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Note: 1. The data of this material are in compliance with the IFRSs, and the currency is RMB unless otherwise stated.
2. Some of the data have been rounded up according to the Annual Report.
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01  2019 Performance
02  2019 Business Highlights
03  2020 Outlook
01 2019 Performance
## Key Financial Indicators

### (in RMB100 million)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>102,167.06</td>
<td>95,162.11</td>
<td>7.36%</td>
</tr>
<tr>
<td>Total loans to customers</td>
<td>49,741.86</td>
<td>42,768.65</td>
<td>16.30%</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>96,718.27</td>
<td>90,408.98</td>
<td>6.98%</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>93,140.66</td>
<td>86,274.40</td>
<td>7.96%</td>
</tr>
</tbody>
</table>

### (in RMB100 million)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Core tier 1 capital adequacy ratio</td>
<td>9.90%</td>
<td>9.77%</td>
<td>13bps</td>
</tr>
<tr>
<td>NPLs ratio</td>
<td>0.86%</td>
<td>0.86%</td>
<td></td>
</tr>
<tr>
<td>Allowance to NPLs ratio</td>
<td>389.45%</td>
<td>346.80%</td>
<td>42.65ppts</td>
</tr>
</tbody>
</table>

### (in RMB100 million)

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income</td>
<td>2,771.16</td>
<td>2,612.45</td>
<td>6.08%</td>
</tr>
<tr>
<td>Net fee &amp; commission income</td>
<td>170.85</td>
<td>144.34</td>
<td>18.37%</td>
</tr>
<tr>
<td>Net profit</td>
<td>610.36</td>
<td>523.84</td>
<td>16.52%</td>
</tr>
</tbody>
</table>
2019 Performance

- Total assets and liabilities grew by **7.36%** and **6.98%** respectively compared to prior year end.

- YoY increase of the balance of loans **16.30%**

- YoY increase of customer deposits **7.96%**

- Composition of Liabilities
  - Debt securities issued: **1.02%**
  - Financial assets sold under repurchase agreements: **1.68%**
  - Other liabilities: **96.30%**
  - Customer deposits: **1.00%**

Note: Other liabilities consist of deposits from banks and other financial institutions, placements from banks and other financial institutions, dividend payable, provisions, employee benefits payable, lease liabilities, agency business liabilities, tax payable and other liabilities.
2019 Performance

- **YoY increase of return on average total assets**: 5bps
  
<table>
<thead>
<tr>
<th>Year</th>
<th>Return on average total assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>0.57%</td>
</tr>
<tr>
<td>2019</td>
<td>0.62%</td>
</tr>
</tbody>
</table>

- **YoY increase of return on weighted average equity**: 79bps
  
<table>
<thead>
<tr>
<th>Year</th>
<th>Return on weighted average equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>12.31%</td>
</tr>
<tr>
<td>2019</td>
<td>13.10%</td>
</tr>
</tbody>
</table>

- **YoY increase of operating income**: 6.08%
  
<table>
<thead>
<tr>
<th>Year</th>
<th>Operating income (in RMB100 million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>2,612.45</td>
</tr>
<tr>
<td>2019</td>
<td>2,771.16</td>
</tr>
</tbody>
</table>

- **YoY increase of net profit**: 16.52%
  
<table>
<thead>
<tr>
<th>Year</th>
<th>Net profit (in RMB100 million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>523.84</td>
</tr>
<tr>
<td>2019</td>
<td>610.36</td>
</tr>
</tbody>
</table>
2019 Performance

- **YoY decrease of cost to income ratio**: 1.31ppts

<table>
<thead>
<tr>
<th>Year</th>
<th>Cost to income ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>57.60%</td>
</tr>
<tr>
<td>2019</td>
<td>56.29%</td>
</tr>
</tbody>
</table>

- **Profitability**
  - Net interest margin: 2.50%
  - Net interest spread: 2.45%

- **Credit rating**
  - S&P A (stable)
  - Moody's A1 (stable)
  - Fitch A+ (stable)
  - S&P Global (China) AAAspc (stable)
  - CCXI AAA (stable)

- **Completion of**
  - Joint stock reform, introduction of strategic investors and A-share and H-share IPO
  - The largest A-share IPO in nearly a decade

- **The Banker (UK)**
  - Ranked 22nd in terms of total assets among Top 1000 World Banks

- **Forbes**
  - Ranked 60th among the World’s 2000 Largest Public Companies

- **Fortune China**
  - Ranked 37th in terms of operating income among China Top 500 Companies

- **Performance**
  - 2018
  - 2019
  - 1.31ppts
  - YoY decrease of cost to income ratio

- **Profitability**
  - Net interest margin: 2.50%
  - Net interest spread: 2.45%
02 2019 Business Highlights
2019 Business Highlights

- **YoY increase of the balance of agriculture-related loans**: 8.83%
  - Balance of agriculture-related loans (in RMB trillion)
    - 2018: 1.16
    - 2019: 1.26

- **YoY increase of the balance of inclusive loans to small and micro enterprises**: 19.85%
  - Balance of inclusive loans to small and micro enterprises (in RMB 100 million)
    - 2018: 5,449.92
    - 2019: 6,531.85

- **YoY increase of the balance of consumer loans**: 19.13%
  - Balance of consumer loans (in RMB trillion)
    - 2018: 1.69
    - 2019: 2.02

- **YoY increase of the balance of corporate loans**: 12.12%
  - Balance of corporate loans (in RMB trillion)
    - 2018: 1.55
    - 2019: 1.74
2019 Business Highlights

- **Number of personal customers**: 605 million
  - Number of personal customers (100 million)
    - 2018: 5.78
    - 2019: 6.05

- **Number of mobile banking customers**: 260 million
  - Number of mobile banking customers (100 million)
    - 2018: 2.18
    - 2019: 2.60

- **Number of E-banking customers**: 318 million
  - Number of E-banking customers (100 million)
    - 2018: 2.77
    - 2019: 3.18

- **Composition of deposits**
  - Corporate Deposits: 12.12%
  - Personal Deposits: 87.86%
  - Other Deposits: 0.02%

Note: Other deposits consist of remittance payable, credit card deposits and outbound remittance, etc.
2019 Business Highlights

- **YoY increase of the balance of personal deposits** 9.58%
  
<table>
<thead>
<tr>
<th>Balance of personal deposits (in RMB trillion)</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7.47</td>
<td>8.18</td>
</tr>
</tbody>
</table>

- **YoY increase of operating income from personal banking** 7.96%
  
<table>
<thead>
<tr>
<th>Operating income from personal banking (in RMB100 million)</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,636.11</td>
<td>1,766.36</td>
</tr>
</tbody>
</table>

- **YoY increase of the balance of personal loans** 18.58%
  
<table>
<thead>
<tr>
<th>Balance of personal loans (in RMB trillion)</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2.32</td>
<td>2.75</td>
</tr>
</tbody>
</table>

- Sticking to the strategic positioning & consolidating advantages in retail banking
  
  - Accelerating the transformation to a new retail bank featuring data-driven, channel coordination, interaction between wholesale and retail, and efficient operation, and effectively promoting the launch of differentiated retail banking strategic positioning, with the AUM exceeding **RMB10 trillion**.
  
  - Transforming to the Internet scenario-based services, and further building multi-dimensional financial and life scenarios, with a year-on-year increase of **31.53%** for monthly active mobile banking users.
2019 Business Highlights

Deepening the transformation and development

- Reforming the organizational structure of the Bank, with smooth and efficient operation of all departments and institutions
- Expanding the scope for talents selection
- Recruiting senior management personnel internally and externally to establish a talent pool for outstanding management personnel
- Building a talent pool for management personnel and selecting outstanding young talents at tier-1 branches
- Accelerating the building of a high-quality and professional team of talents

Enhancing the technological empowerment

- Continuously promoting the development of financial technology across the Bank
- Advancing the regular recruitment of IT talents and strengthening the building of an IT talents team
- Accelerating financial technology innovation and the application of new technologies, and setting up a technological innovation fund
- Investing more in information technology
- Strengthening the role of technology in supporting the business, and greatly improving the operational efficiency
2019 Business Highlights

• NPLs ratio keeping the same as at the end of last year

<table>
<thead>
<tr>
<th>Year</th>
<th>NPLs ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>0.86%</td>
</tr>
<tr>
<td>2019</td>
<td>0.86%</td>
</tr>
</tbody>
</table>

• Allowance to NPLs ratio increased from the end of last year

<table>
<thead>
<tr>
<th>Year</th>
<th>Allowance to NPLs ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>346.80%</td>
</tr>
<tr>
<td>2019</td>
<td>389.45%</td>
</tr>
</tbody>
</table>

• Asset quality

- Proportion of NPLs + special mention loans: 1.52%
- Non-performing loans/loans overdue for over 90 days: 1.48%

• Capital adequacy ratio

- Core tier 1 capital adequacy ratio: 9.90%
- Tier 1 capital adequacy ratio: 10.87%
- Capital adequacy ratio: 13.52%
2019 Business Highlights

- The increase of loan to deposit ratio **3.84ppts**
  - Loan to deposit ratio
  - 2018: 49.57%
  - 2019: 53.41%

- YoY increase of net fee & commission income **18.37%**
  - Net fee & commission income (in RMB100 million)
  - 2018: 144.34
  - 2019: 170.85

- YoY increase of credit cards in circulation **34.64%**
  - Credit cards in circulation (10,000 cards)
  - 2018: 2,309.98
  - 2019: 3,110.07

- Keeping sound growth
  - 17-19 CAGR of operating income **11.01%**
  - 17-19 CAGR of net profit **13.11%**
  - 17-19 CAGR of loans **17.06%**
2020 Outlook
2020 Outlook

Shouldering the Responsibility as a State-owned Bank and Supporting Society with High-quality Financial Services

Doing a good job in the COVID-19 prevention and control, and resuming production in time; making a comprehensive follow-up and inspection of the asset quality by business lines and types of customers

Carrying out customer maintenance and marketing through a variety of online means of "contactless services"

Launching the cloud customer manager studio to empower outlets; strengthening the remote customer service ability by improving services on electronic channels

Adhering to the business philosophy of high-quality, customer-centered and value creation-oriented development

Making every effort to empower the Bank with transformation, technology, talent and organization, so as to open up a new chapter for the building of a first-tier modern commercial bank
Comprehensively speeding up business transformation to improve the operation and development

- In terms of retail banking, making good use of the “Ten Key Points” promotional campaign on demand deposits to promote the growth and improve the structure of deposits
  - Boosting the transformation and upgrading of outlets
  - Accelerating the development of mobile banking and improving the online and offline service experience
  - Expediting the building of a scenario ecosystem with PSBC features
  - Transforming from conventional customer marketing to scenario-based, precise and comprehensive customer management, to provide new drivers for business development
- In terms of inclusive finance, speeding up the digital transformation, expanding the connection with external data, and creating a financial ecosystem for small and micro enterprises
- In terms of corporate business, pooling segment resources, strengthening synergy and coordination, increasing customer expansion, and strengthening product upgrading and innovation
- In terms of interbank business, strengthening market research and judgment, seizing opportunities of high-quality assets investment, and giving full play to the advantages of funds
- Giving full play to the advantages of the wealth management subsidiary to create a product brand featuring “inclusive finance + wealth management + pension”
2020 Outlook

- Investing about 3% of the annual operating income in the field of financial technology
- Focusing on improving the financial technology
- Fully completing the tasks of the 13th Five-year IT Plan, and pushing forward the development of the new-generation personal banking core system
- Strengthening cooperation with leading Internet enterprises, evolving “Internet +” into “Internet ×” to build core competitiveness
- Introducing more IT talents

Continuously promoting the development of financial technology to make the Bank strong in technology
2020 Outlook

Continuously strengthening risk management to safeguard bottom line of risks

- Stable asset quality is an important guarantee for high-quality development
- Continuously improving an “all aspects, whole process and entire staff” risk management system
- Achieving full coverage of institutions, products and risk types
- Starting risk management from front office by means of technology and big data analysis
- Launching the implementation of the New Basel Capital Accord and advanced approach of capital management and strengthening IT risk management
- Maintaining the leading position in asset quality in the industry
Deepening institutional and mechanism reform in all aspects to unleash the vitality of development

- Deepening organizational restructuring
- Improving the talents selection and appointment mechanism
- Establishing an incentive system with market competitiveness
- Quickening the building of advantages in the competition for talents
- Making full use of the platforms of SSE and Hong Kong Stock Exchange to establish a long-term mechanism for capital replenishment, and to further improve capital adequacy
THANKS!

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