



中国邮政储蓄银行

POSTAL SAVINGS BANK OF CHINA

# 2018 ANNUAL RESULTS PRESENTATION

29 March 2019



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01

# 2018 Results Review

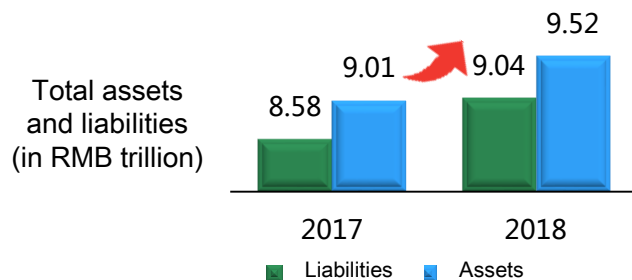
# Key Financial Indicators

| (in RMB100 million)      | 31 Dec. 2018 | 31 Dec. 2017 | Y-o-Y change |
|--------------------------|--------------|--------------|--------------|
| Total assets             | 95,162.11    | 90,125.51    | ↑ 5.59%      |
| Total loans to customers | 42,768.65    | 36,301.35    | ↑ 17.82%     |
| Total liabilities        | 90,408.98    | 85,811.94    | ↑ 5.36%      |
| Customer deposits        | 86,274.40    | 80,626.59    | ↑ 7.00%      |

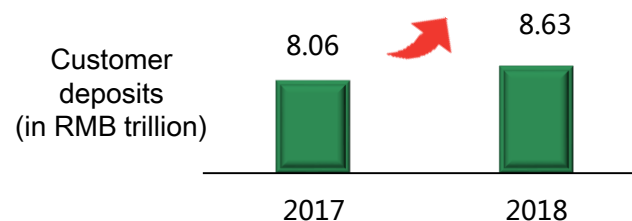
|                          | 31 Dec. 2018 | 31 Dec. 2017 | Y-o-Y change |
|--------------------------|--------------|--------------|--------------|
| Capital adequacy ratio   | 13.76%       | 12.51%       | ↑ 125bps     |
| NPL ratio                | 0.86%        | 0.75%        | ↑ 11bps      |
| Allowance coverage ratio | 346.80%      | 324.77%      | ↑ 22.03ppts  |

| (in RMB100 million)         | 2018     | 2017     | Y-o-Y change |
|-----------------------------|----------|----------|--------------|
| Operating income            | 2,612.45 | 2,248.64 | ↑ 16.18%     |
| Net interest income         | 2,341.22 | 1,881.15 | ↑ 24.46%     |
| Net fee & commission income | 144.34   | 127.37   | ↑ 13.32%     |
| Net profit                  | 523.84   | 477.09   | ↑ 9.80%      |

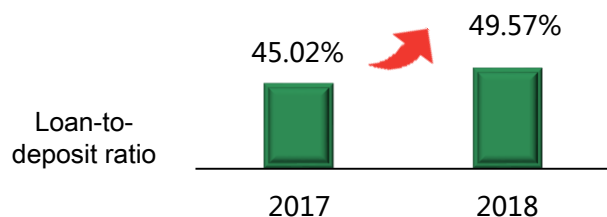
- Total assets and liabilities grew by **5.59%** and **5.36%** respectively compared to prior year end.



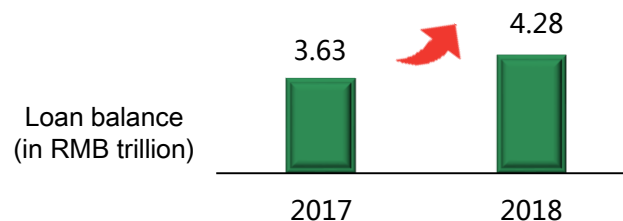
- Customer deposits grew by **7.00%** compared to prior year end.



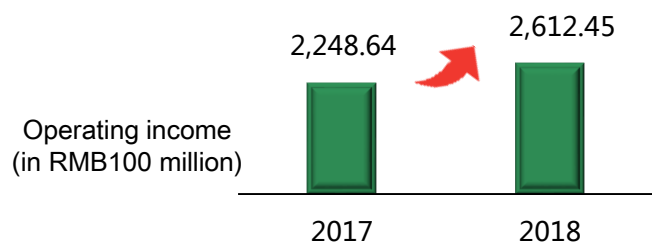
- Loan-to-deposit ratio improved by **4.55ppts**



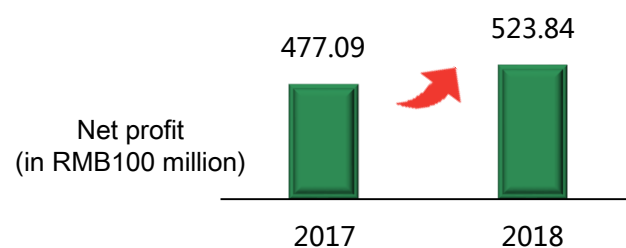
- Loan balance increased by **17.82%** compared to prior year end.



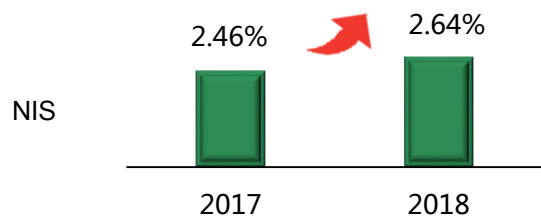
- YoY increase of operating income **16.18%**



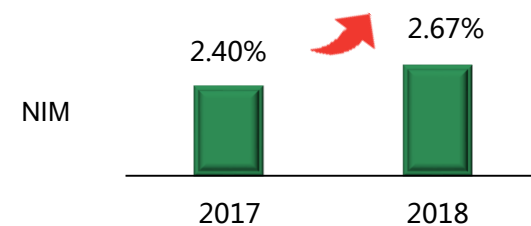
- YoY increase of net profit **9.80%**



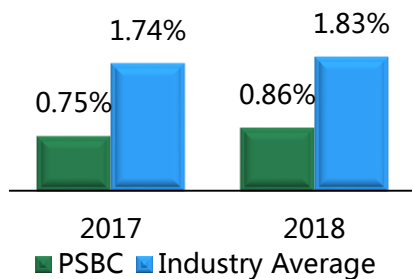
- YoY increase of net interest spread **18bps**



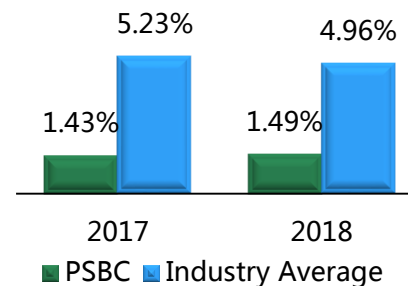
- YoY increase of net interest margin **27bps**



- NPL ratio

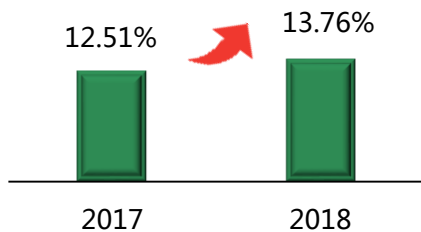


- Percentage of NPLs and special mention loans

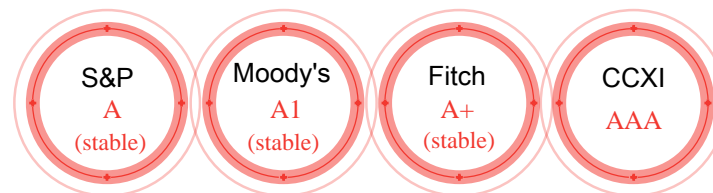


- YoY increase of CAR

125bps



- Excellent credit ratings

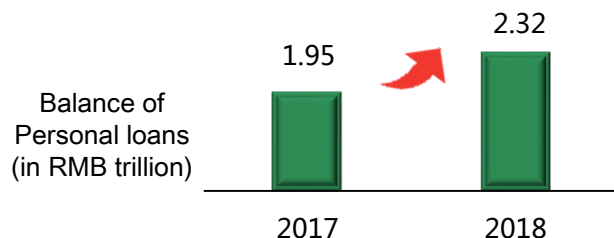




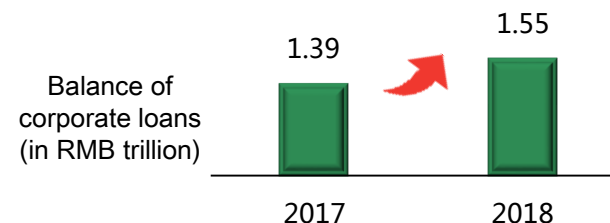
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# 2018 Business Highlights

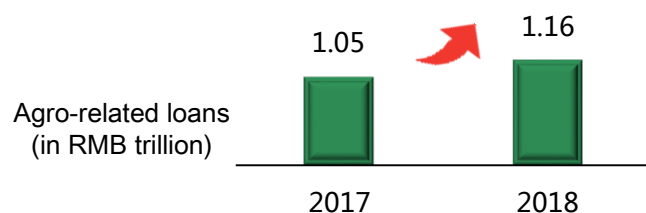
- Balance of personal loans grew by **19.18%** compared to prior year end.



- Balance of corporate loans increased by **11.53%** compared to prior year end.



- Balance of agro-related loans grew by **10.18%** compared to prior year end.



- Supporting private enterprises and small and micro businesses

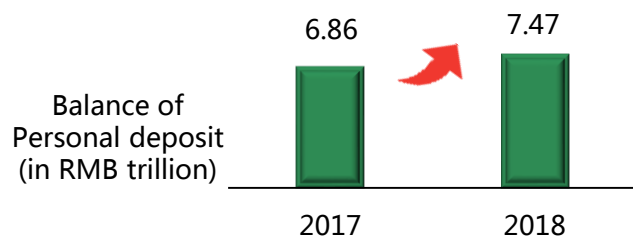


Twenty measures under five categories have been formulated and introduced to support the development of private enterprises which are in line with the direction of economic structure upgrading, having prospects for development and are competitive in the market.

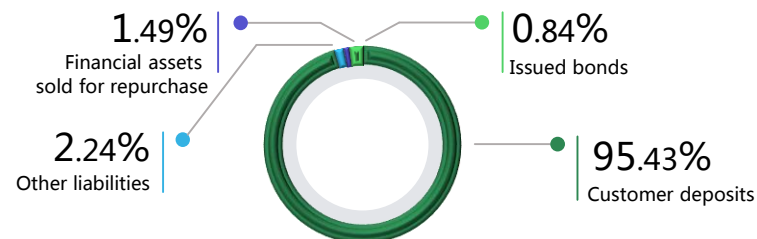


Continuously improve the portfolio structure, boost economic growth through financial market activities, take the initiative to play a major role as a large-sized bank, and actively implement regulatory requirements.

- Balance of personal deposit grew by **8.84%** compared to prior year end.

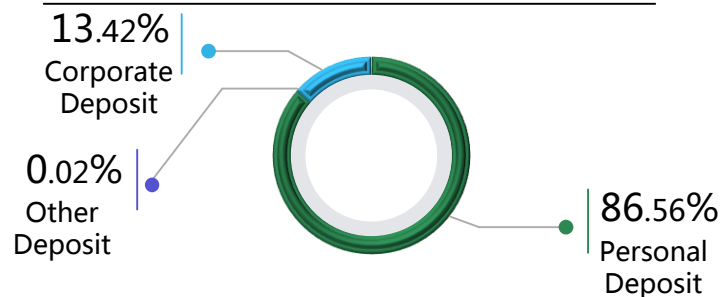


- Breakdown of liabilities




Note: Other liabilities include deposits from banks and other financial institutions, placements from banks and other financial institutions, financial liabilities at fair value through profit or loss, payments to be made and settled, interest payable, dividends payable, provisions, payroll payable and other liabilities.


- Breakdown of deposits



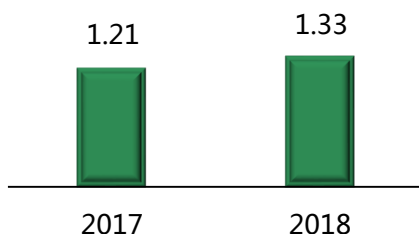
Note: Other deposits consist of remittances outstanding, credit card deposits and outbound remittance, etc.

- Further consolidate our advantage in liabilities

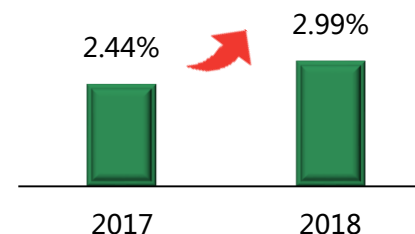
 The incremental amount of savings deposits and our market share in savings deposits ranking among the top in the industry

 Stable liabilities with controllable costs  
Deposit funding cost 1.41%

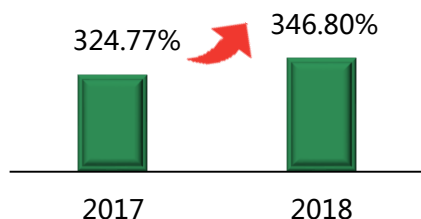
- NPL / Loans overdue for more than 90 days



- Allowance to loan ratio improved by 55bps



- Allowance coverage ratio improved by 22.03ppts



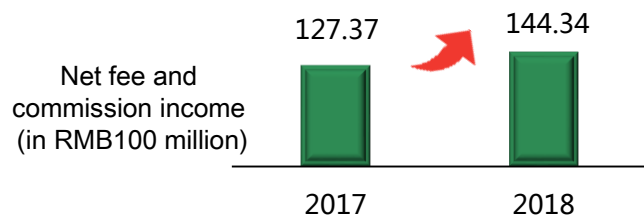
- Risk management



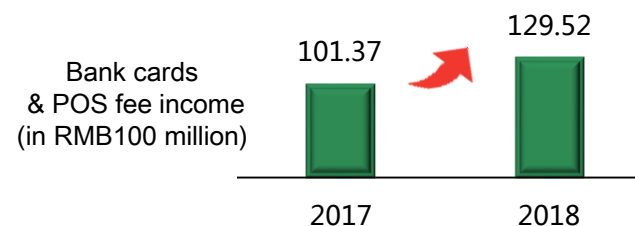
Bearing worst-case scenarios in mind, continue to optimize the structure of risk-weighted assets, take serious measures to manage asset quality

Always follow a prudent risk appetite, be forward-looking in the judgment, be prepared to respond to future opportunities and challenges, and provide a strong support for high-quality development.

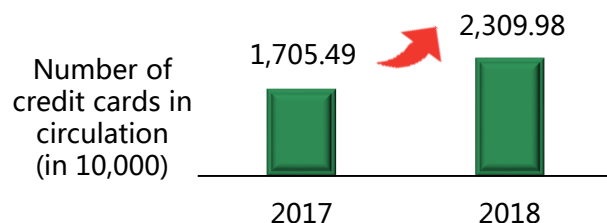
- Net fee and commission income grew by **13.32%** year on year.



- Bank card and POS fee income grew by **27.77%**



- Credit cards in circulation grew by **35.44%** compared to prior year end.



- Asset management and investment banking

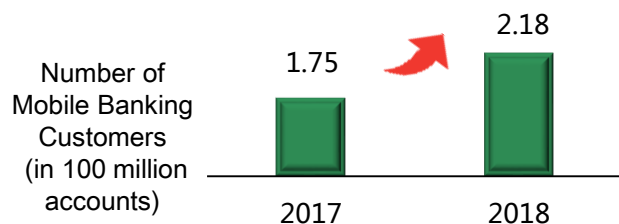


Steadily promote net-value products, and achieve initial success in the transformation of asset management business

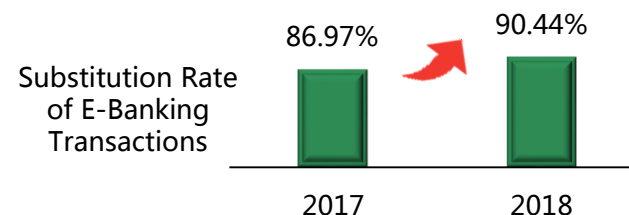


Dedicate time and efforts to develop bond underwriting, M&A, institutional wealth management, and financial advisory businesses; successfully issued RMBS of the largest amount in China.

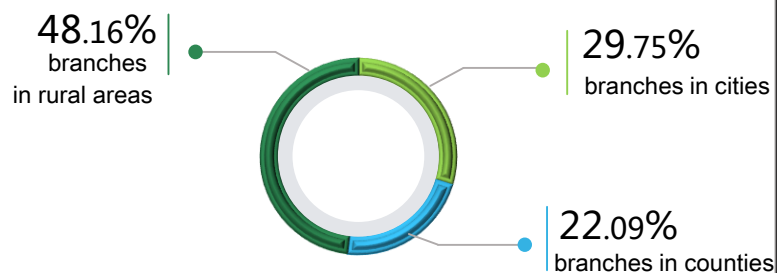
- Mobile banking customers exceeded 200 million




- E-banking transaction substitution rate grew by 3.47% compared to prior year end.



- Geographic distribution of branches



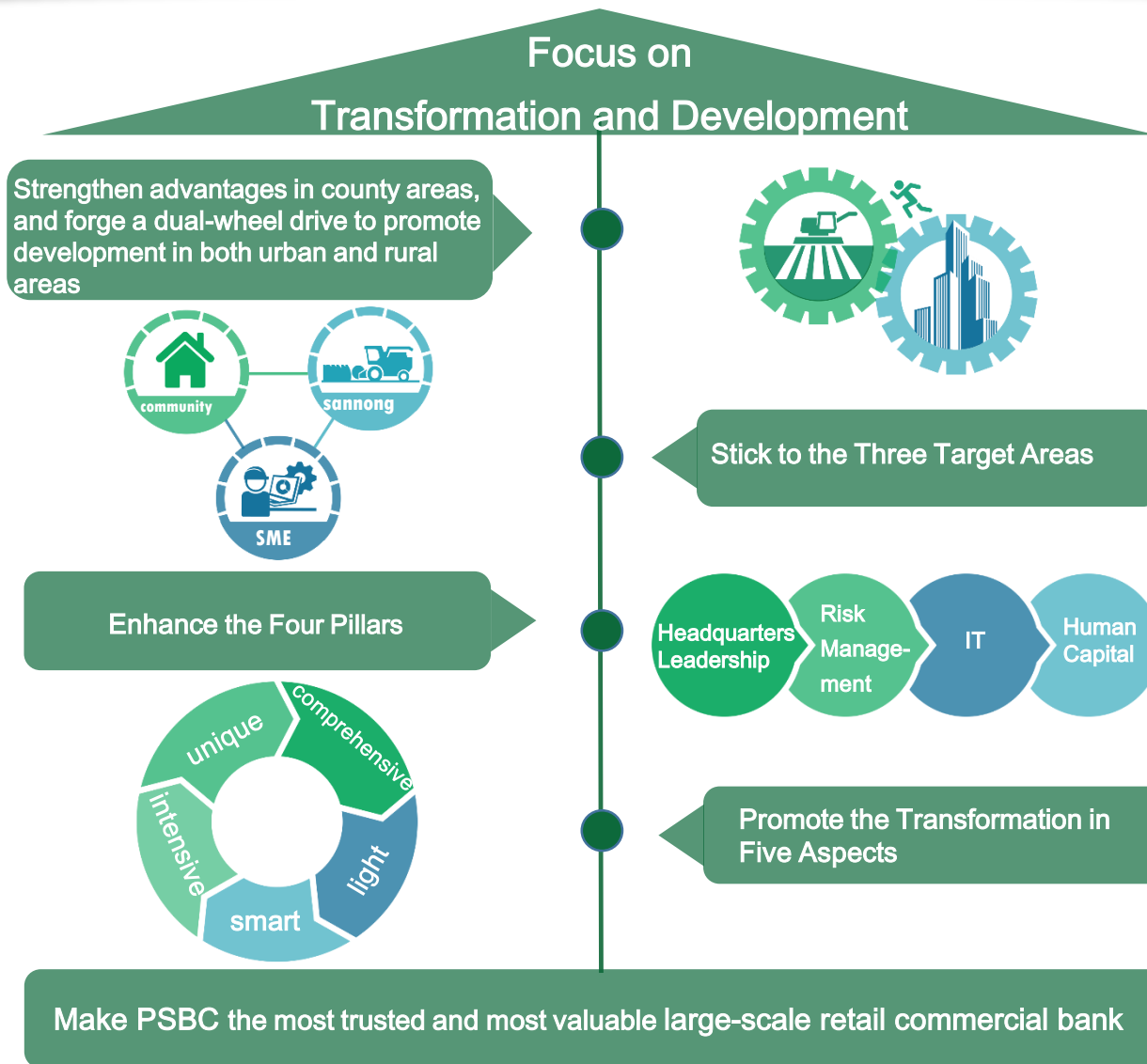
- Provide financial services to customers in counties, townships and villages

 Introduce mobile banking 4.0 which is personalized, intelligent, scenario-based and open, and continue to enhance customer experience

Set up a special service mode of “Internet finance + rural e-commerce + precision poverty alleviation”, and continue to promote Fin-tech development catered to the characteristics of rural customers

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# 2019 Outlook





## Deepen supply-side structural financial reform, and continue to optimize asset structure

- Respond to the general requirement to establish a multi-tier, wide-coverage and differentiated banking system
- Leverage on the strong liquidity and comparatively low loan-to-deposit ratio, and continue to optimize asset structure
- Make efforts to improve efficiency of fund utilization on lending business and financial market business.

## Forestall and defuse financial risks, and keep alert about potential risks

- Stay prudent and keep alert about potential risks, and forestall and defuse financial risks in the process high-quality development
- Starting from customer approval, carry out the comprehensive risk management methodologies of “all aspects, all processes and all staff”

## Improve financial services, and continue to develop intermediary businesses

- Put more efforts on development of asset management, investment banking, custodian business and other relevant businesses, and promote the fast development of intermediary business
- Large customer base with 578 million customers creates large room for development of intermediary business

## Leverage on IT empowerment, and make decisive efforts for future success

- Actively implement strategies on Fintech, step up efforts on digital transformation, and explore a path of Fintech development with PSBC characteristics
- Promote the deep integration between business and technology, and embed the ideas of improving customer experiences and delivering value to customers into the complete processes of system design, product development and process re-engineering

感謝

Together, We  
make it Better

