

# 2020 3Q Results Presentation

October 2020

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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.



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# 01 | Business Highlights



# Key Financial Indicators

(in RMB100 million)	30 Sept. 2020	31 Dec. 2019	Change
Total assets	111,339.42	102,167.06	↑ 8.98%
Total loans to customers	56,521.01	49,741.86	↑ 13.63%
Total liabilities	104,757.00	96,718.27	↑ 8.31%
Customer deposits	100,063.31	93,140.66	↑ 7.43%

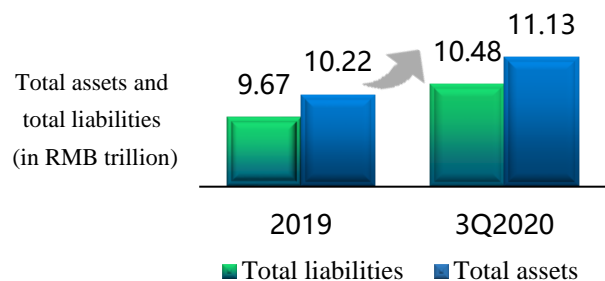
	30 Sept. 2020	31 Dec. 2019	Change
NPLs ratio	0.88%	0.86%	↑ 0.02ppt
Overdue loans ratio	0.84%	1.03%	↓ 0.19ppt
Special mention loans ratio	0.52%	0.66%	↓ 0.14ppt
Allowance to NPLs ratio	403.21%	389.45%	↑ 13.76ppts

(in RMB100 million)	3Q2020	3Q2019	Change
Operating income	2,165.27	2,105.58	↑ 2.83%
Net interest income	1,864.03	1,791.80	↑ 4.03%
Net fee and commission income	149.52	134.48	↑ 11.18%
Pre-provision operating profit (PPOP)	979.43	988.08	↓ 0.88%
Net profit	528.95	543.44	↓ 2.67%

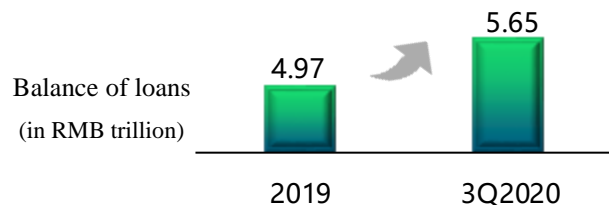


# Business Highlights

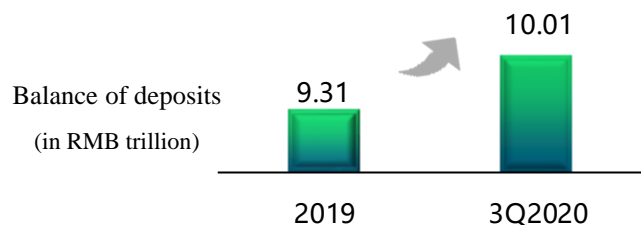
- Increases of total assets and total liabilities from the prior year-end **8.98% 8.31%**



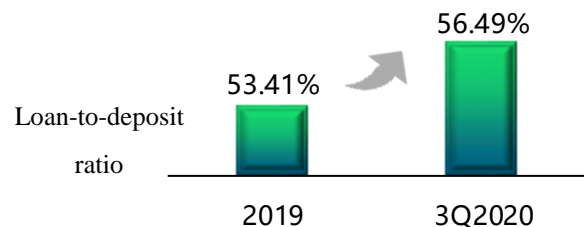
- Increase of the balance of loans from the prior year-end **13.63%**



- Increase of the balance of deposits from the prior year-end **7.43%**

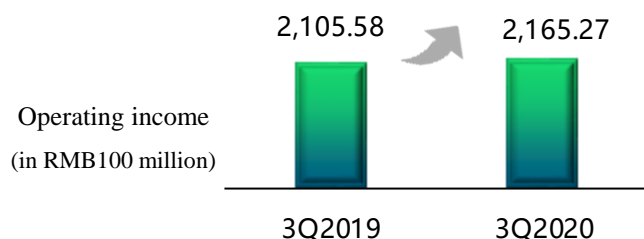


- Increase of loan-to-deposit ratio **3.08ppts**

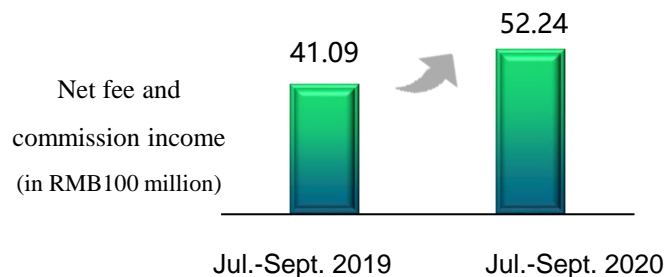


# Business Highlights

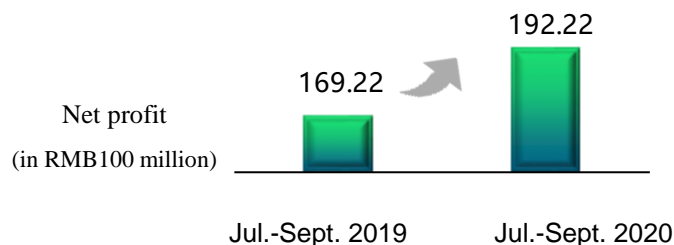
- YoY increase of operating income **2.83%**



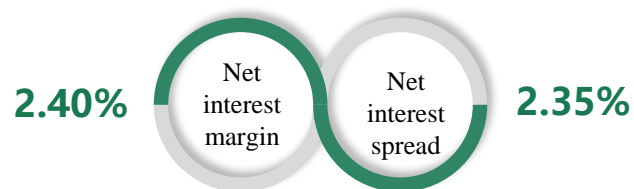
- YoY increase of net fee and commission income for the third quarter **27.14%**



- YoY increase of net profit for the third quarter **13.59%**

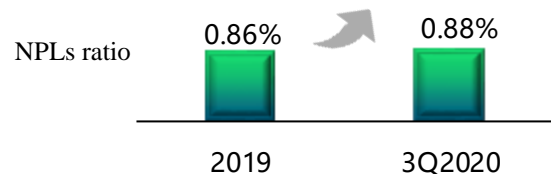


- Profitability

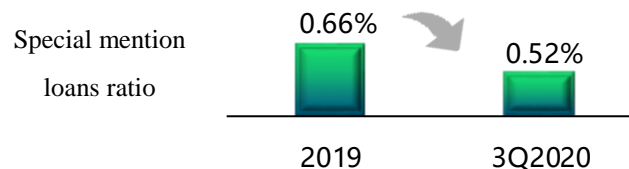


# Business Highlights

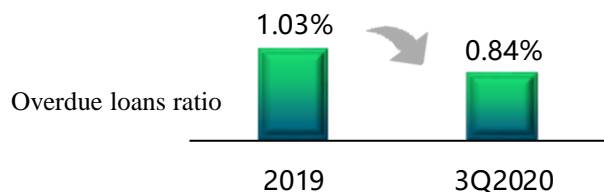
- Slight increase of NPLs ratio from the prior year-end **0.02ppt**



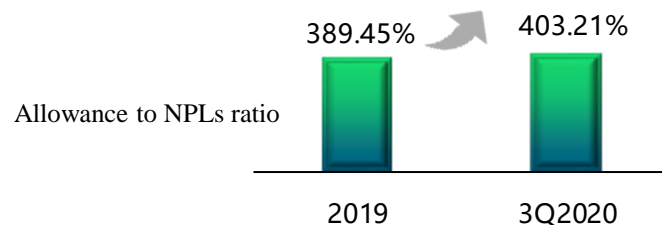
- Decrease of special mention loans ratio from the prior year-end **0.14ppt**



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



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





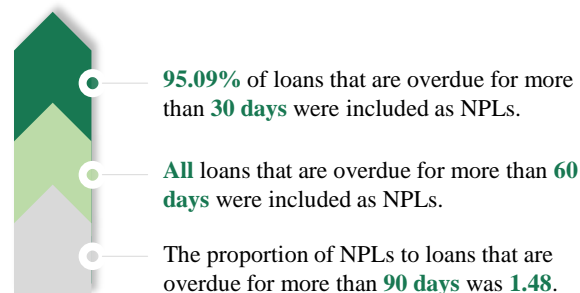
# Business Highlights

- 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.

- NPLs recognition was stringent.



- 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%**

- Disposal of NPLs was intensified.

NPLs disposed in the first three quarters

**RMB27,358 million**

YoY increase

**35.23%**

NPLs written off in the first three quarters

**RMB9,432 million**

YoY increase

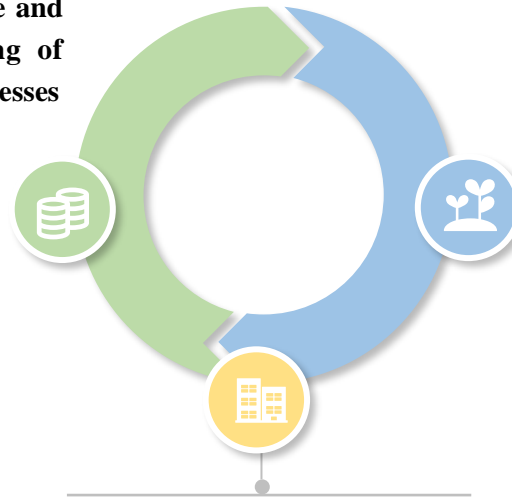
**28.89%**



## 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.



### 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.

### 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.

# Business Highlights

## Continuously optimize the business structure and improve the development quality



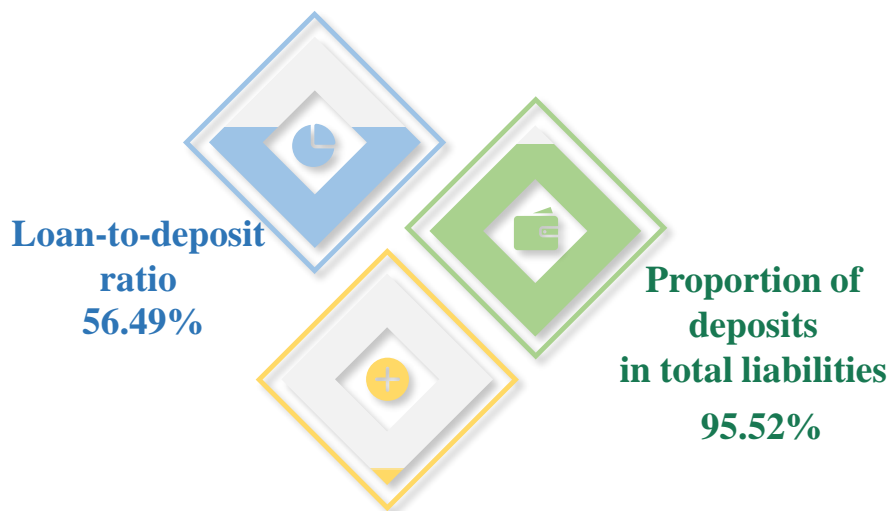
### Asset side

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%**.



**Management of high-cost long-term deposits produced good results.**  
**Proportion of newly increased three-year deposits was only 4.22%.**

# Business Highlights

## Explore the building of ecological scenarios and strengthen the construction of online platforms

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**.

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

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

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



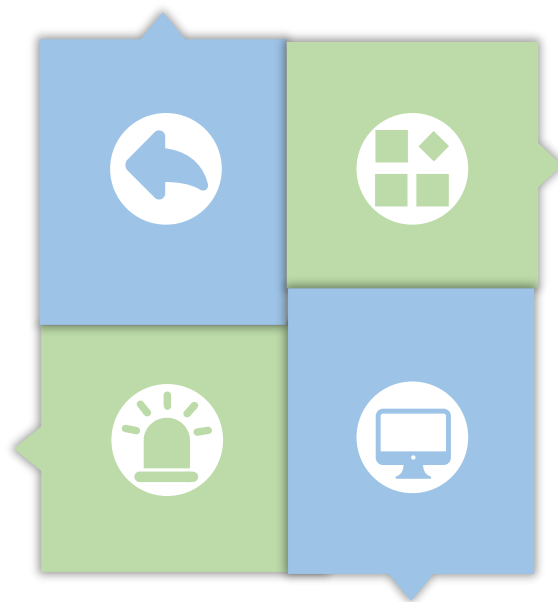
# Outlook

## 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.

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