



中国邮政储蓄银行

POSTAL SAVINGS BANK OF CHINA

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BETTER

2019 Interim Results Presentation

August 2019



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01

Performance

Key Financial Indicators

(in RMB100 million)	30 Jun. 2019	31 Dec. 2018	Change
Total assets	100,671.75	95,162.11	 5.79%
Total loans to customers	47,016.73	42,768.65	 9.93%
Total liabilities	95,731.16	90,408.98	 5.89%
Customer deposits	91,011.91	86,274.40	 5.49%

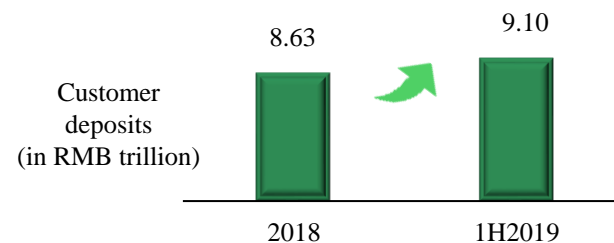
	30 Jun. 2019	31 Dec. 2018	Change
Capital adequacy ratio (CAR)	12.98%	13.76%	 78bps
NPL ratio	0.82%	0.86%	 4bps
Allowance coverage ratio	396.11%	346.80%	 49.31ppts

(in RMB100 million)	1H2019	1H2018	Change
Operating income	1,417.04	1,324.08	 7.02%
Net interest income	1,190.82	1,116.62	 6.65%
Net fee and commission income	93.39	76.82	 21.57%
Net profit	374.22	325.47	 14.98%

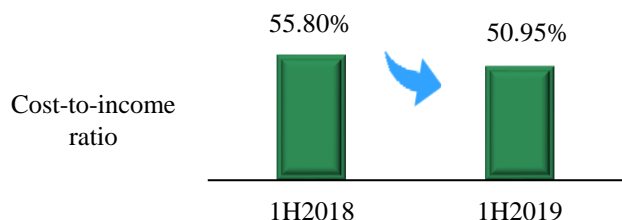
- Total assets and liabilities grew by 5.79% and 5.89% respectively from the prior year-end.



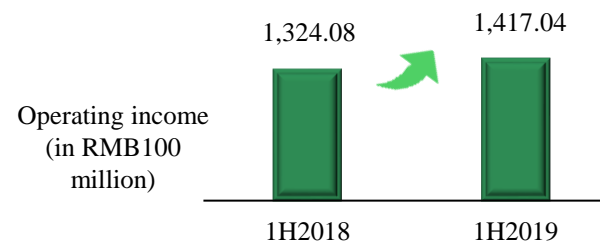
- Increase of customer deposits from the prior year-end **5.49%**



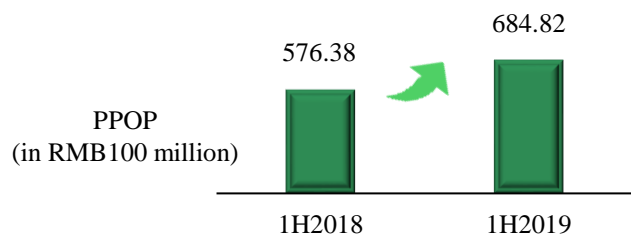
- YoY decrease of cost-to-income ratio **4.85ppts**



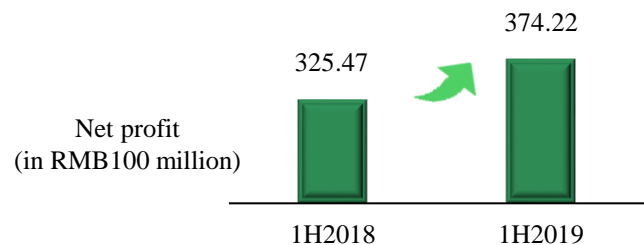
- YoY increase of operating income **7.02%**



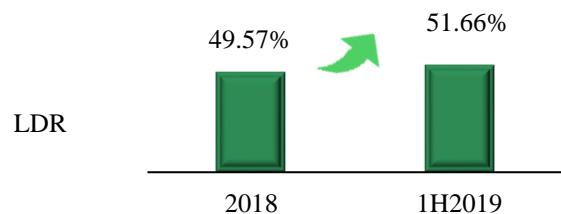
• YoY increase of PPOP **18.81%**



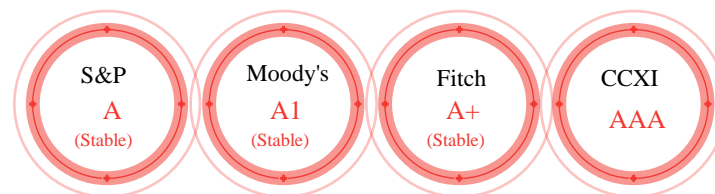
• YoY increase of net profit **14.98%**



• Increase of loan to deposit ratio (LDR) **2.09ppts**



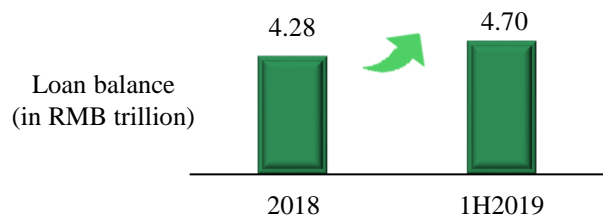
• Credit rating



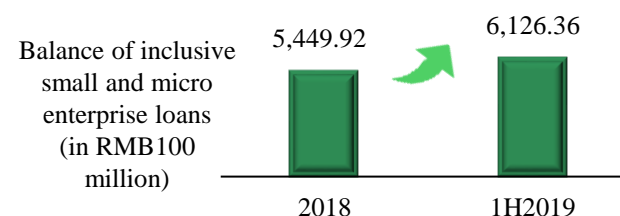
02

Business Highlights

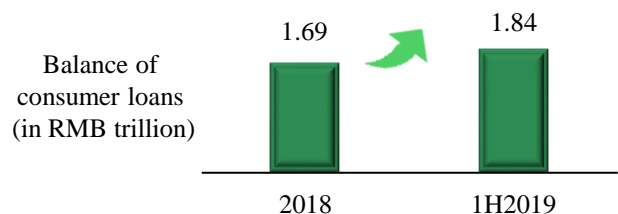
- Increase of loan balance from the prior year-end **9.93%**



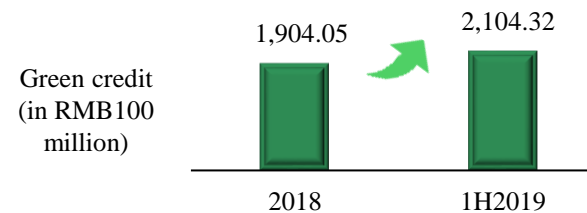
- Increase of the balance of inclusive small and micro enterprise loans from the prior year-end **12.41%**



- Increase of the balance of consumer loans from the prior year-end **8.89%**

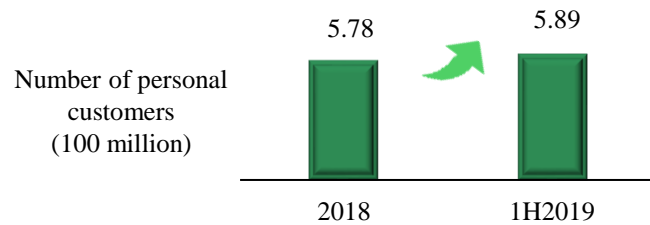


- Increase of green credit balance from the prior year-end **10.52%**

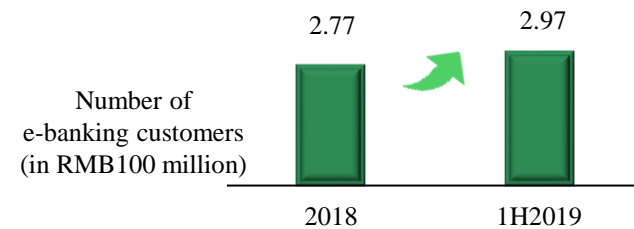


Note: Green credit refers to loans to energy-saving and environment-friendly projects and services.

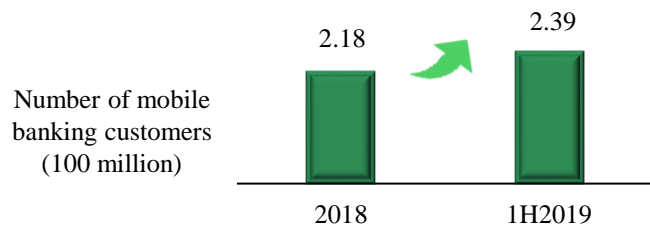
- Number of personal customers **589 million**



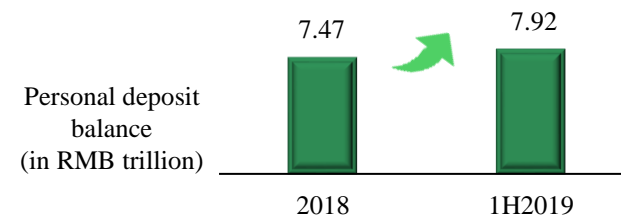
- Number of e-banking customers **297 million**



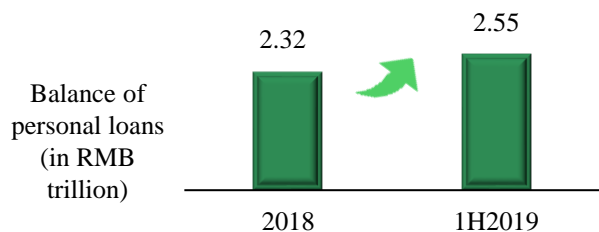
- Number of mobile banking customers **239 million**



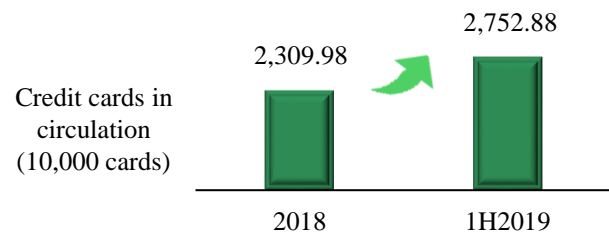
- Increase of personal deposit balance from the prior year-end **6.05%**



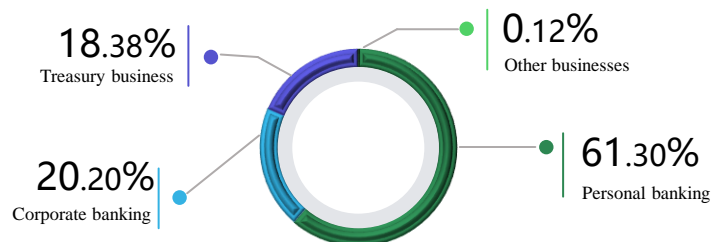
- Increase of the balance of personal loans from the prior year-end **9.93%**



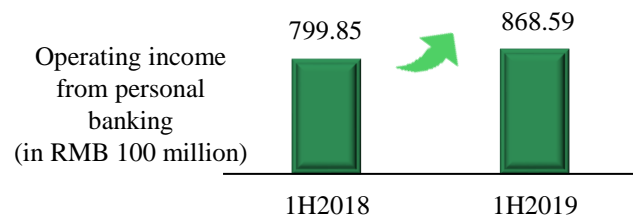
- Increase of credit cards in circulation from the prior year-end **19.17%**



- Breakdown of operating income



- YoY increase of operating income from personal banking **8.59%**



Deepening Reform across the Bank Promoting Transformation and Development

Strategic Planning

Focused on bank-wide transformation and upgrading, built up the unique advantage of “New Retail”

Technology Empowerment

Continuously increased input in IT talent team building, development model transformation, data governance and application, fintech innovation, etc.

Systematic Transformation of Outlets

Reduced 5,540 counters and moved 3,384 tellers to other positions in the first half of 2019

Financial Ecosystem

Conducted extensive negotiation and cooperation with an open mind, acquired targeted customers in batch and realized online-offline collaboration

Strategic Cooperation

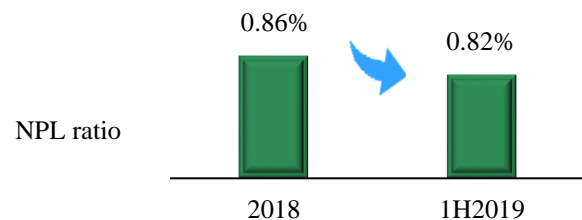
Advanced strategic cooperation in asset management, electronic payment, consumer finance, wealth management agency sales, co-branded cards and smart outlets

Capital Replenishment

Widened future capital replenishment channels, further boosted transformation and development

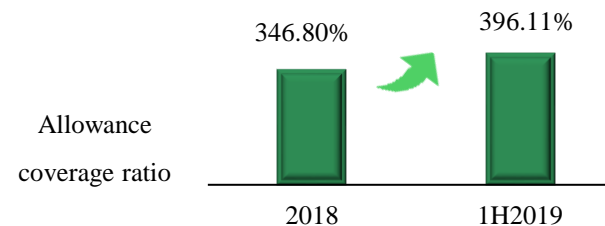
- Decrease of NPL ratio from the prior year-end

4bps



- Increase of allowance coverage ratio from the prior year-end

49.31ppts



- Asset quality

Proportion of NPLs + special-mention loans 1.49%

NPLs / loans overdue for more than 90 days 1.24

- Capital adequacy ratio

Core tier 1 capital adequacy ratio 9.25%

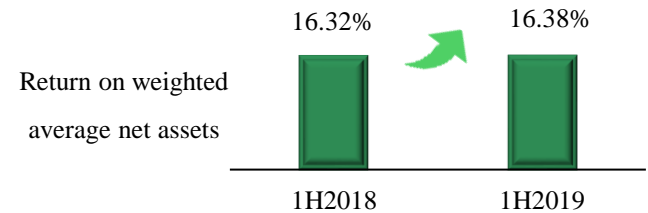
Tier 1 capital adequacy ratio 10.26%

Capital adequacy ratio 12.98%

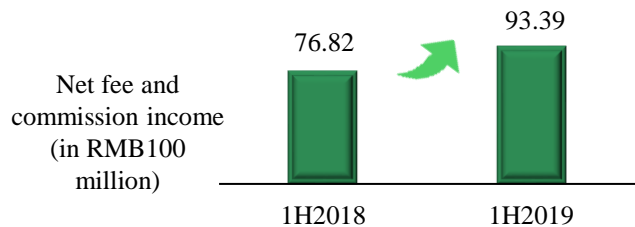
• YoY increase of ROA **5bps**



YoY increase of return on weighted average net assets **6bps**



• YoY increase of net fee and commission income **21.57%**



• Net interest margin, net interest spread

Net interest margin 2.55%

Net interest spread 2.51%

03

Outlook

Push forward the “New Retail” development mode featuring “attracting customers, retaining customers, and tapping into customers' value”, continue to deepen reform, and improve the quality and efficiency of development

Take solid actions to push forward transformation and upgrading

Deepen the systematic transformation of outlets and improve the capacity of agency outlets

Realize batch customer acquisition, consolidate the advantage in liabilities

Promote the building of new generation retail credit factory
Realize cost cut, speed increase and efficiency enhancement

Give full play to the funding advantage, push forward the transformation of wholesale business

Increase fund supply to the country's major strategies and key areas

Transform towards a customer-centric integrated financial service model

Make progress while maintaining stability, stick to the bottom line of asset quality

Build a full range, whole process and all staff risk management system

Uphold the business strategy of “focusing on large-sized enterprise and small and micro enterprise customers”

Improve the management of credit allocation and the whole-process management of credit extension
Continuously enhance credit risk management capability

Take multi-pronged measures, strengthen technological-driven development

Deepen the reform of institutions and mechanisms
Set up the Fintech Innovation Department

Set up a science and technology innovation fund to open a green channel for fintech projects

Strengthen the IT talent team building, enhance independent R&D capability

Cooperate with fintech enterprises with an open, cooperative, and sharing idea of thinking

Stimulate intrinsic potential, build a win-win ecosystem

Make full use of advantages in customers, funds, network and cooperation with postal enterprises to set up operational platforms for various scenarios and build an ecosystem

Strengthen cooperation with various institutions and make full use of their respective resource advantages to achieve mutual benefit and win-win results

Improve management capabilities, lay a firm foundation for long-term development

Do a good job in economic capital management, strengthen capital return transmission

Optimize financial management, improve performance evaluation

Carry out operation management and promote transformation towards digital and intensive operation

Improve the existing promotion mechanism, Fully stimulate organizational vitality

感謝

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