

2024 Interim Results Presentation

September 2024



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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 report.

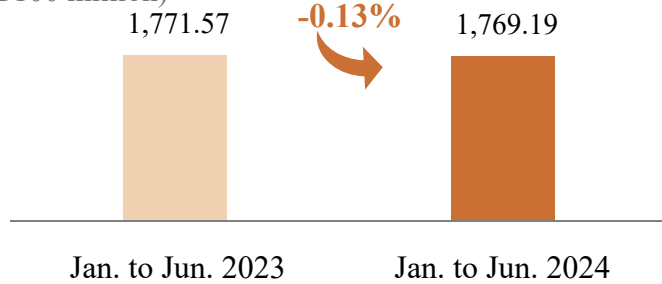
01

Overview of Results

Adhered to pursuing progress while ensuring stability and steadily improved the operation quality and efficiency

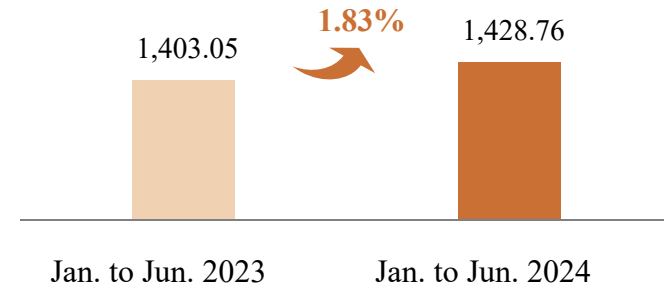
Operating income

(Unit: RMB100 million)



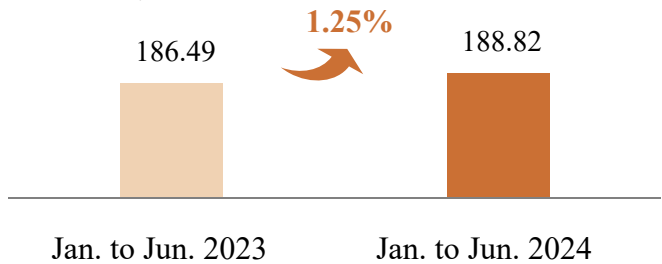
Net interest income

(Unit: RMB100 million)



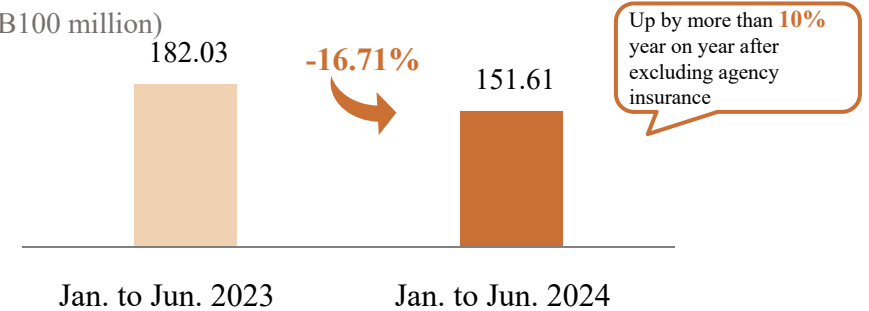
Other net non-interest income

(Unit: RMB100 million)



Net fee and commission income

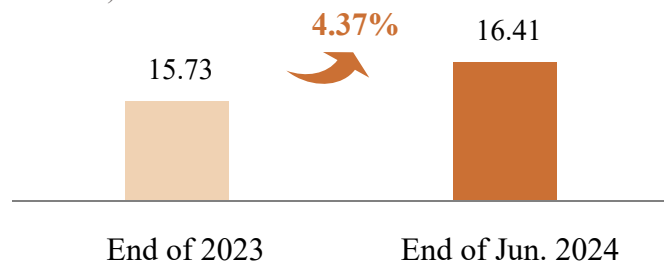
(Unit: RMB100 million)



Adhered to pursuing progress while ensuring stability and steadily improved the operation quality and efficiency

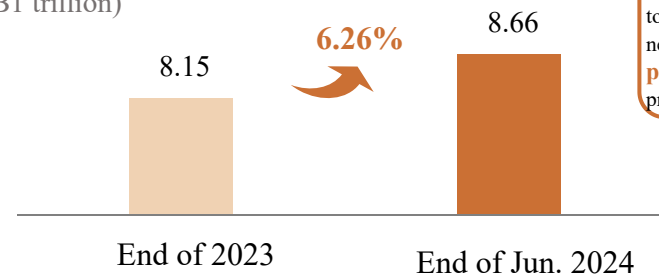
Total assets

(Unit: RMB1 trillion)



Total loans to customers

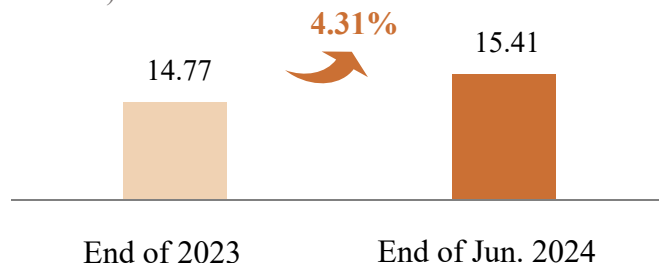
(Unit: RMB1 trillion)



The proportion of loans to total assets increased by nearly **1 percentage point** compared to that at prior-year end

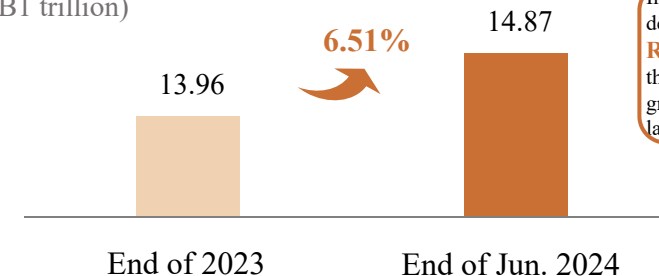
Total liabilities

(Unit: RMB1 trillion)



Total deposits

(Unit: RMB1 trillion)

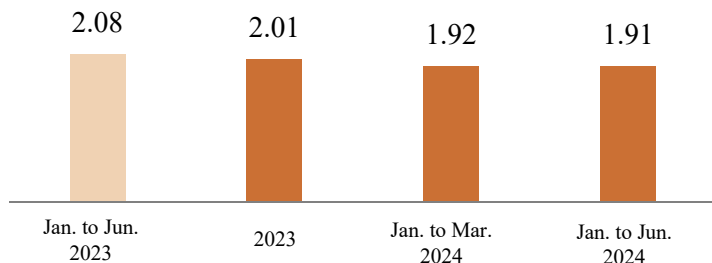


In the first half of the year, deposit growth was **RMB320 billion** more than the increment of growth in the same period last year.

Adhered to pursuing progress while ensuring stability and steadily improved the operation quality and efficiency

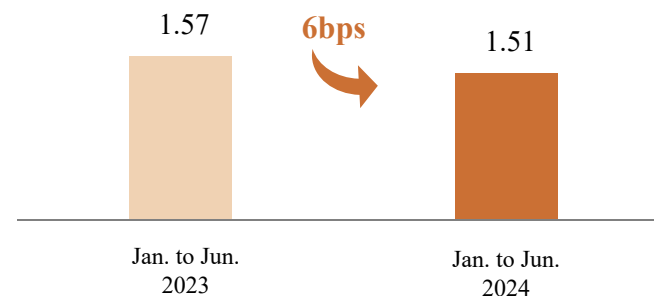
Net interest margin

(Unit: %)



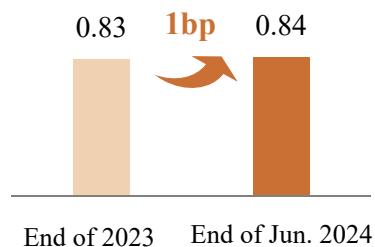
Cost of liabilities

(Unit: %)



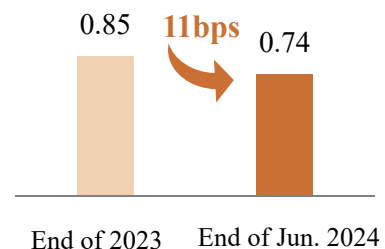
NPL ratio

(Unit: %)



NPL generation rate

(Unit: %)



Percentage of special-mention loans Allowance to NPLs ratio



0.81%



325.61%

Adhered to pursuing progress while ensuring stability and steadily improved the operation quality and efficiency



Sustained the best international credit ratings among Chinese commercial banks



A+



A1



A



Continuously enhanced shareholder returns

Total dividends
RMB140 billion

Since 2018,
the dividend ratio
has stabilized at
30%

Increased
frequency of
dividend
payout in 2024



12th on the list of Top 1000 World Banks



Ranked 12th on the UK magazine *The Banker*'s list of "2024 Top 1000 World Banks" in terms of tier 1 capital.

02

Business Highlights

Adhered to longtermism



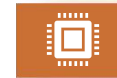
**Steadfast adherence to
strategy**



**Philosophy of intrinsic
development**



**Customer-centric service
approach**



**Management driven by
internal motivation**

Adhered to strategic positioning, delivered the “PSBC’s answer sheet” with excellence in the “five priorities”

Accelerated the building of a digital ecosystem-based bank

Aimed to become an emerging force in technology finance

- Launched the “**technology flow**” evaluation system for assessing the innovation capabilities of sci-tech enterprises, enriching the “**future-oriented**” review and analysis method.
- The financing balance of technology finance business exceeded **RMB400 billion**, with a year-on-year increase of over **40%**.

- Put into operation the next-generation corporate banking core system and credit card core system, and with that, the independently developed systems of the Bank took up **77%**.
- Mobile banking has become the main platform for customer interaction and operations, with monthly active users (MAU) reaching **75.2 million**, a year-on-year increase of **31%**.

Put green finance into action

- Launched several sustainability-linked financial businesses
- Completed carbon accounting for over **5,500** enterprises in total
- The balance of green loans stood at near **RMB700 billion**, with the growth rate continuously higher than the average level of all types of loans.

Built itself into a main force for rural revitalization and a comprehensive service provider of inclusive finance

- Agriculture-related loans increased by approximately **RMB180 billion**, with a balance exceeding **RMB2.2 trillion**, accounting for about **25%** of total loans.
- Inclusive loans to MSEs increased by over **RMB130 billion**, with a balance nearing **RMB1.6 trillion**, accounting for nearly **19%** of total loans.

Became a promoter of pension finance

- Launched the personal pension service brand “U Enjoy Future”, with over **100 million** social security cards in circulation.



Established a healthy and balanced development model and constantly created its new driving force and advantages



While focusing on economic needs and customer desires, the Bank continuously built unique competitive advantages. Under the impetus of five differentiated growth poles, its development momentum was gradually strengthening.



Differentiated growth poles

The loan balance of differentiated growth poles exceeded **RMB5 trillion**, accounting for **62%** of new loans. The year-on-year growth rate of micro loans and loans to MSEs with high RAROC exceeded **18%**, with the balance proportion increasing by **1.37 percentage points** from the beginning of the year.



Proactive credit extension

The proactive credit extension model has become increasingly mature, with a list of customers exceeding **120 million**. Since its operation at the end of 2022, the loan balance has surpassed **RMB240 billion**, with a NPL ratio stabilized below **0.5%**.



Wealth management

Wealth management continued to improve, with AUM exceeding **RMB16 trillion**. The scale of PSBC wealth management products has surpassed **RMB950 billion**, with a growth rate of **23%**, leading the industry.



Retail customers

The Bank further tapped into its existing retail customer base with improved services. VIP customers reached over **55 million**, an increase of nearly **7%** over the prior year-end; and Fujia customers and above recorded an increase of **13%**.



Corporate banking

The Bank expanded corporate banking customers and improved service efficiency. In the first half of the year, the number of corporate customers increased by **160 thousand**, and that of customers with the Bank acting as the lead bank increased by **48%** over the prior year-end. The finance product aggregate (FPA) exceeded **RMB5 trillion**, an increase of **10%** over the prior year-end.



Interbank ecosystem

The interbank ecosystem drove the quality and quantity of asset management. The cumulative transaction volume on PSBC “Together We Thrive” surpassed **RMB3.5 trillion**. The volume of bill discounting transactions has increased by **39%** year-on-year. The volume of financial market bond asset trading has increased by **32%** year-on-year. The custody scale has exceeded **RMB5 trillion** for the first time.

Deepened innovation-driven reform and fostered intrinsic growth momentum

Innovated business modes



The “future-oriented” credit review technology has reviewed and approved

over RMB650 billion  169%

Strengthened technological empowerment



Over **8,000** self-service devices and more than **9,000** mobile business terminal devices have been integrated into the “cloud counter” model.



The “cloud counter” has served **4.45 million** customer visits.



Deepened the institutional mechanism reforms



The reform of tier-2 branch institutions has been implemented nationwide, streamlining over **4,000** administrative personnel, effectively bolstering frontline and marketing positions.



Promoted centralized institutions such as financial shared services centers and internal control monitoring centers.



Enhanced the value creation orientation of compensation allocation, further favoring contributors.

Adhered to refined management and extracted value from the management



Cost and expenses: meticulous calculation

Controllable costs reduced by nearly **RMB1.8 billion**, a decrease of **8.58%**

Accelerated the adjustment of **agency fees**



Capital resources: lean coordination

Established a high-frequency dynamic management mechanism using RAROC as a benchmark

Promoted the transfer of **industrial funds**, tapping into capital savings

Steadily advanced the development of the **advanced approach**



Centralized operations: enhancing efficiency and quality

Achieved centralized operations at the tier-1 branches for small loan review and approval, initiated centralized operations at the Head Office, saving approximately **40%** of personnel

Consumer loan business in 10 branches achieved centralized approval for all loan types at the Head Office, reducing final approval time by over **40%**

Achieved whole-process centralized operations for post-loan credit card management



Risk prevention and control: comprehensive strengthening

Enhanced **intelligent risk control** capabilities

Effectively managed the early risk **warning and resolution**

Strengthened the capability and cultural development and solidified the foundation of development

Continuously enhanced multi-channel collaboration



Accelerated the transformation of **offline** outlets into marketing service centers



Developed an integrated mobile platform for customer engagement and financial services



Unwavering commitment to building "six major capabilities"



Core business
System support
Coordination and integration

Technological facilitation
Institutional drive
Innovation leadership



Vigorously deepened corporate culture and brand development



Retained talent, empowered employees, and enhanced their sense of achievement and fulfillment



中国邮政储蓄银行
POSTAL SAVINGS BANK OF CHINA

03

Development Strategy

Persistently strengthened capacity building and promoted balanced development



- ◆ While deepening the retail sector, established a healthier and more balanced business structure, continuously seeking market niches
- ◆ Promoted a more balanced customer structure across different sizes, types, and industries, attracting more high-quality, loyal customers, and expanding the young, potential customer base
- ◆ Fostered a more balanced urban-rural market structure, encouraging urban areas to flourish and rural areas to take root

Continued to refine institutional mechanisms and enhanced innovation leadership



- ◆ Leveraged human resources for “putting efficiency first”, directing personnel to the front lines and strengthening headquarters capabilities
- ◆ Accelerated digital transformation to enhance digital service capabilities
- ◆ Revitalized the value of data assets to provide targeted support for customer operations, business marketing, and risk prevention and control

Continuously enhanced refined management and strengthened development support



- ◆ Further improved management efficiency by meticulously managing costs and expenses, achieving cost reduction and efficiency through selective and controlled measures such as highlighting priorities and restrictions in loan issuance
- ◆ Flexibly and effectively managed capital to ensure optimal resource allocation
- ◆ Unwaveringly promoted centralized operations, continuously optimized operational procedures, and enhanced customer experience
- ◆ Consistently strengthened risk control, aligned policies and mechanisms more closely with the market, and improved models and product designs to enhance the foresight and effectiveness of the “future-oriented” model.



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Thanks!

