

# 2023 Annual Results Presentation

April 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

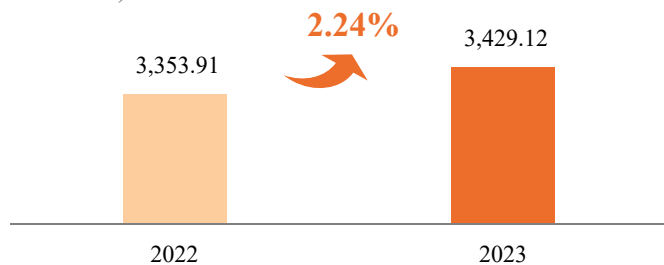
# Overview of Results

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# Operating results saw steady growth with a stable and positive development trend

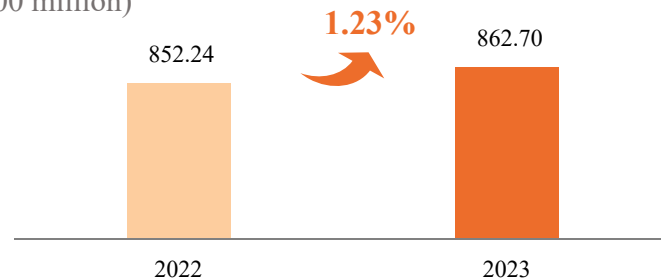
## Operating income

(in RMB100 million)



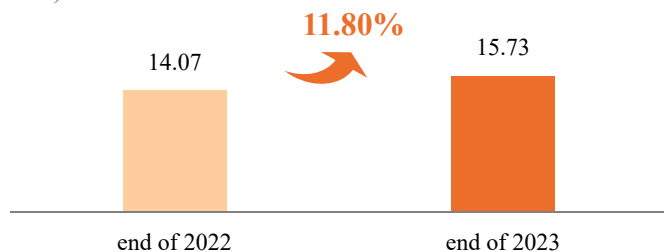
## Net profit attributable to equity holders of the Bank

(in RMB100 million)



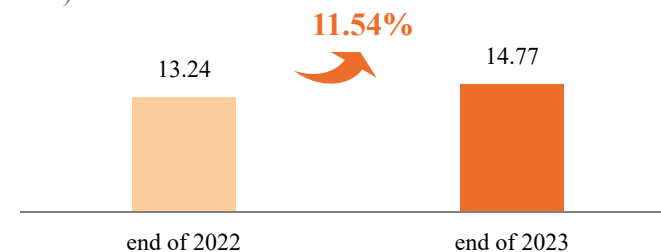
## Total assets

(in RMB trillion)



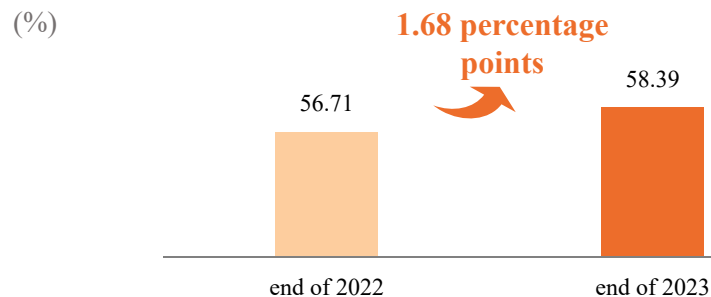
## Total liabilities

(in RMB trillion)

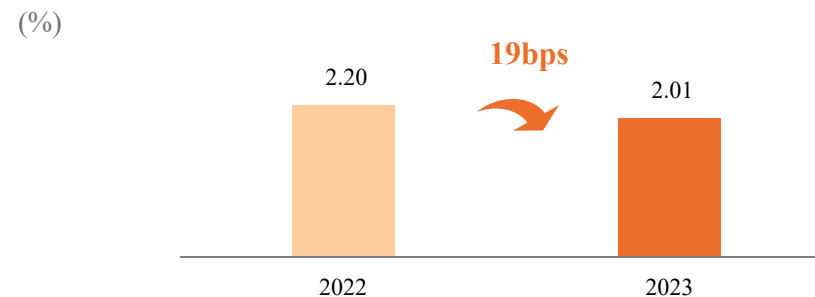


# Operating results saw steady growth with a stable and positive development trend

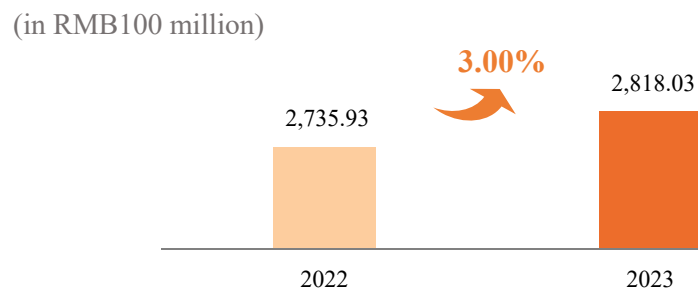
## Continuous improvement in the loan-to-deposit ratio



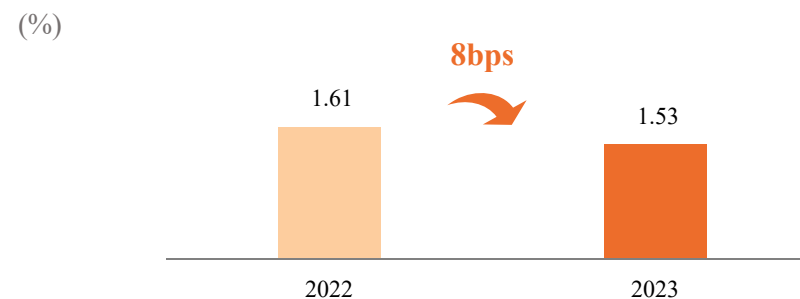
## Maintaining the net interest margin at a high level



## Notable advantages in the net interest income



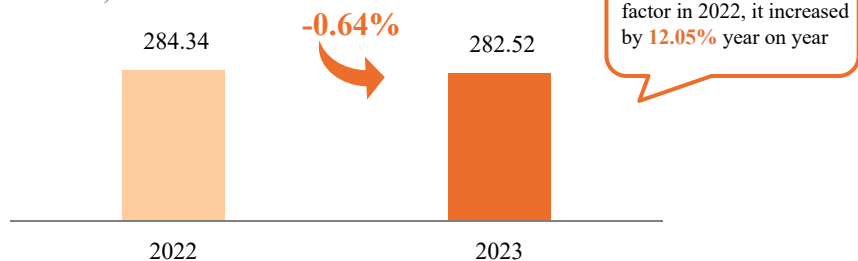
## A significant decrease in the cost of deposits



# Operating results saw steady growth with a stable and positive development trend

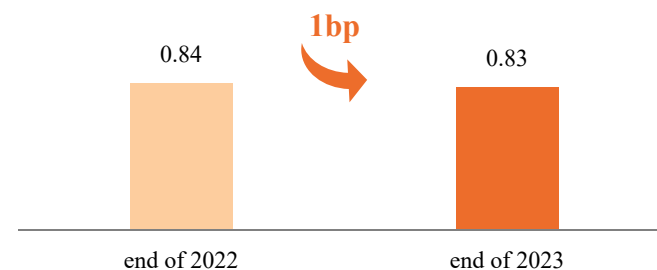
## Net fee and commission income showed development potential

(in RMB100 million)



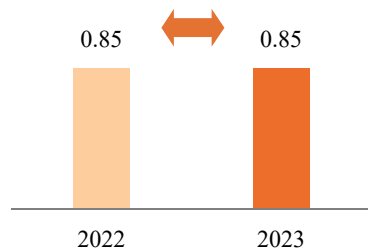
## Steady decrease in the NPL ratio

(%)



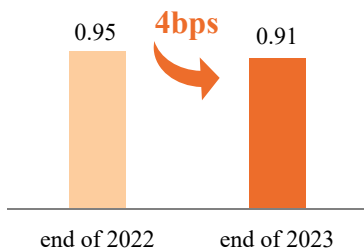
## NPL formation ratio

(%)



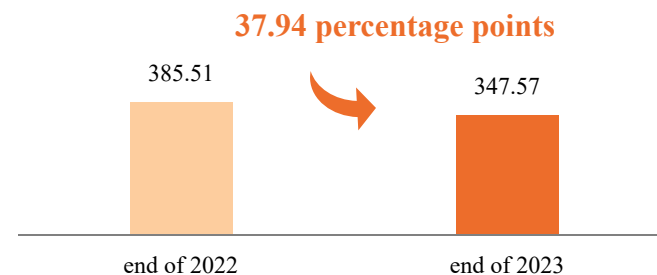
## Overdue ratio

(%)



## Allowance to NPLs ratio remained at an excellent level in the industry

(%)

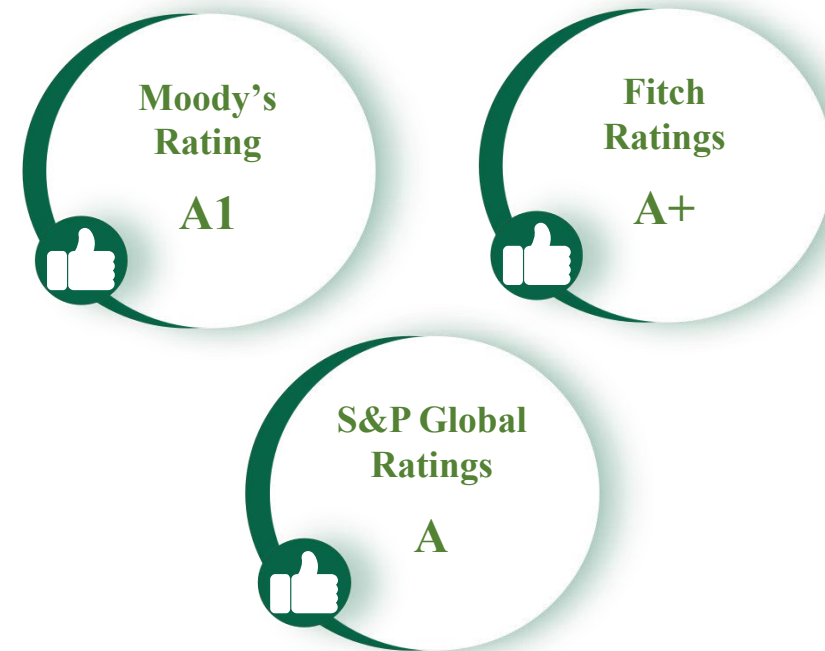


# Operating results saw steady growth with a stable and positive development trend

Rising to 12<sup>th</sup> in The Banker's list of  
"Top 1000 World Banks"



Maintaining the best credit ratings among  
Chinese commercial banks by international  
rating agencies



02

## Business Highlights

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# Initial achievements were made in the development of five differentiated growth poles with more distinctive business features

**2 • Inclusive finance sailed forward**

SME loans registered a net increase of **RMB435.4 billion**, up by **31.27%**. Such loans drove the finance product aggregate (FPA) of corporate banking business to reach **RMB4.68 trillion**, up by **26.83%**. The number of corporate customers was nearly **1.6 million**, up by **15.58%**.

**4 • Wealth management was improved in both quantity and quality**

The AUM surpassed **RMB15 trillion**, representing an increase of nearly **10%**. The number of VIP customers exceeded **51 million**, representing an increase of nearly **9%**. The number of Fujia customers and above registered an increase of nearly **17%**.

**1 • Sannong finance has become a well-established brand**

Agro-related loans increased by **RMB346.5 billion**. The balance of agro-related loans reached **RMB2.15 trillion**, up by **19.16%**. While hitting a historical high again in terms of the increment, a balance was struck between prices and risks.

**3 • Proactive credit extension grew at a faster pace**

Over the 15 months since its implementation, the loan balance of proactive credit extension exceeded **RMB150 billion**, with an NPL ratio below **0.5%**. It demonstrated a strong potential for a high rate of growth, low costs, excellent experience, and high quality.

**5 • Interbank finance developed faster with improved performance**

Over **2,400** institutions registered on the “Together We Thrive” platform, with the cumulative trading volume exceeding **RMB2 trillion**.



# Notable results seen in innovation and transformation with enhanced internal driving force



## Business models



The new “1+N” operation and service system for corporate banking was comprehensively rolled out.



The “future-oriented” model for credit approval was put into operation and delivered desirable results, with a total approval amount of over **RMB1.3 trillion**, supporting an increase of **91%** in the number of customers with the Bank acting as the lead bank.



The Bank improved the quality and coverage of the intensive operations, which helped improve the efficiency of consumer credit operations by **42%**, reduced manpower for review and approval of micro loans by **60%**, and realized an increase of **30%** in capacity per capita of small enterprise customer managers.



## Institutions and mechanisms



The Bank optimized the talent structure. The proportions of technology and sales personnel rose by **0.25** and **1.79** percentage points, respectively.



Solid progress was made in the institutional reform in tier-2 branches. The departments of the **six** pilot branches were downsized by **36%**. The number of marketing employees saw an increase of about **1,000** while the number of department employees at branches were reduced.



## Technological empowerment



**382** informationization projects were put into operation, raising the percentages of independent R&D, independent platforms, and agile R&D each by over **14 percentage points**.



The new-generation personal banking core system won the **first prize** of FinTech Development Award of the PBC.



With the introduction of Mobile Banking 9.0, we created immersive companion service featuring “**AI space + digital employees + video customer service**”.

03

## Development Strategy



# Seizing new space and opportunities, leveraging advantages, developing distinctive features, and improving internal strength



**Focusing on the development of “five priorities (technology finance, green finance, inclusive finance, pension finance, and digital finance)” with PSBC characteristics and moving faster to forge new development advantages**

- ◆ Rely on our advantages in resource endowment, take solid steps and make a greater contribution to the development of “five priorities”.
- ◆ Build inclusive finance into the Bank’s most distinctive feature and most prominent advantage.
- ◆ Strive to be the main force serving rural revitalization, a provider of integrated inclusive financial services, and an emerging force driving technology finance.

# Seizing new space and opportunities, leveraging advantages, developing distinctive features, and improving internal strength



## Fostering new quality productive forces of PSBC and cultivating new growth drivers for development at a faster pace

- ◆ Accelerating the innovation-driven development of digital finance. The Bank continues to ensure increase of investment in information technology fields with an amount of at least 3% of the operating income every year.
- ◆ Accelerating the innovation of development models. It deepens the “proactive credit extension” in retail banking business; deepens the new “1 plus N” operation and service system for corporate banking business; and advances the development of the “interbank ecosystem” in the interbank business field.
- ◆ Accelerating the reform of the operation system. It vigorously advances the adjustment to “dumbbell-shaped” structure and the transformation toward intensive operation.
- ◆ Accelerating the innovation of the talent working mechanism. It fosters and trains leading talents, talents who are experts and backbones, and young talents, and increases the proportion of technology, business, and marketing personnel.



# Seizing new space and opportunities, leveraging advantages, developing distinctive features, and improving internal strength



## Implementing refined management across the board and strengthening new development pillars at a faster pace

- ◆ Taking into consideration both current and long-term development needs in resource allocation and realize balanced investment in routine development and operations vis-a-vis talent, technology, brand development, etc. for the long term.
- ◆ In terms of risk prevention and control, the Bank ensures effective risk management in each stage of all processes such as monitoring, control, mitigation, and re-examination.
- ◆ In terms of business development, the Bank meticulously scrutinizes the combined factors, business processes, customer services, and comprehensive value of each business.
- ◆ In terms of operational management, the Bank promotes the modernization of enterprise management, strengthens the interpretation and implementation of strategies, and deepen the development of corporate culture and brand building.

# Thanks!

