



中国邮政储蓄银行

POSTAL SAVINGS BANK OF CHINA

2016 Annual Results Presentation

March 28, 2017



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I

Financial Performance



Key Financials

(RMB Million)	Dec 31, 2016	Dec 31, 2015		
Total Assets	8,265,622	7,296,364	↑	13.3%
Total Loans to Customers	3,010,648	2,471,853	↑	21.8%
Total Liabilities	7,918,734	7,025,533	↑	12.7%
Customer Deposits	7,286,311	6,305,014	↑	15.6%
	Dec 31, 2016	Dec 31, 2015		
Capital Adequacy Ratio	11.13%	10.46%		
Non-performing Loan Ratio	0.87%	0.80%		
Allowance Coverage Ratio	271.69%	298.15%		
(RMB Million)	2016	2015		
Operating Income	189,602	190,633	↓	-0.5%
Net Fee and Commission Income	11,498	8,672	↑	32.6%
Net Profit	39,776	34,857	↑	14.1%

Source: Annual Report
 Note: Some data has been rounded



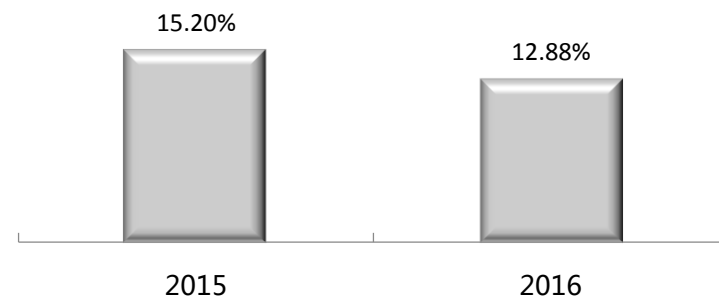
Profitability Enhanced Rapidly

Net Profit

(RMB Million)

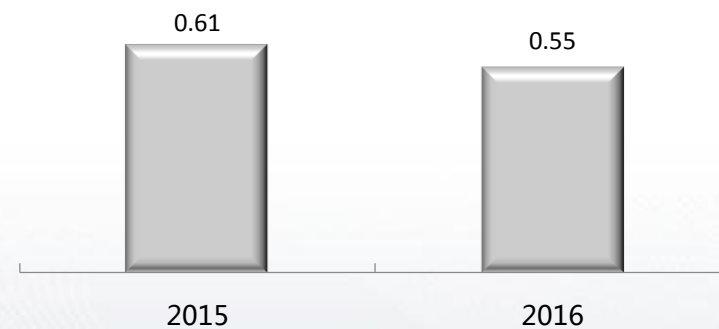


ROAE



Basic Earnings per Share

(RMB)



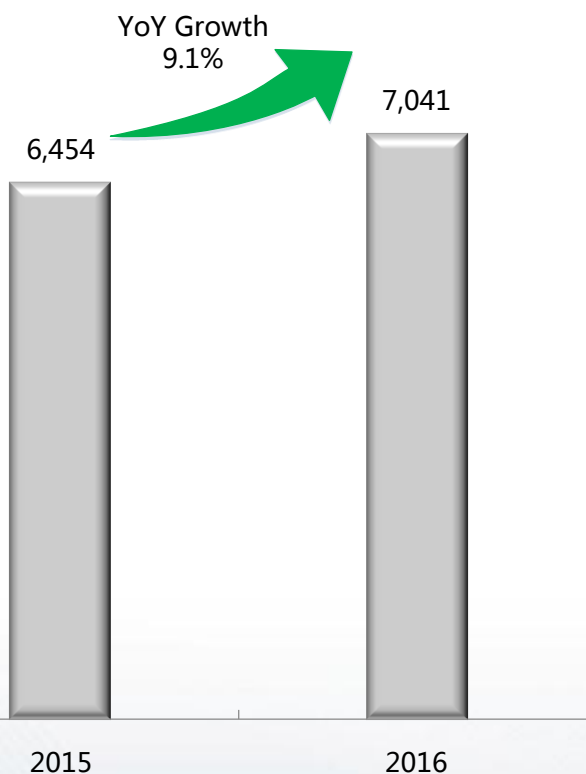
Source: Annual Report
Note: Some data has been rounded



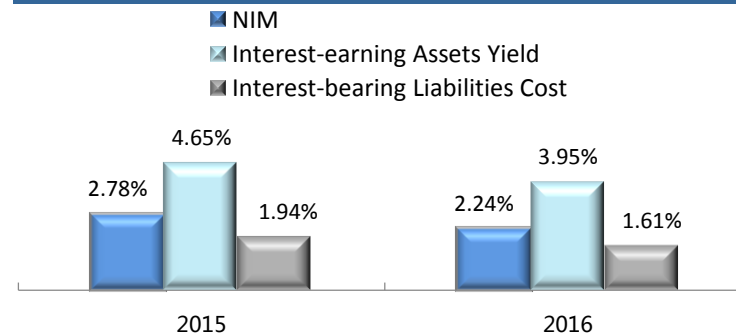
Interest-earning Assets Grew Steadily

Average Balance of Interest-earning Assets

(RMB Billion)



Yield Level



Net Interest Income

2016 Net Interest Income **RMB157.6bn**

Factors :



A series of PBOC interest rate cuts



The separation of price and tax of interest income as a result of VAT Transition

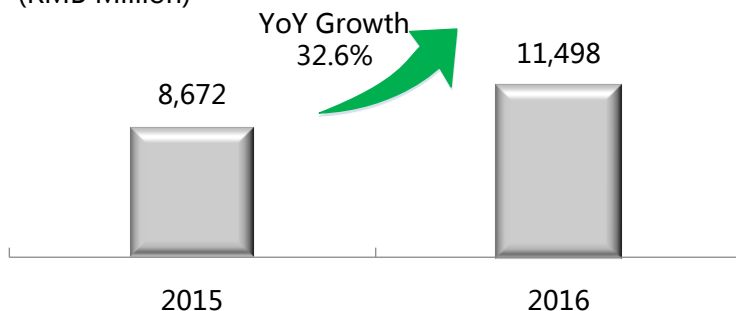
Source: Annual Report
Note: Some data has been rounded



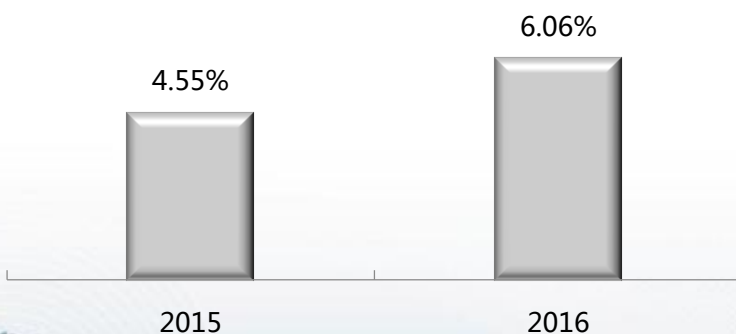
Net Fee and Commission Income Grew Rapidly with Increased Proportion in Total Operating Income

Net Fee and Commission Income Grew Rapidly

(RMB Million)

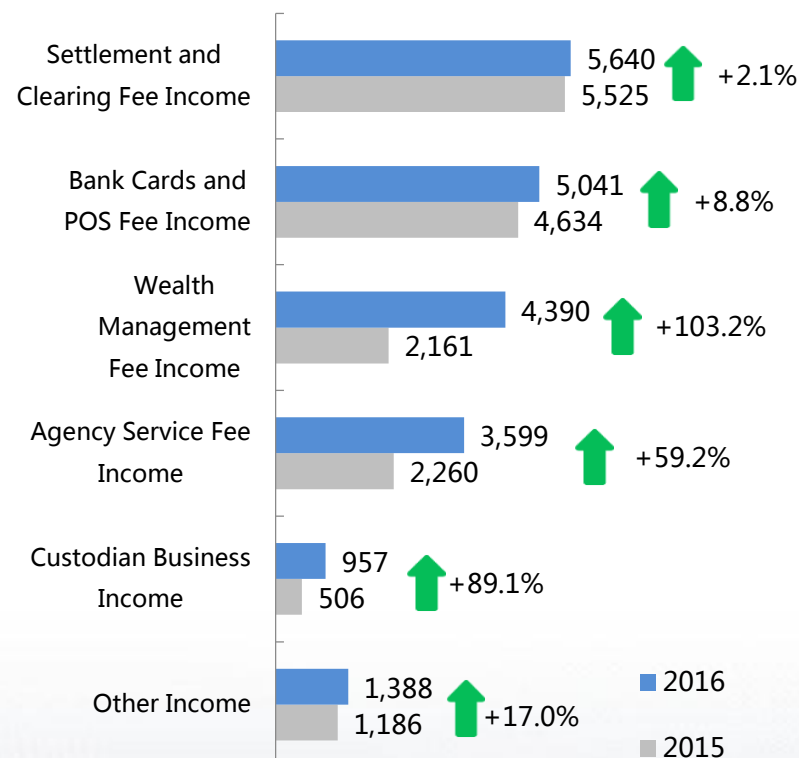


Proportion of Net Fee and Commission Income Increased Rapidly



Each Category of Fee and Commission Income Increased

(RMB Million)



Source: Annual Report

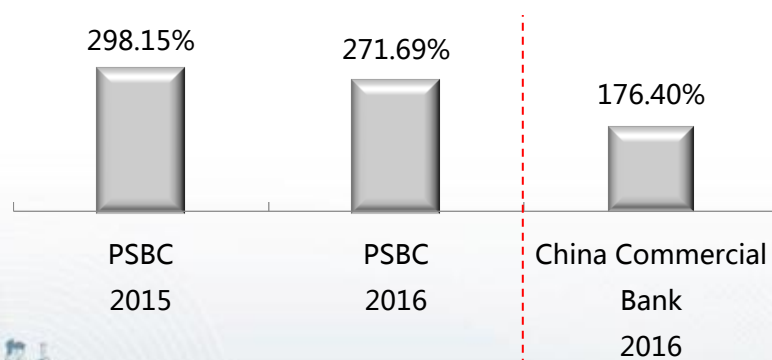
Note: Some data has been rounded



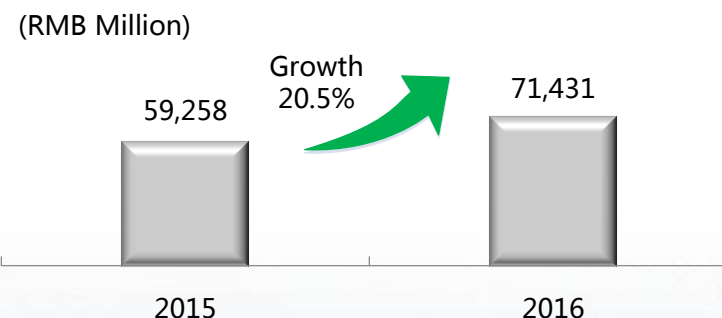
Strong Asset Quality and Adequate Provisions

(RMB Million)	2016		2015	
	Amount	Percentage	Amount	Percentage
Normal	2,960,105	98.32%	2,414,984	97.70%
Special Mention	24,252	0.81%	36,994	1.50%
Non-performing Loans	26,291	0.87%	19,875	0.80%
Substandard	7,728	0.26%	4,126	0.17%
Doubtful	6,965	0.23%	6,976	0.28%
Loss	11,598	0.39%	8,773	0.35%

High Allowance Coverage Ratio



Allowance for Impairment on Loans Increased



Source: Annual Report and China Banking Regulatory Commission
Note: Some data has been rounded



II

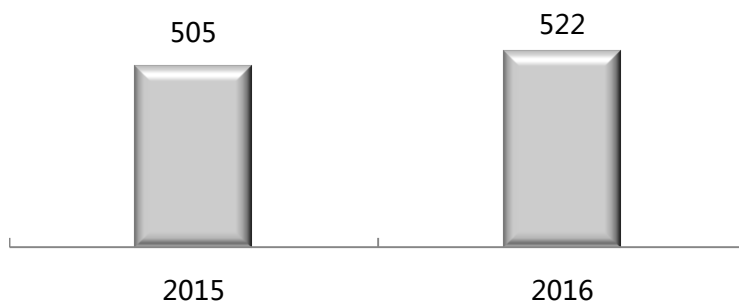
Business Development



The Largest Customer Base and the Broadest Distribution Channels

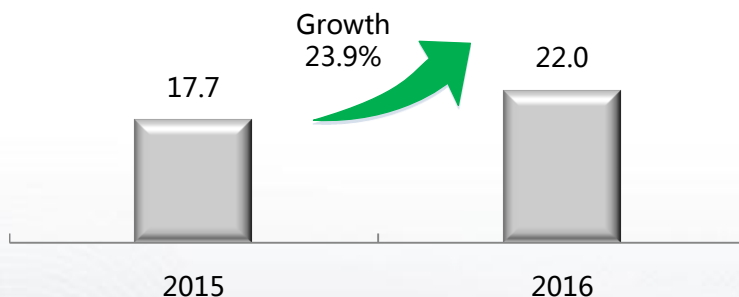
The Largest Retail Customer Base in China

(Accounts, Million)



Number of VIP Customers

(Accounts, Million)

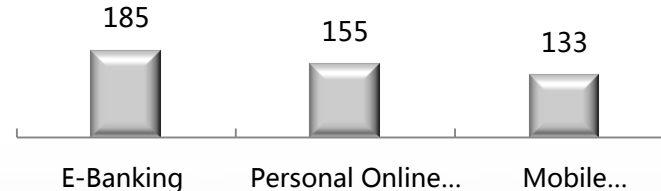


Broad Distribution Channels

- A Large Number of Outlets
 - **39,927** outlets as of December 31, 2016
- Strengthen outlet transformation
 - Light
 - Self-service
 - Smart

Number of E-Banking Customers and Transaction Substitution Ratio

(Accounts, Million)



The number of e-banking customers increased by 23.5% vs. the end of the pervious year;
The e-banking transaction substitution ratio reached 81.8%, representing an increase of 10.1 percentage points as compared to the previous year

Source: Annual Report and Prospectus
Note: Some data has been rounded

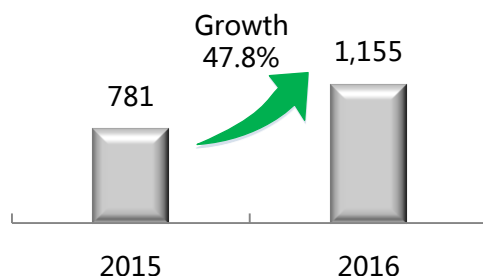


Stick to Our Retail Banking Positioning with Strategic Focus on Providing Financial Services to Communities, SMEs and Sannong Customers

Serving Communities

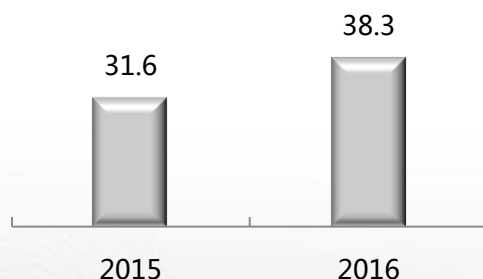
Balance of Consumer Loans and Credit Card Overdrafts

(RMB Billion)



As % of Total Loans

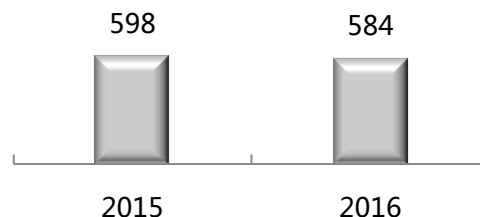
(%)



Serving SMEs

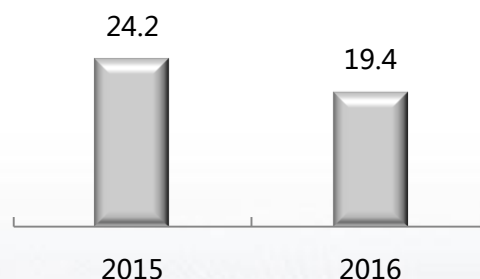
Balance of Small and Micro Enterprise Loans ⁽¹⁾

(RMB Billion)



As % of Total Loans

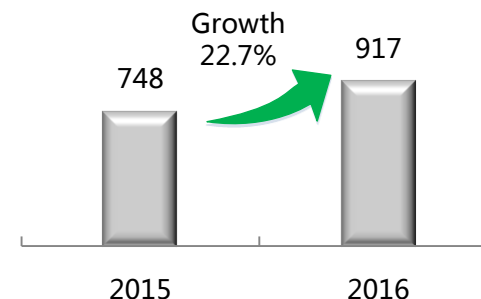
(%)



Serving Sannong ⁽²⁾

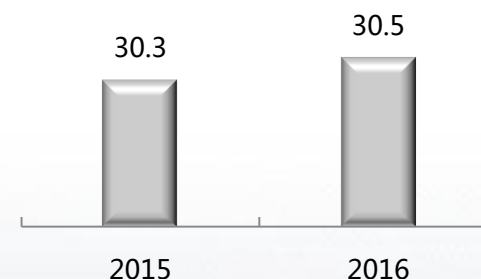
Balance of Agriculture-related Loans

(RMB Billion)



As % of Total Loans

(%)



Source: Annual Report and Prospectus

Note: 1. Small and micro enterprise loans refer to, collectively, small enterprise loans (including loans amounting to less than RMB30 million to the medium-sized enterprise), micro loans and personal business loans

2. Sannong: A short hand reference to the Chinese pronunciation of the phrase "agriculture, rural areas and farmers"

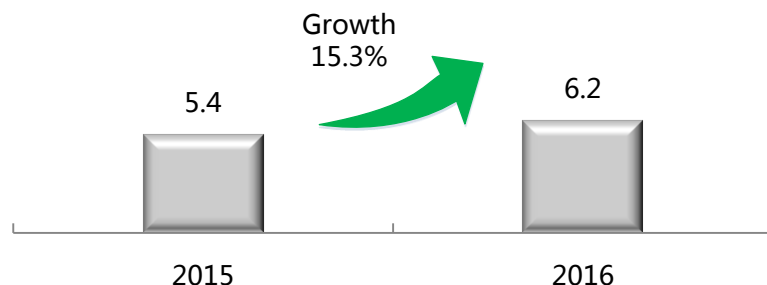
3. Some data has been rounded



Personal Banking Business: Deposit and Fee- and Commission-based Businesses Grew Rapidly

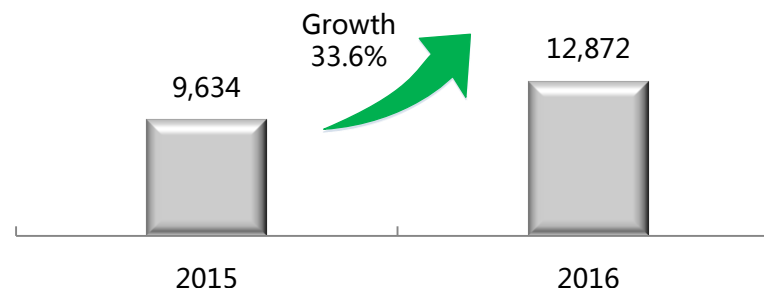
Personal Deposits

(RMB Trillion)



Number of Credit Cards in Circulation

(Thousand)



Bancassurance



In 2016, total written premium of new policies of our bancassurance business was **RMB368.3bn**



Thereinto, the size of regular premium was **RMB33.0bn** with YoY growth of **390.0%**

Source: Annual Report

Note: Some data has been rounded

Payment Business



Cooperate with various e-commerce enterprises to launch products such as protocol payment, WeChat Pay, secured payment and innovative multi-level clearance



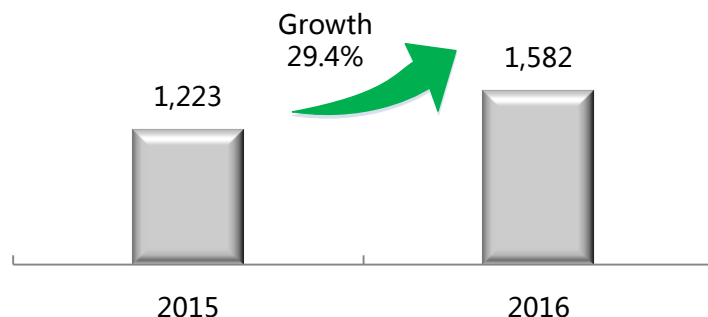
The number of payment transactions was **4.3bn** and the total volume was **RMB1.2tn** in 2016



Personal Banking Business: Loan Business Flourishing

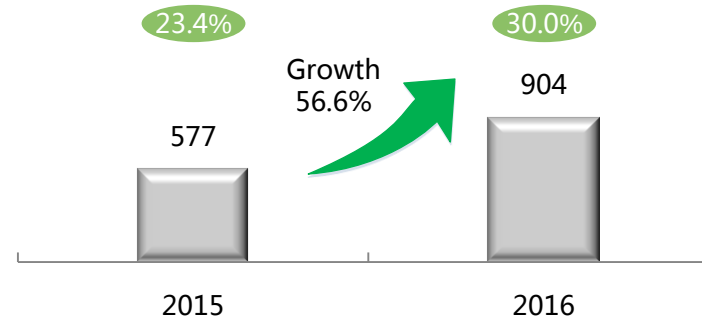
Personal Loans

(RMB Billion)



Residential Mortgage Loans

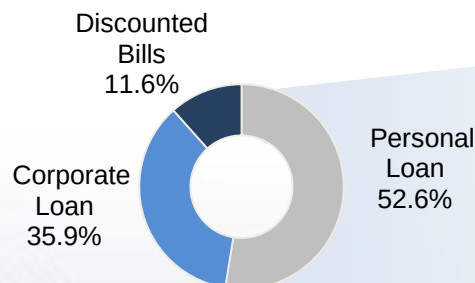
(RMB Billion)



As % of total loans

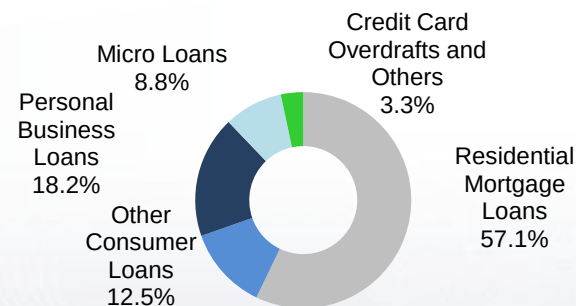
Percentage of Personal Loans

As of December 31, 2016



Personal Loan Mix

As of December 31, 2016



Source: Annual Report

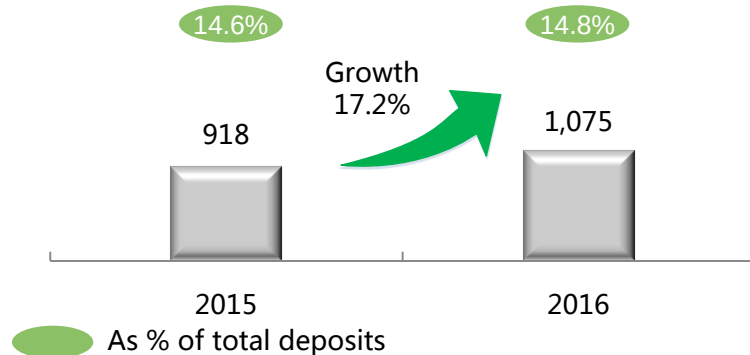
Note: Some data has been rounded



Corporate Banking Business Grew Solidly

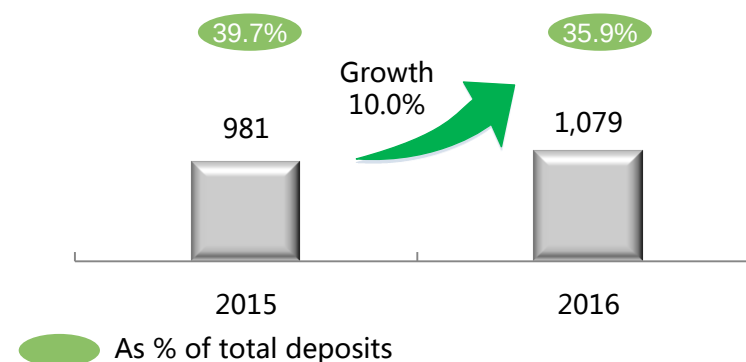
Corporate Deposits

(RMB Billion)



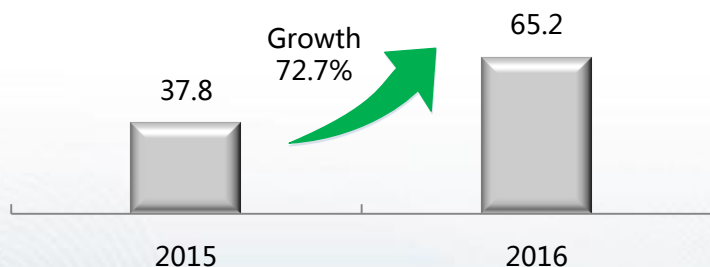
Corporate Loans ⁽¹⁾

(RMB Billion)



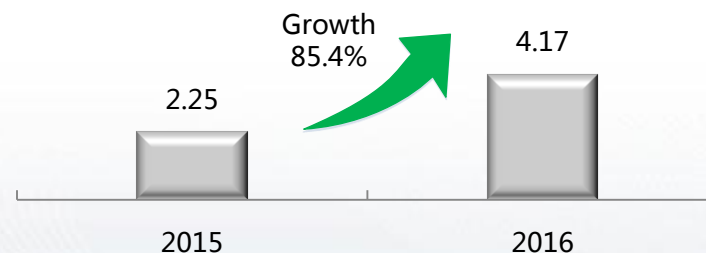
Settlement Services

Corporate RMB Settlement (RMB Trillion)



Custodian Services

Assets under Custody (RMB Trillion)



Source: Annual Report

Note: 1. Exclude discounted bills

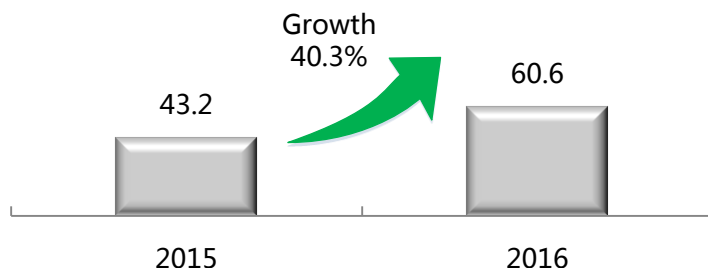
2. Some data has been rounded



Treasury Business Maintained Leading Position

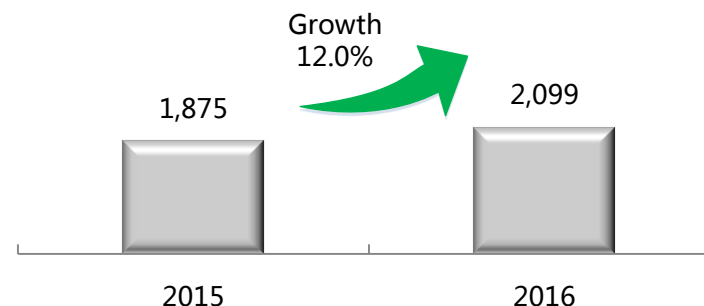
Active Trading Business

Trading Volume in the Domestic and Foreign Currency Markets
(RMB Trillion)



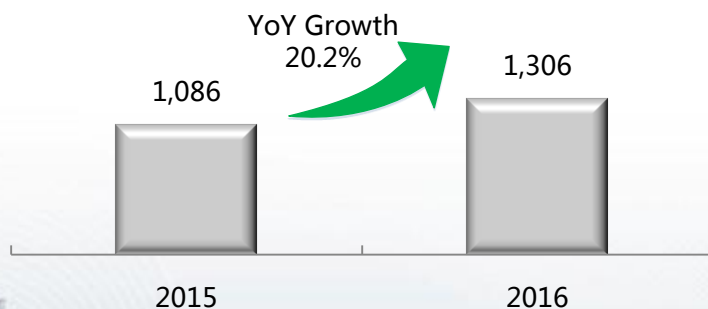
Outstanding Bond Investment Business

Balance of Investments in Debt Securities (RMB Billion)



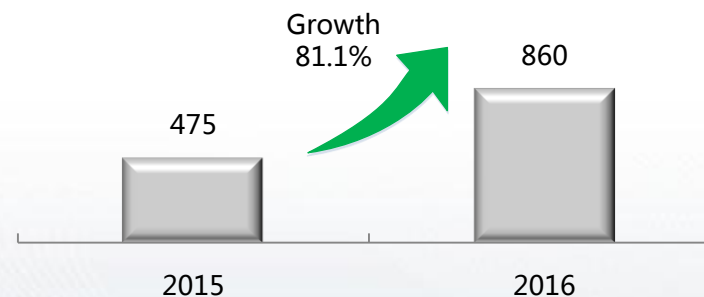
Innovative, Leading and Professional Interbank Investments Business

Balance of Interbank Investments (RMB Billion)



Fast-growing Asset Management Business

Assets under Management (RMB Billion)



Source: Annual Report and Prospectus

Note: Some data has been rounded



III

Outlook



Outlook

1

Solidify our strength and develop a strong retail bank

- Build a full-range Sannong financial services system
- Establish first-class financial services for small and micro enterprises
- Optimize the structure of personal deposits
- Enhance service capabilities for both online and offline channels

2

Innovative with pioneering spirit and accelerate “capital-light” business development

- Substantially develop credit card business
- Promote asset management business to a higher level
- Maintain rapid growth of our custodian services
- Strengthen the efforts to enhance value creation from existing corporate customers

3

Reduce costs and improve efficiency and enhance profitability on an on going basis

- Focus on credit risk management and control credit costs
- Leverage our new generation retail credit factory and reduce operation expenses for credit business
- Accelerate the process of outlet transformation

4

Cultivate talents and strengthen support for our development

- Build leading training systems among commercial banks
- Leverage the cooperation with strategic investors to promote human resources development
- Emphasize discipline and ensure compliance of our operations



進步
與您同步
TOGETHER
WE MAKE IT
BETTER

THANKS!

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