



中国邮政储蓄银行

POSTAL SAVINGS BANK OF CHINA

2018 Interim Results Presentation

August 30, 2018



中国邮政储蓄银行
POSTAL SAVINGS BANK OF CHINA

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I Major Development and Highlights



Key Financial Indicators

(RMB100 million)	20180630	20171231		
Total assets	93,261.63	90,125.51	3.48%	▲
Total loans to customers	40,164.29	36,301.35	10.64%	▲
Total liabilities	88,726.65	85,811.94	3.40%	▲
Customer deposits	83,328.30	80,626.59	3.35%	▲
	20180630	20171231		
Capital adequacy ratio	12.90%	12.51%	39bps	▲
NPL ratio	0.97%	0.75%	22bps	▲
Provision coverage ratio	270.71%	324.77%	54.06ppts	▼
(RMB100 million)	1H2018	1H2017		
Operating income	1,324.08	1,059.73	24.95%	▲
Net interest income	1,116.62	875.14	27.59%	▲
Net profit	325.47	265.92	22.39%	▲

Source: PSBC Interim Report 2018

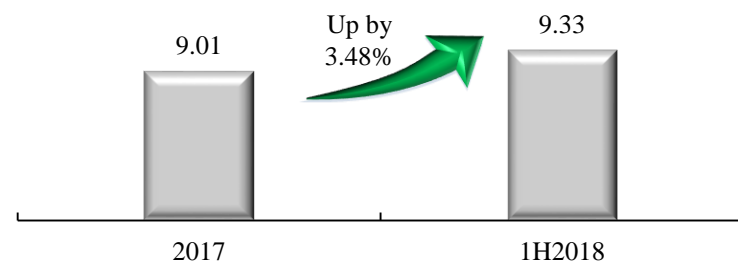
Note: Some figures are rounded based on the data in the Interim Report.



Key Financial Indicators

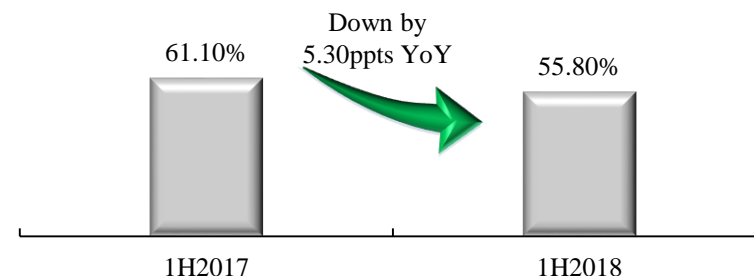
Total Assets

(RMB trillion)



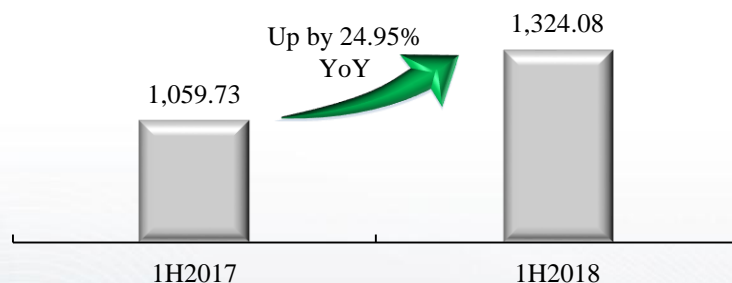
Cost-to-income Ratio

(%)



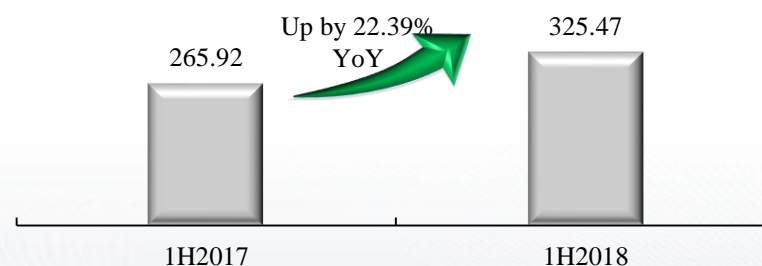
Operating Income

(RMB100 million)



Net Profit

(RMB100 million)



Source: PSBC Interim Report 2018

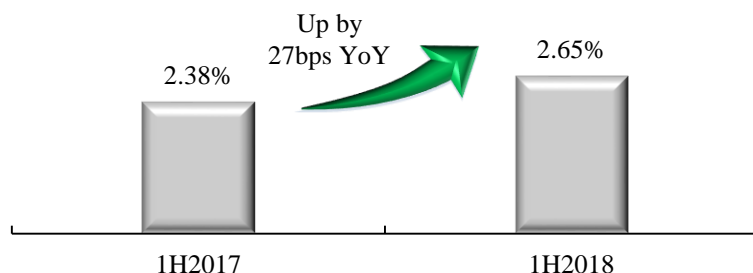
Note: Some figures are rounded based on the data in the Interim Report.



Key Financial Indicators

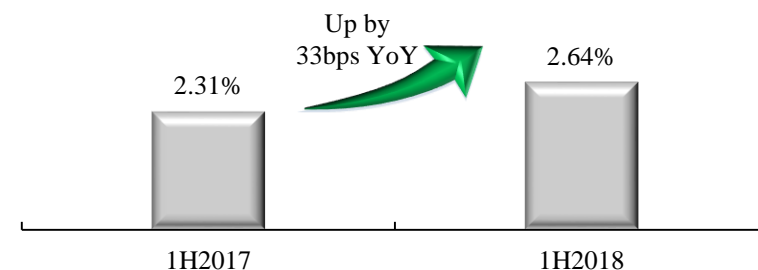
Net Interest Spread(NIS)

(%)



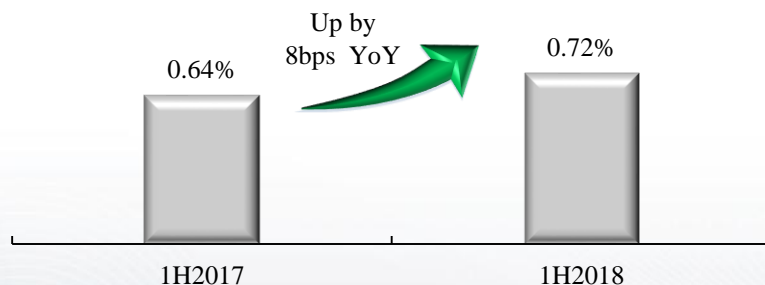
Net Interest Margin(NIM)

(%)



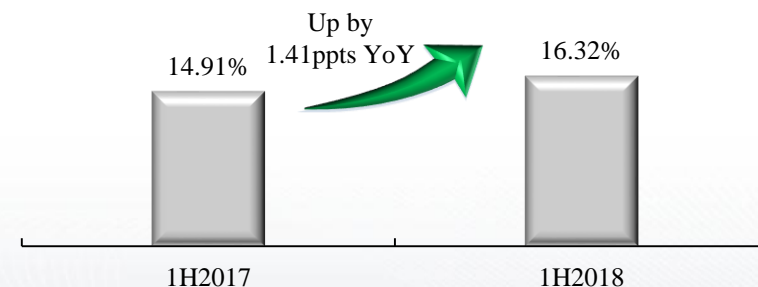
ROA

(%)



ROE

(%)



Source: PSBC Interim Report 2018

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

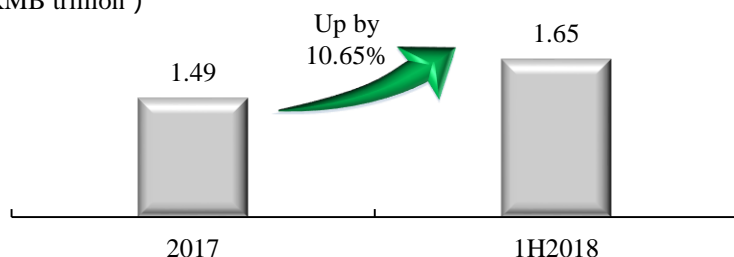


Made Further Moves to Expand Credit, Optimized Asset Structure

Resolutely served the implementation of national strategies, improved quality and efficiency of serving the real economy, fully implemented the rural vitalization strategy, continued to advance the reform on Sannong financial services, actively practiced the concept of green finance, and set the mid and long-term development goals for green credit

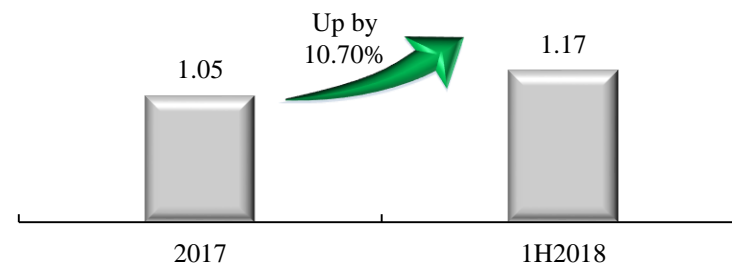
Serve Communities

Balance of Personal Consumer Loan and Credit Card Overdraft
(RMB trillion)



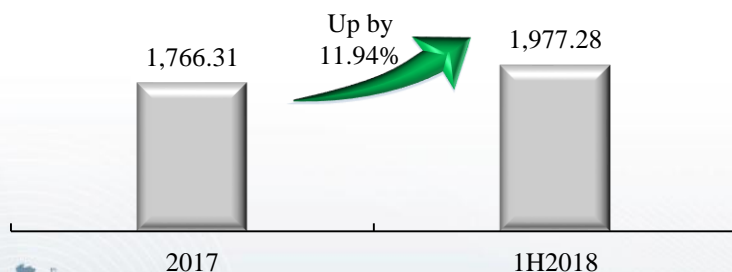
Serve Rural Areas

Balance of Agricultural-related Loans (RMB trillion)



Green Credit

Green Credit Balance (RMB100 million)



Serve SMEs



Provided favorable policies and more resources for the development of financial services for SMEs, continuously expanded the coverage and increased the availability of financial services to small and micro business.



The balance of loans to small and micro enterprises with a maximum credit line of RMB10 million for a single customer was RMB519,224 million, representing a net increase of RMB54,317 million compared with the end of last year.

Source: PSBC Interim Report 2018

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

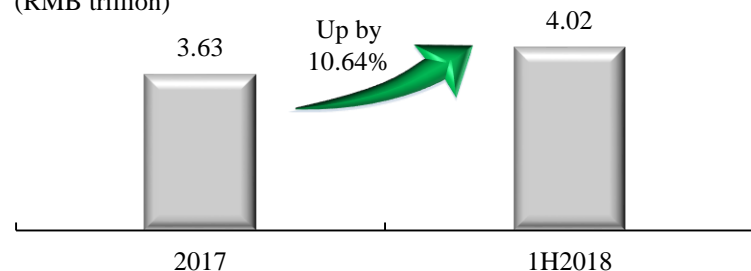


Made Further Moves to Expand Credit, Optimized Asset Structure

Went back to the fundamental purpose, made further moves to expand credit, controlled and compressed the scale of interbank investments, and further optimized the treasury business structure

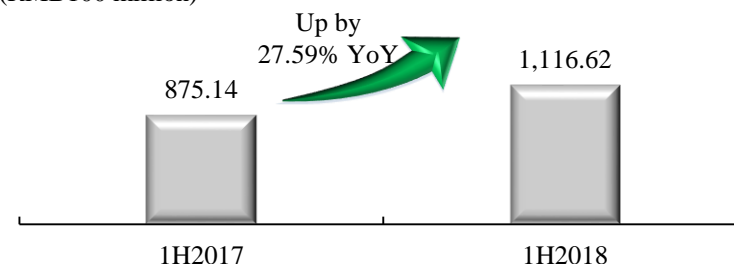
Loan Balance

(RMB trillion)



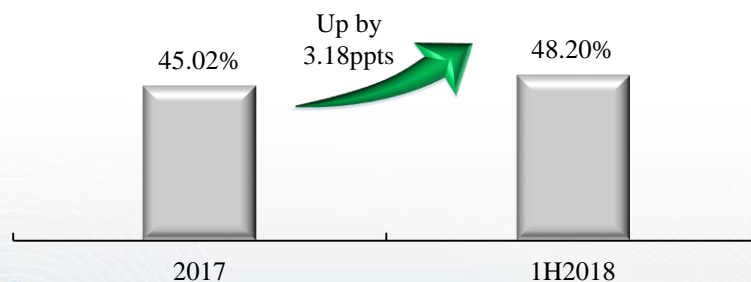
Net Interest Income

(RMB100 million)



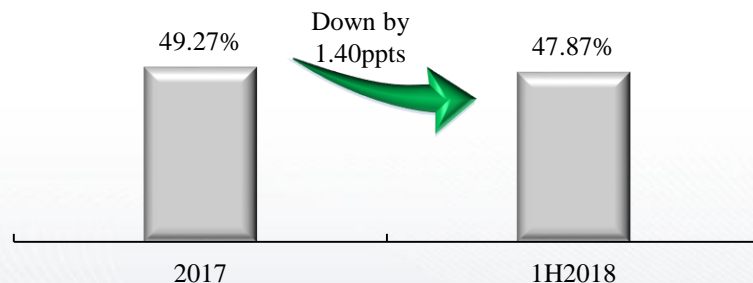
Loan to Deposit Ratio

(%)



The Ratio of RWAs to Total Assets

(%)



Source: PSBC Interim Report 2018

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

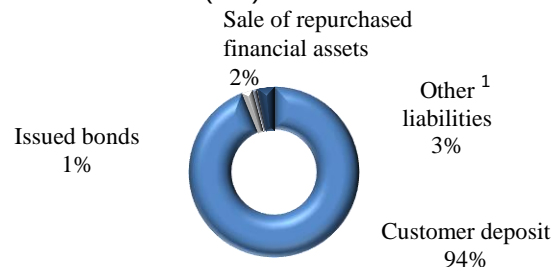


Adhered to the Idea of “Deposits as the Bank’s Operating Base”, Further Consolidated Advantages on the Deposits Side

By leveraging the coverage and density of our outlets, we focused on the competitiveness of core deposits and further strengthened advantages of the liability side

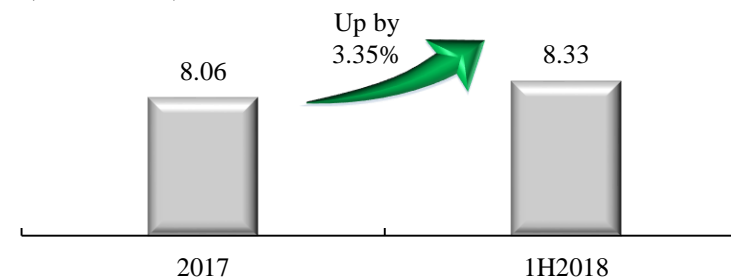
The Structure of Liabilities

By the end of June 2018 (%)



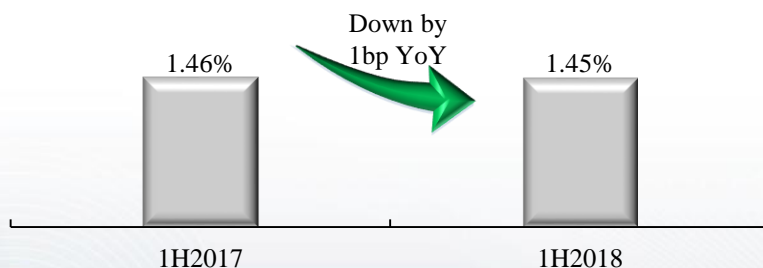
Deposit Balance

(RMB trillion)



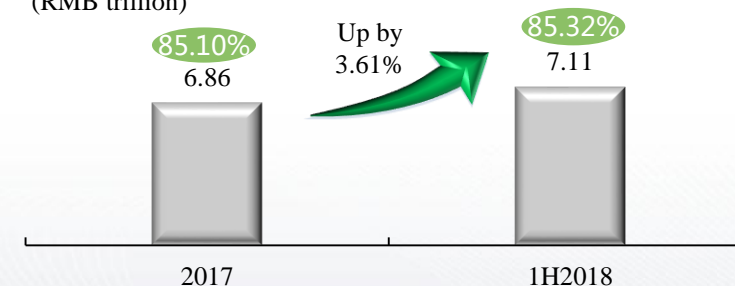
Average Interest-paying Costs

(%)



Personal Deposit Balance

(RMB trillion)



Ratio of personal deposit to total deposit

Source: PSBC Interim Report 2018

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

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

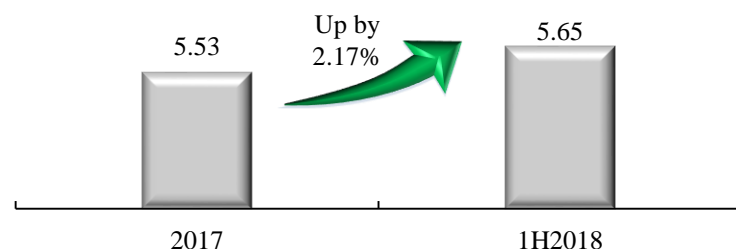


Actively Addressed Challenges of Fintech and Proactively Boosted IT Transformation and Upgrading

Based on our own resource endowments, gave full play to the advantages of our network and customer base, and strived to build an integrated financial service channel combining online and offline services

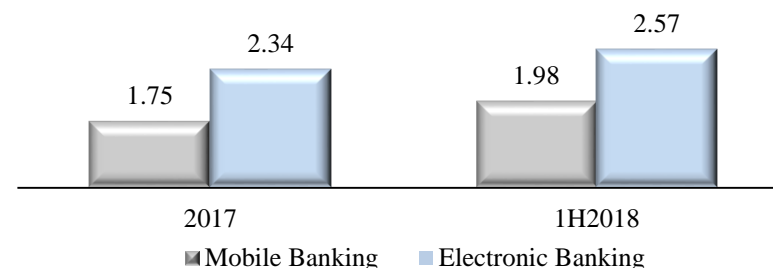
Retail Customers

(100 million)



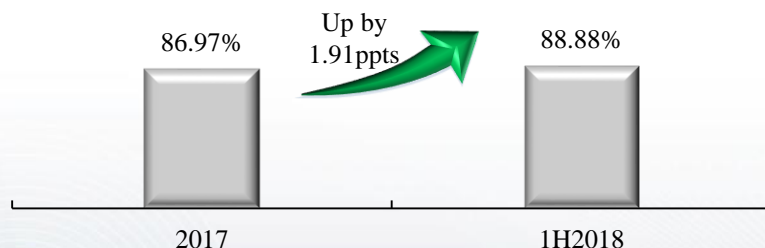
Mobile & Electronic Banking Customers

(100 million)



Substitution Ratio of Electronic Banking Transactions

(%)



Outlets Upgrade and Transformation



As of the end of the June, 2018, the Bank has reduced business areas in outlets by 83,000 square meters. During the reporting period, the Bank reduced 1,261 counters and moved 1,556 tellers to other positions, including 863 people transferred to sales and marketing team at outlets.

Source: PSBC Interim Report 2018

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

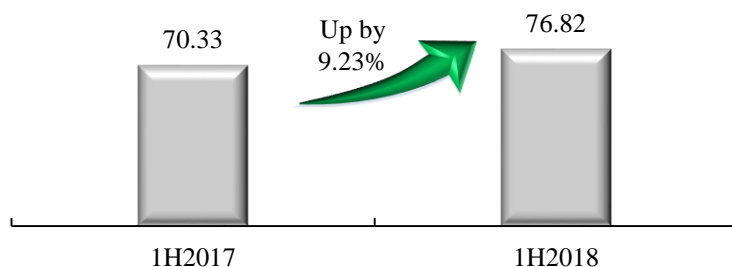


Vigorously Developed Intermediary Business and Continuously Optimized Business Structure

Improved the income of intermediary business, aligned itself with the trend of Fintech development, promoted bank transformation, and achieved high quality development

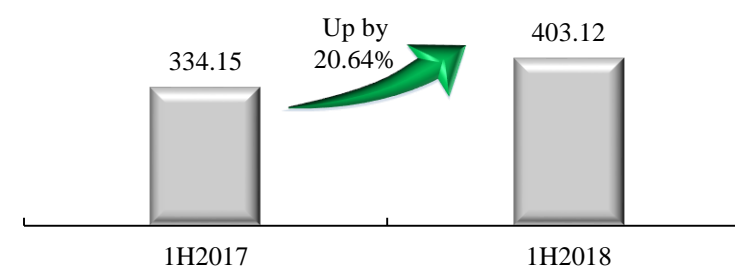
Fee-and-Commission Income

(RMB 100 million)



Newly-issued Credit Cards

(10,000)



Investment Banking



In the first half of 2018, the Bank deeply participated in a number of major influential projects at home and abroad, with the equity financing business (including M&A loans and structured financing) increased by RMB5,770 million.

Asset Management



In the first half of 2018, the Bank issued a total of RMB1.30 trillion of wealth management products. As of the end of June, 2018, assets under management amounted to RMB817.2 billion. The Bank has issued more than 50 net value products.

Source: PSBC Interim Report 2018

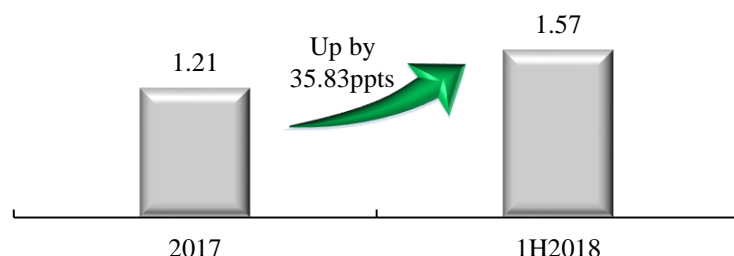
Note: Some figures are rounded based on the data in the Interim Report.



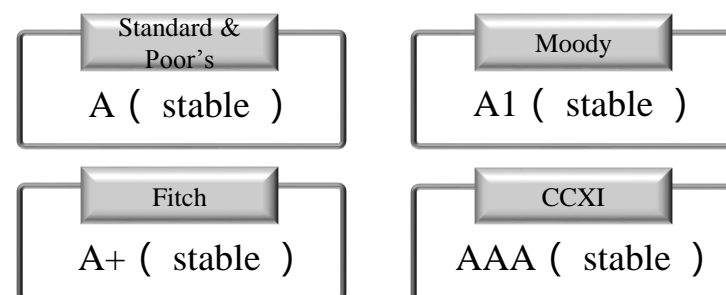
Adhered to the Bottom-line Thinking and Stick to High Quality Risk Control

Actively adapted to the conditions of risk prevention and control under the new normal, strengthened the judgment of the overall risks, made long-term plans for risky assets layout, strengthened risk identification and mitigation, and the capital adequacy ratio was effectively improved without external capital replenishment

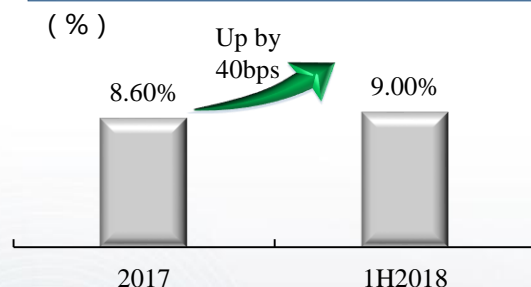
The Proportion of NPLs to Loans Overdue for More than 90 days



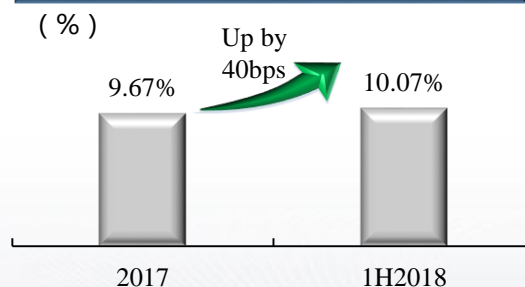
Credit Rating



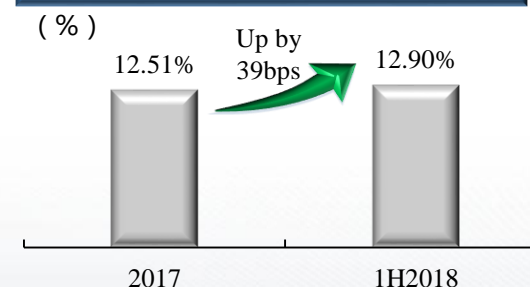
Core Tier 1 CAR



Tier 1 CAR



CAR



Source: PSBC Interim Report 2018

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



II

Outlook



Outlook



**Focus on the Strategy of a Large Retail Commercial Bank,
Explore the Value of Our Customers and Network**

PSBC Future Development Direction

- ✧ Promote the implementation of strategy, continue to reform and innovate, and tap the potential value of customers
- ✧ Speed up the integrated and “smart” development, further explore the value of network
- ✧ Improve the overall risk management level, consolidate the basis for our high-quality development

Achieve Sustainable Growth and Provide Competitive Returns for Our Shareholders



Outlook

Promote the implementation of strategy, continue to reform and innovate, and tap the potential value of customers

- Retail business : Grow with customers and consolidate the basis for the future development of the Bank
- Corporate business : Continue to closely follow the major national strategies and give full play to our liquidity advantage
- Treasury business : Continue to consolidate our market position, go back to the fundamental purpose, catch market opportunities and improve operational efficiency

Speed up the transformation towards an integrated and “smart” bank, and further explore the value of network

- Use mobile intelligent terminals and simplify the microfinance approval process
- Embed more banking business into personal consumption and enterprise production process by using big data
- Build a light bank focusing on both the customer experience and “smart” levels, with the largest offline network and the most complete online functions

Improve the overall risk management level, and consolidate the basis for our high-quality development

- Continue to focus on preventing and mitigating financial risks, and firmly hold the bottom line for risk management
- Adhere to prudent risk management, and build a solid foundation for development



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