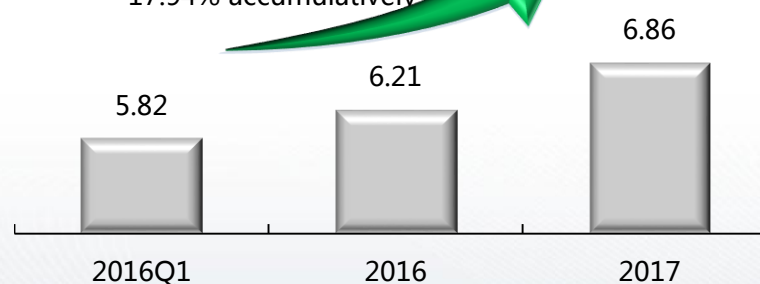
Decreasing Cost of Interest-bearing Liabilities

Average interest cost (%) Down by 50bps
accumulatively



Steadily Growing Retail Deposit

Personal deposit balance (RMB trillion)
Up by 17.94% accumulatively



Source: H shares prospectus, PSBC Annual Reports

Note: Some figures are rounded based on the data in the prospectus and annual reports.

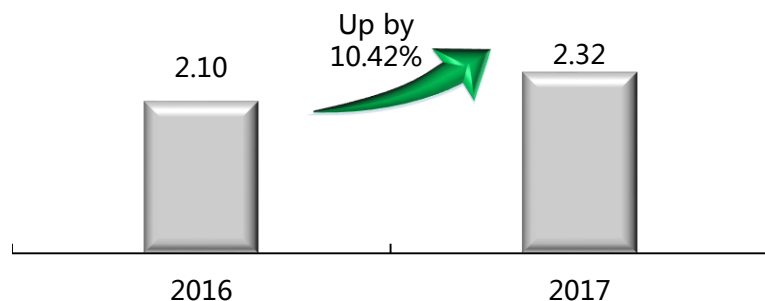
1. Other liabilities include deposits by banks and other financial institutions, loans by banks and other financial institutions, financial liabilities at fair value with value variations included in the profits and losses of the current period, derivative financial liabilities, interest payable, agent business payables, staff salaries payable, taxes payable and other liabilities.



Enhance Deposit and Funding Base, Play the Role of Financial Market Stabilizer

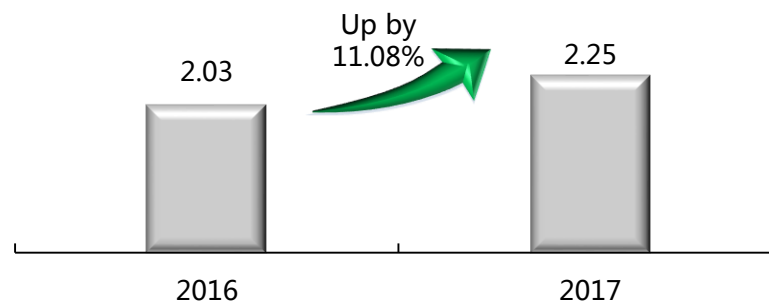
Bond Investment business

Bond investment balance (RMB trillion)



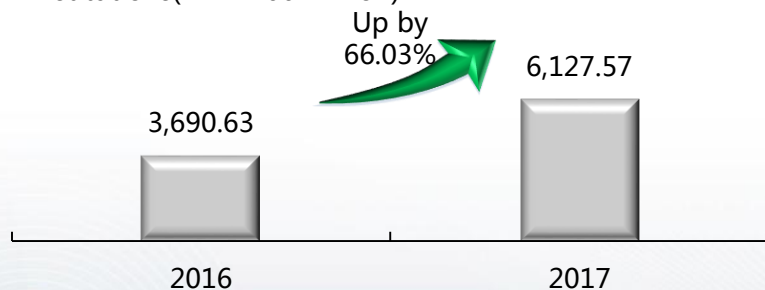
Asset Management Business

Wealth management products insurance (RMB trillion)



Interbank Financing Business

Deposits & placements with banks and other financial institutions (RMB 100 million)



Interbank Market Trading Business



The Bank has the trading qualifications and capabilities of the major products in the inter-bank local currency/foreign currency market and assumes many important roles such as first-tier dealer, market maker and SHIBOR quoting firm, etc.



In 2017, the scale of the Bank's domestic and foreign currency transactions amounted to **RMB 64.97 trillion**, with **113,500 numbers of transactions**

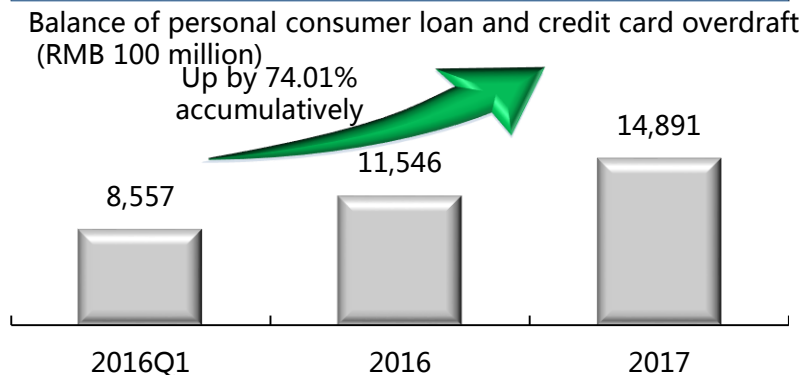
Source: PSBC Annual Report 2017

Note: Some figures are rounded based on the data in the Annual Report.

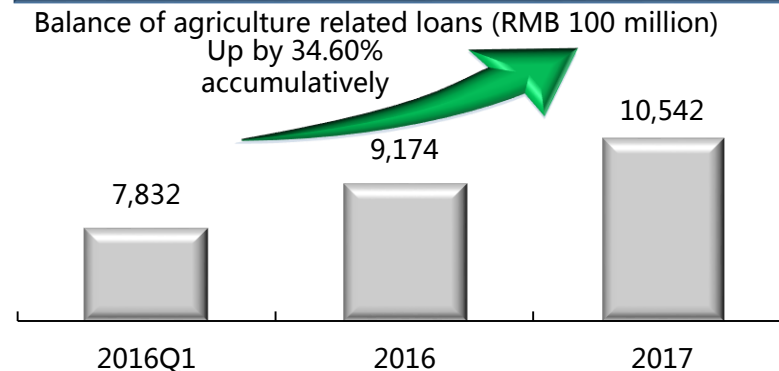


Firmly Stick with the Retail Bank Positioning and Continuously Implement Strategic Objectives

Serving Communities

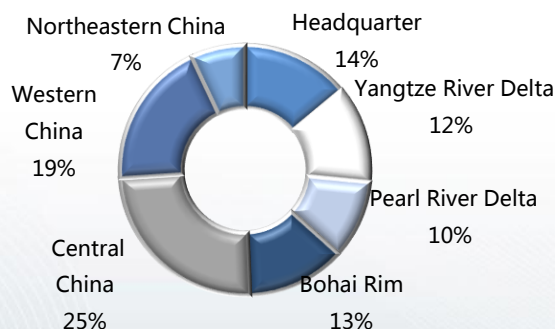


Serving Rural Areas



Balanced Regional Growth

Distribution of operating income by region by the end of 2017 (%)



Serving SMEs



Focus on emerging sectors such as technology, medical care, healthcare etc., reduce the financing costs of small and micro enterprises, and focus on improving the service level for small and micro enterprises.



In 2017, a total of **RMB 760.752 billion** of loan was disbursed to small and micro enterprises, and the number of customers who has credit in our bank reached **1.6625 million**.

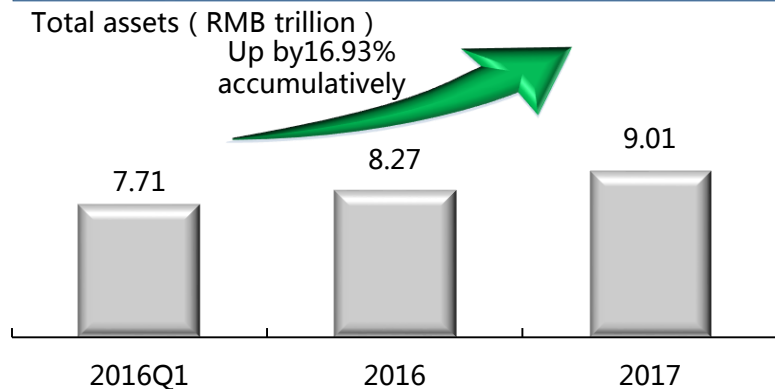
Source: H shares prospectus, PSBC Annual Reports

Note: Some figures are rounded based on the data in the prospectus and annual reports.

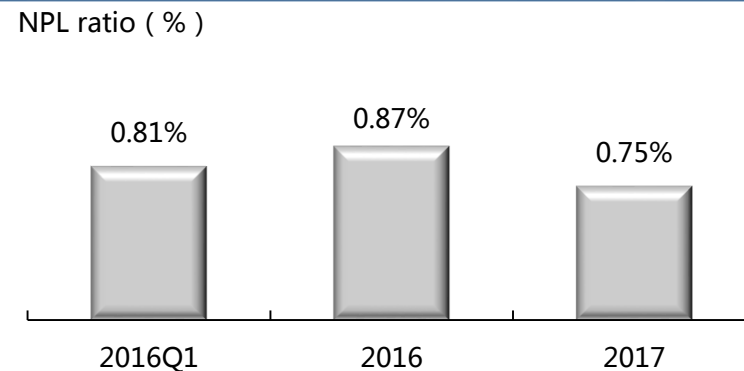


Maintain a Leading Position in Asset Quality, Build Up a Healthy Asset Base

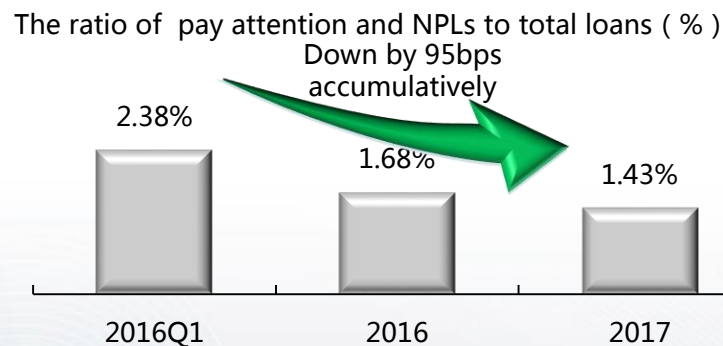
Rapid Asset Growth



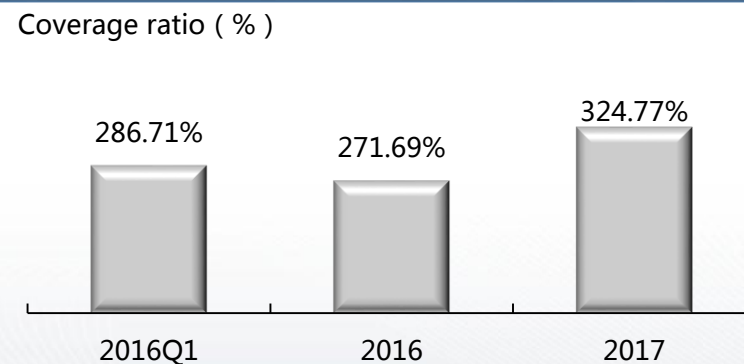
Superior Asset Quality



Transparent Asset Quality Disclosure



Prudent Risk Provisioning



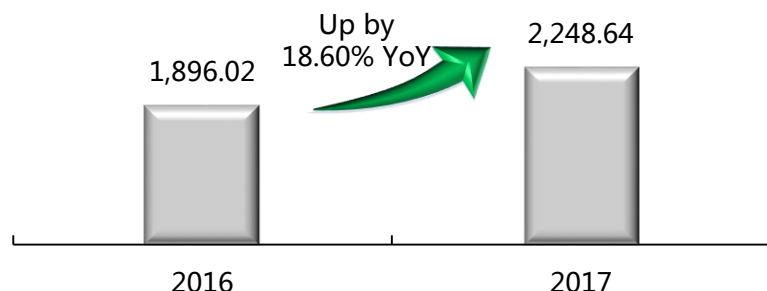
Source: H shares prospectus , PSBC Annual Reports

Note: Some figures are rounded based on the data in the prospectus and annual reports.

Strong Overall Financial Performance, Expected Growth Potentials

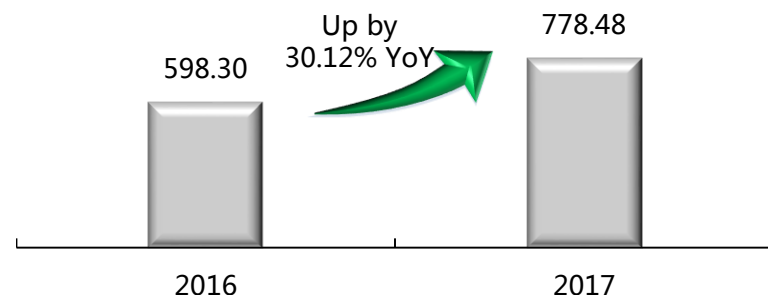
Operating Income

(RMB100 million)



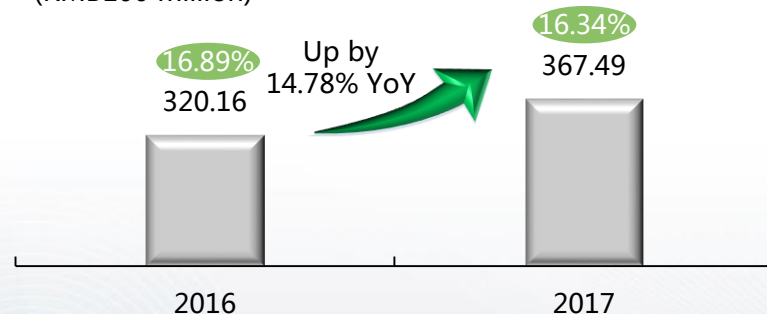
Profit before Provision

(RMB100 million)



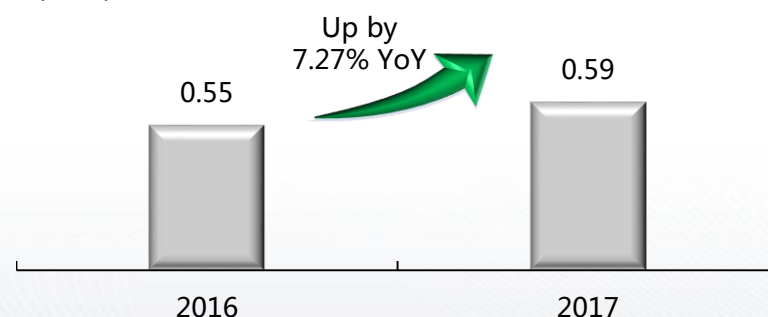
Stable Growth in Non-interest Income

(RMB100 million)



Basic Earnings per Share

(RMB)



% of operating income

Source: PSBC Annual Report 2017

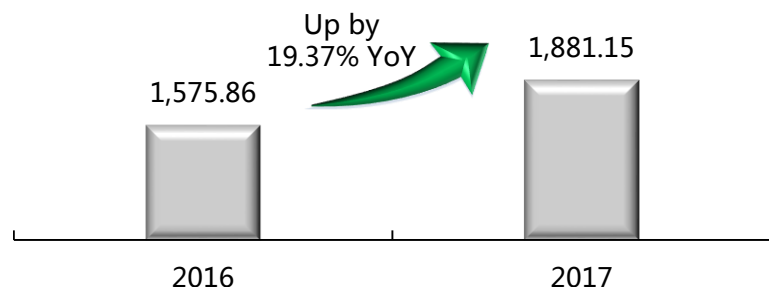
Note: Some figures are rounded based on the data in the Annual Report.



Strong Overall Financial Performance, Expected Growth Potentials (cont'd)

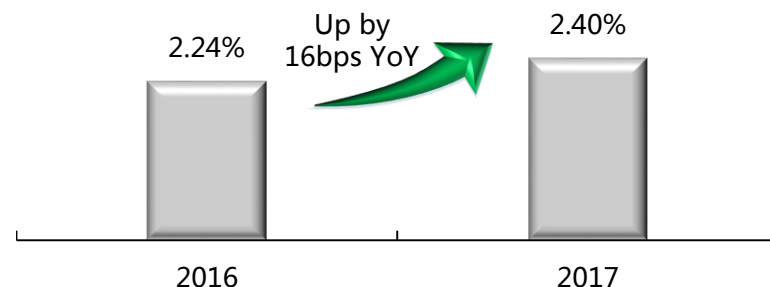
Net Interest Income

(RMB100 million)



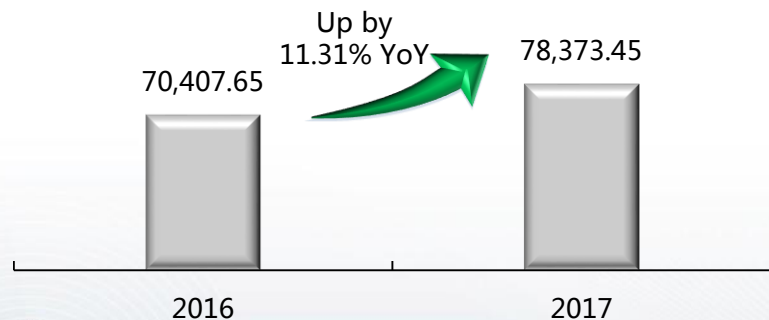
Net Interest Margin(NIM)

(%)



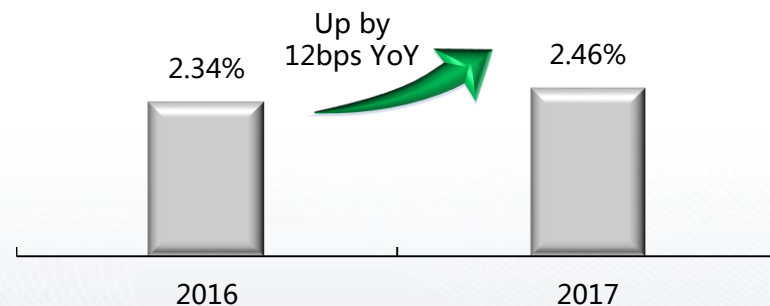
Average Balance of Interest-earning Assets

(RMB100 million)



Net Interest Spread(NIS)

(%)



Source: PSBC Annual Report 2017

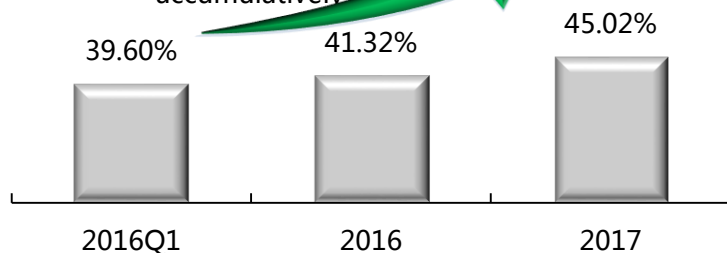
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Strong Overall Financial Performance, Expected Growth Potentials (cont'd)

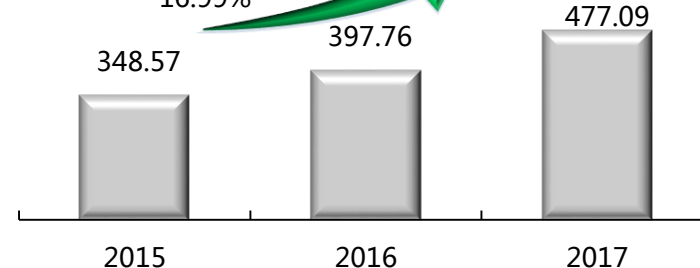
Optimizing Structure with Huge Growth Potential

Loan to deposit ratio (%)
up by 5.42ppts
accumulatively



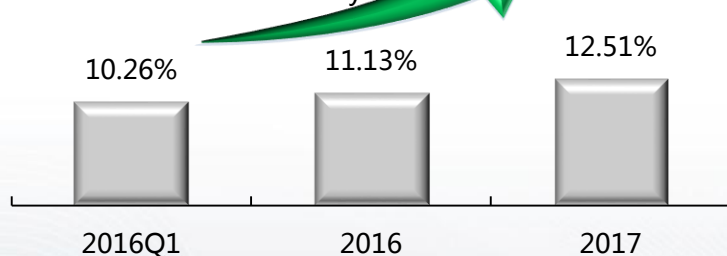
Double Digit Net Income Growth with High Profitability

Net profit (RMB 100 million)
compound growth rate
16.99%



Diversifying Funding Source with Increasing Capital Adequacy

CAR (%)
Up by 2.25ppts
accumulatively



Reputable Capital Replenishment and Excellent Credit Rating



Successfully issued **USD7.25 billion** offshore preference shares and **RMB20 billion** secondary capital bonds in 2017.

Standard & Poor's
A (stable)

Moody
A2
(positive)

Fitch
A+
(stable)

CCXI
AAA

Source: H shares prospectus , PSBC Annual Reports

Note: Some figures are rounded based on the data in the prospectus and annual reports.



Key Milestones and Achievements Since IPO

Total assets exceeded 9 trillion RMB and total deposits exceeded 8 trillion RMB



Dec 2017

- Awarded Hong Kong Corporate Governance Excellence Awards 2017 and "Golden Bauhinia" Awards- "Best Listed Company for Investor Relation Management"

Dec 2017

- Mobile phone banking users exceeded 170 million

Sept 2017

- Successfully Issued USD 7.25 billion offshore preference shares

August 2017

- Loan balance of PSBC Consumer Finance exceeded 10 billion RMB

July 2017

- Ranked 21st in terms of total assets in The Banker's list of "Top 1000 World Banks in 2017"

May 2017

- Ranked 55th on Forbes list of "Top 2000 World Listed Companies"

May 2017

- Nationally promoted Sannong Finance Department reform

March 2017

- Issued RMB 20 billion secondary capital bonds

March 2017

- Officially launched "PSBC Love Charitable Platform"



Sept 2016

- IPO in H shares

Total assets exceeded RMB 8 trillion and total deposits exceeded RMB 7 trillion

Key Financials

(RMB100 million)	20171231	20161231		
Total assets	90,125.51	82,656.22	9.04%	▲
Total loans to customers	36,301.35	30,106.48	20.58%	▲
Total liabilities	85,811.94	79,187.34	8.37%	▲
Customer deposits	80,626.59	72,863.11	10.65%	▲
	20171231	20161231		
Capital adequacy ratio	12.51%	11.13%	138bps	▲
NPL ratio	0.75%	0.87%	12bps	▼
Provision coverage ratio	324.77%	271.69%	53.08ppts	▲
(RMB100 million)	2017	2016		
Operating income	2,248.64	1,896.02	18.60%	▲
Net interest income	1,881.15	1,575.86	19.37%	▲
Non-interest income	367.49	320.16	14.78%	▲
Net profit	477.09	397.76	19.94%	▲
Net profit before provision	778.48	598.30	30.12%	▲

Source: PSBC Annual Report 2017

Note: Some figures are rounded based on the data in the Annual Report.



II

2018 Outlook



Outlook for the Future: New Thinking, New Era, New Opportunities, New Journey and New Leap



Strategic Position

Become the most reliable, most valued and first-class large retail commercial bank

External macroeconomic situation

- ✧ Deepen supply-side structural reform
- ✧ Pursue a rural vitalization strategy, targeted poverty alleviation
- ✧ Implement The belt and road initiative, open up to innovative cooperation



Internal Development Directions

- ✧ Stick to risk management bottom line, solidify transformation development base
- ✧ Serve the rural vitalization strategy, improve core competitiveness
- ✧ Engage big data application and technology innovation

Achieving sustainable growth and providing competitive returns for shareholders

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