Disclaimer

- The slides/materials used in this presentation are confidential and for reference only. No person shall remove, directly or indirectly reproduce, distribute, spread or send the slides/materials used in this presentation or any part thereof to any person for any purpose (whether or not he/she and you belong to the same institution).

- Any of the slides/materials used in this presentation or any information contained therein will not constitute any offer for sale or any subscription or purchase of securities. Any part of the slides/materials used in this presentation will not constitute a basis for any contract, undertaking or investment, and any contract, undertaking or investment shall not rely on any part of the slides/materials used in this presentation.

- This presentation may contain forward-looking statements. These forward-looking statements are based on a series of assumptions regarding the operation of the Bank and some factors beyond the control of the Bank. Such assumptions may have significant risks and are affected by unknown factors, and such factors may cause actual results to differ materially from those in the forward-looking statements in this document. The Bank is not responsible for updating the forward-looking statements regarding the events or circumstances occurring after the date of the presentation.

- The information expressed or included in this presentation only reflects the situation as of the date of the presentation and is not updated as to the significant progress occurring after the date of the presentation. This presentation and the information contained therein shall not be deemed or relied upon as a complete and comprehensive analysis of the Bank's finances, operations or prospects. Some of the information is still in the draft stage.

- This document also contains a number of information and statistics concerning China's banking sector, which is obtained from an external unofficial source by the Bank and has not been independently audited. The Bank can not guarantee that such source is of the same standards as those of other industries or are comparable to the accuracy and completeness of the relevant information in other industries. You shall not heavily rely on any statements concerning China's banking sector in this presentation. The information contained in this presentation is not a due diligence review and shall not be considered as a due diligence review. The information contained in this presentation has not been verified by an independent third party. No person has made any express or implicit representations or warranties with respect to the impartiality, accuracy, completeness or correctness of the information and opinions contained in this presentation, and no one shall rely on the impartiality, accuracy, completeness or correctness of such information or opinions. The Bank, its advisers, or their respective directors, senior executives, employees, agents or advisors are not responsible for this document or its contents and are not liable for any loss arising from any use of this document or its contents (due to negligence or any other reason) or any loss arising out of or in connection with this document in any other way. The above persons do not have any fiduciary responsibility for this presentation to you.

Notes: 1. Unless otherwise specified, the data in this presentation is all in line with IFRSs and is presented in RMB.
2. Some of the data has been rounded based on the data in the periodic reports.
Contents

01 Business Highlights

02 Outlook
01 Business Highlights
## 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>111,339.42</td>
<td>102,167.06</td>
<td>8.98%</td>
</tr>
<tr>
<td>Total loans to customers</td>
<td>56,521.01</td>
<td>49,741.86</td>
<td>13.63%</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>104,757.00</td>
<td>96,718.27</td>
<td>8.31%</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>100,063.31</td>
<td>93,140.66</td>
<td>7.43%</td>
</tr>
</tbody>
</table>

### (in RMB100 million)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>NPLs ratio</td>
<td>0.88%</td>
<td>0.86%</td>
<td>0.02ppt</td>
</tr>
<tr>
<td>Overdue loans ratio</td>
<td>0.84%</td>
<td>1.03%</td>
<td>0.19ppt</td>
</tr>
<tr>
<td>Special mention loans ratio</td>
<td>0.52%</td>
<td>0.66%</td>
<td>0.14ppt</td>
</tr>
<tr>
<td>Allowance to NPLs ratio</td>
<td>403.21%</td>
<td>389.45%</td>
<td>13.76ppts</td>
</tr>
</tbody>
</table>

### (in RMB100 million)

<table>
<thead>
<tr>
<th></th>
<th>3Q2020</th>
<th>3Q2019</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income</td>
<td>2,165.27</td>
<td>2,105.58</td>
<td>2.83%</td>
</tr>
<tr>
<td>Net interest income</td>
<td>1,864.03</td>
<td>1,791.80</td>
<td>4.03%</td>
</tr>
<tr>
<td>Net fee and commission income</td>
<td>149.52</td>
<td>134.48</td>
<td>11.18%</td>
</tr>
<tr>
<td>Pre-provision operating profit (PPOP)</td>
<td>979.43</td>
<td>988.08</td>
<td>0.88%</td>
</tr>
<tr>
<td>Net profit</td>
<td>528.95</td>
<td>543.44</td>
<td>2.67%</td>
</tr>
</tbody>
</table>
**Business Highlights**

- **Increases of total assets and total liabilities from the prior year-end**
  - 2019: 9.67 (Total liabilities), 8.98%
  - 3Q2020: 10.22 (Total liabilities), 8.31%

- **Increase of the balance of deposits from the prior year-end**
  - 2019: 9.31 (Balance of deposits), 7.43%
  - 3Q2020: 10.01 (Balance of deposits)

- **Increase of the balance of loans from the prior year-end**
  - 2019: 4.97 (Balance of loans), 13.63%
  - 3Q2020: 5.65 (Balance of loans)

- **Increase of loan-to-deposit ratio**
  - 2019: 53.41%
  - 3Q2020: 56.49%
  - Increase: 3.08ppts
Business Highlights

- YoY increase of operating income: 2.83%
  - Operating income (in RMB100 million):
    - 3Q2019: 2,105.58
    - 3Q2020: 2,165.27

- YoY increase of net profit for the third quarter: 13.59%
  - Net profit (in RMB100 million):
    - Jul.-Sept. 2019: 169.22
    - Jul.-Sept. 2020: 192.22

- YoY increase of net fee and commission income for the third quarter: 27.14%
  - Net fee and commission income (in RMB100 million):
    - Jul.-Sept. 2019: 41.09
    - Jul.-Sept. 2020: 52.24

- Profitability:
  - Net interest margin: 2.40%
  - Net interest spread: 2.35%
**Business Highlights**

- Slight increase of NPLs ratio from the prior year-end  **0.02ppt**
  
<table>
<thead>
<tr>
<th>NPLs ratio</th>
<th>2019</th>
<th>3Q2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.86%</td>
<td>0.88%</td>
</tr>
</tbody>
</table>

- Decrease of special mention loans ratio from the prior year-end **0.14ppt**

<table>
<thead>
<tr>
<th>Special mention loans ratio</th>
<th>2019</th>
<th>3Q2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.66%</td>
<td>0.52%</td>
</tr>
</tbody>
</table>

- Decrease of overdue loans ratio from the prior year-end **0.19ppt**

<table>
<thead>
<tr>
<th>Overdue loans ratio</th>
<th>2019</th>
<th>3Q2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.03%</td>
<td>0.84%</td>
</tr>
</tbody>
</table>

- Increase of allowance to NPLs ratio from the prior year-end **13.76ppt**

<table>
<thead>
<tr>
<th>Allowance to NPLs ratio</th>
<th>2019</th>
<th>3Q2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>389.45%</td>
<td>403.21%</td>
</tr>
</tbody>
</table>
Business Highlights

• Pressure on asset quality was substantially relieved and allowance to NPLs was sufficient.

- NPLs ratio and special mention loans ratio both fell 0.01 percentage point quarter on quarter, and overdue loans ratio decreased by 0.04 percentage point quarter on quarter.
- Allowance to NPLs ratio rose 13.76 percentage points and 3.09 percentage points from the prior year-end and the end of 1H2020 respectively.

• Asset quality of business with deferred repayment of principal and interests was controllable.

- Proportion of the balance of deferred repayment related business in total loans of the Bank around 1.5%
- Proportion of business relating to loans to small and micro businesses 0.16%

• NPLs recognition was stringent.

- 95.09% of loans that are overdue for more than 30 days were included as NPLs.
- All loans that are overdue for more than 60 days were included as NPLs.
- The proportion of NPLs to loans that are overdue for more than 90 days was 1.48.

• Disposal of NPLs was intensified.

- NPLs disposed in the first three quarters YoY increase RMB27,358 million 35.23%
- NPLs written off in the first three quarters YoY increase RMB9,432 million 28.89%
Business Highlights

Fulfill duties as a major state-owned bank to support the real economy

Adhere to the concept of inclusive finance and promote transformation and upgrading of financial services to small and micro businesses

- The balance of inclusive loans to small and micro businesses was **RMB790,239 million**.
- The balance of online loan products to small and micro businesses accounted for **40.73%** of the balance of loans to small and micro businesses, up **16.73 percentage points** from the end of 2019.

Support the implementation of national strategic blueprint and tap the potential of corporate banking business

- We actively supported national strategies such as the Belt and Road Initiative, the development of Xiongan New Area, the Yangtze River Economic Belt, the coordinated development of the Beijing-Tianjin-Hebei Region, the Guangdong-Hong Kong-Macao Greater Bay Area, and the integration of the Yangtze River Delta.
- The balance of corporate loans was **RMB1.99 trillion**, an increase of RMB **250,883 million** from the prior year-end.

Implement rural revitalization strategy and improve basic financial services for rural areas

- Centering on fields such as supply of important agricultural products, construction of beautiful villages, rural commodity circulation and rural infrastructure construction, we actively supported the rural revitalization strategy.
- The balance of agriculture-related loans recorded **RMB1.38 trillion**, an increase of **RMB120,095 million** from the prior year-end.
Business Highlights

Continuously optimize the business structure and improve the development quality

Asset side

Optimized the layout of the asset structure
Increased credit supply

Liability side

"Maintaining stable growth, adjusting structure and stabilizing cost"
Continued to promote high-quality growth of deposits
Interest payment rate for personal deposits in the first three quarters was 1.63%.

Loan-to-deposit ratio 56.49%

Proportion of deposits in total liabilities 95.52%

Management of high-cost long-term deposits produced good results.
Proportion of newly increased three-year deposits was only 4.22%.
In September, we officially launched the service platform "PSBC Life", forming a "finance + life" twin-star development pattern with mobile banking.

We promoted the development of our credit card, online lending and payment services by cooperating with leading internet companies.

Monthly actively users (MAU) of mobile banking exceeded **40 million**.

The transaction amount of mobile banking in the first three quarters registered **RMB8.17 trillion**, up **66.79%** year on year.

Real-name users of PSBC Canteen exceeded **45 million**.

Retail customers' assets under management (AUM) reached **RMB10.95 trillion**.

In September, we officially launched the service platform "PSBC Life", forming a "finance + life" twin-star development pattern with mobile banking.
02 Outlook
Outlook

Stick to the strategic positioning as a retail bank and advance transformation and development in depth

- Highlight key tasks, and build advantaged products and core platforms
- Speed up digital transformation and outlet transformation
- Strengthen core capability building of headquarters

Promote improvement in quantity and quality at the same time to build a firm foundation for risk prevention and control

- Actively promote the application of the advanced measurement approaches in capital management
- Accelerate the development of the intelligent risk control system
- Strengthen risk control in key fields

Uphold the philosophy of high-quality development and continue to optimize the asset-liability structure

- Consolidate our core strength in liability
- Fully leverage the potential of credit assets that take up a low percentage in the total asset at present and optimize the asset structure
- Continue to maintain our competitive edge in interest margin.

Attach importance to fintech development

Continue to enhance technological empowerment

- Take solid steps to advance the three-year plan for independent R&D
- Build an "online + offline" marketing system
- Speed up the building of the "PSBC Brain" and the blockchain platform
THANKS.

Together we make it better

Copyright © Postal Savings Bank of China
Without the consent of Postal Savings Bank of China, no one shall copy or edit the materials.