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Performance

Together we make it better
## 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>100,671.75</td>
<td>95,162.11</td>
<td>5.79%</td>
</tr>
<tr>
<td>Total loans to customers</td>
<td>47,016.73</td>
<td>42,768.65</td>
<td>9.93%</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>95,731.16</td>
<td>90,408.98</td>
<td>5.89%</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>91,011.91</td>
<td>86,274.40</td>
<td>5.49%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital adequacy ratio (CAR)</td>
<td>12.98%</td>
<td>13.76%</td>
</tr>
<tr>
<td>NPL ratio</td>
<td>0.82%</td>
<td>0.86%</td>
</tr>
<tr>
<td>Allowance coverage ratio</td>
<td>396.11%</td>
<td>346.80%</td>
</tr>
</tbody>
</table>

### (in RMB100 million)

<table>
<thead>
<tr>
<th></th>
<th>1H2019</th>
<th>1H2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income</td>
<td>1,417.04</td>
<td>1,324.08</td>
<td>7.02%</td>
</tr>
<tr>
<td>Net interest income</td>
<td>1,190.82</td>
<td>1,116.62</td>
<td>6.65%</td>
</tr>
<tr>
<td>Net fee and commission income</td>
<td>93.39</td>
<td>76.82</td>
<td>21.57%</td>
</tr>
<tr>
<td>Net profit</td>
<td>374.22</td>
<td>325.47</td>
<td>14.98%</td>
</tr>
</tbody>
</table>
• Total assets and liabilities grew by 5.79% and 5.89% respectively from the prior year-end.

Total assets & liabilities (in RMB trillion)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>1H2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>9.04</td>
<td>9.57</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>9.52</td>
<td>10.07</td>
</tr>
</tbody>
</table>

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

Customer deposits (in RMB trillion)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>1H2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.63</td>
<td></td>
<td>9.10</td>
</tr>
</tbody>
</table>

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

Cost-to-income ratio

<table>
<thead>
<tr>
<th></th>
<th>1H2018</th>
<th>1H2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>55.80%</td>
<td></td>
<td>50.95%</td>
</tr>
</tbody>
</table>

• YoY increase of operating income 7.02%

Operating income (in RMB100 million)

<table>
<thead>
<tr>
<th></th>
<th>1H2018</th>
<th>1H2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,324.08</td>
<td></td>
<td>1,417.04</td>
</tr>
</tbody>
</table>

Source: PSBC Interim Report
Note: Some data have been rounded based on PSBC Interim Report data
Performance

- YoY increase of PPOP 18.81%
  - PPOP (in RMB100 million)
    - 1H2018: 576.38
    - 1H2019: 684.82

- YoY increase of net profit 14.98%
  - Net profit (in RMB100 million)
    - 1H2018: 325.47
    - 1H2019: 374.22

- Increase of loan to deposit ratio (LDR) 2.09ppts
  - LDR
    - 2018: 49.57%
    - 1H2019: 51.66%

- Credit rating
  - S&P A (Stable)
  - Moody’s A1 (Stable)
  - Fitch A+ (Stable)
  - CCXI AAA

Together we make it better

Source: PSBC Interim Report
Note: Some data have been rounded based on PSBC Interim Report data
Business Highlights

- **Increase of loan balance from the prior year-end**
  - 2018: 4.28 trillion RMB
  - 1H2019: 4.70 trillion RMB
  - **9.93%**

- **Increase of the balance of inclusive small and micro enterprise loans from the prior year-end**
  - 2018: 5,449.92 billion RMB
  - 1H2019: 6,126.36 billion RMB
  - **12.41%**

- **Increase of the balance of consumer loans from the prior year-end**
  - 2018: 1.69 trillion RMB
  - 1H2019: 1.84 trillion RMB
  - **8.89%**

- **Increase of green credit balance from the prior year-end**
  - 2018: 1,904.05 billion RMB
  - 1H2019: 2,104.32 billion RMB
  - **10.52%**

Note: Some data have been rounded based on PSBC Interim Report data.

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

- **Number of personal customers**: 589 million
  - 2018: 5.78 (100 million)
  - 1H2019: 5.89 (100 million)

- **Number of e-banking customers**: 297 million
  - 2018: 2.77 (in RMB100 million)
  - 1H2019: 2.97 (in RMB100 million)

- **Number of mobile banking customers**: 239 million
  - 2018: 2.18 (100 million)
  - 1H2019: 2.39 (100 million)

- **Increase of personal deposit balance from the prior year-end**: 6.05%
  - 2018: 7.47 (in RMB trillion)
  - 1H2019: 7.92 (in RMB trillion)

Note: Some data have been rounded based on PSBC Interim Report data.
Business Highlights

- Increase of the balance of personal loans from the prior year-end **9.93%**
  
<table>
<thead>
<tr>
<th>Year</th>
<th>Balance of personal loans (in RMB trillion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>2.32</td>
</tr>
<tr>
<td>1H2019</td>
<td>2.55</td>
</tr>
</tbody>
</table>

- Increase of credit cards in circulation from the prior year-end **19.17%**
  
<table>
<thead>
<tr>
<th>Year</th>
<th>Credit cards in circulation (10,000 cards)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>2,309.98</td>
</tr>
<tr>
<td>1H2019</td>
<td>2,752.88</td>
</tr>
</tbody>
</table>

- Breakdown of operating income
  
<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate banking</td>
<td>20.20%</td>
</tr>
<tr>
<td>Treasury business</td>
<td>18.38%</td>
</tr>
<tr>
<td>Other businesses</td>
<td>0.12%</td>
</tr>
<tr>
<td>Personal banking</td>
<td>61.30%</td>
</tr>
</tbody>
</table>

- YoY increase of operating income from personal banking **8.59%**
  
<table>
<thead>
<tr>
<th>Year</th>
<th>Operating income from personal banking (in RMB 100 million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H2018</td>
<td>799.85</td>
</tr>
<tr>
<td>1H2019</td>
<td>868.59</td>
</tr>
</tbody>
</table>

Source: PSBC Interim Report
Note: Some data have been rounded based on PSBC Interim Report data
Business Highlights

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.

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

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

Capital Replenishment
Widened future capital replenishment channels, further boosted transformation and development

Source: PSBC Interim Report
Note: Some data have been rounded based on PSBC Interim Report data
Business Highlights

- Decrease of NPL ratio from the prior year-end
  - 2018: 0.86%
  - 1H2019: 0.82%
  - 4bps

- Increase of allowance coverage ratio from the prior year-end
  - 2018: 346.80%
  - 1H2019: 396.11%
  - 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%

Source: PSBC Interim Report
Note: Some data have been rounded based on PSBC Interim Report data
**Business Highlights**

- **YoY increase of ROA**
  - 5bps
  - ROA
  - 0.72% → 0.77%
  - 1H2018 → 1H2019

- **YoY increase of return on weighted average net assets**
  - 6bps
  - Return on weighted average net assets
  - 16.32% → 16.38%
  - 1H2018 → 1H2019

- **YoY increase of net fee and commission income**
  - 21.57%
  - Net fee and commission income
  - 76.82 → 93.39
  - (in RMB100 million)
  - 1H2018 → 1H2019

- **Net interest margin, net interest spread**
  - 2.55%
  - Net interest margin
  - 2.51%
  - Net interest spread

Note: Some data have been rounded based on PSBC Interim Report data.
Together we make it better
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.

- 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
Outlook

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

Together we make it better
Outlook

**Stimulate intrinsic potential, build a win-win ecosystem**

- Do a good job in economic capital management, strengthen capital return transmission
- Carry out operation management and promote transformation towards digital and intensive operation

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

- 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

- Optimize financial management, improve performance evaluation
- Improve the existing promotion mechanism, Fully stimulate organizational vitality

Together we make it better
Together we make it better