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POSTAL SAVINGS BANK OF CHINA CO., LTD. 中國郵政儲蓄銀行股份有限公司

(A joint stock limited liability company incorporated in the People's Republic of China)

(Stock Code: 1658)

Third Quarterly Report of 2024

The Board of Directors (the “Board”) of Postal Savings Bank of China Co., Ltd. (the “Bank”) hereby announces the results of the Bank and its subsidiaries for the nine months ended September 30, 2024. This announcement is made pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

1 IMPORTANT NOTICE

- 1.1 The Board, the board of supervisors, directors, supervisors and members of the senior management of the Bank undertake that the information in this quarterly report is true, accurate and complete and contains no false record, misleading statement or material omission, and they assume individual and joint legal liabilities for such information.
- 1.2 The Third Quarterly Report of 2024 has been considered and approved at the meeting of the Board of the Bank held on October 30, 2024.
- 1.3 Mr. Liu Jianjun, Legal Representative of the Bank, Mr. Xu Xueming, Vice President in charge of finance of the Bank, and Ms. Deng Ping, General Manager of Finance and Accounting Department of the Bank, hereby warrant the truthfulness, accuracy and completeness of the financial information contained in this quarterly report.
- 1.4 These quarterly financial statements have not been audited.

2 MAJOR FINANCIAL DATA

2.1 Major accounting data and financial indicators

Financial information set out in this quarterly report has been prepared in accordance with the International Financial Reporting Standards (“IFRSs”). Unless otherwise specified, it is the consolidated data of the Bank and its subsidiaries and is presented in Renminbi (“RMB”).

In RMB million, except for percentages or otherwise stated

Item	September 30, 2024	December 31, 2023	Changes as compared with the prior year-end (%)
Total assets	16,746,265	15,726,631	6.48
Total loans to customers	8,779,373	8,148,893	7.74
Allowance for impairment losses on loans to customers ⁽¹⁾	227,000	233,648	(2.85)
Financial investments	5,778,319	5,387,588	7.25
Total liabilities	15,713,397	14,770,015	6.39
Customer deposits	15,007,335	13,955,963	7.53
Equity attributable to equity holders of the Bank	1,030,960	954,873	7.97
Net assets per share (in RMB) ⁽²⁾	8.38	7.92	5.81

Note (1): Allowance for impairment losses on loans to customers measured at amortized cost.

Note (2): Calculated by dividing equity attributable to ordinary shareholders of the Bank at the end of the period by the total number of ordinary shares at the end of the period.

In RMB million, except for percentages or otherwise stated

Item	July to September 2024	Changes as compared to the period from July to September of the prior year (%)	January to September 2024	Changes as compared to the period from January to September of the prior year (%)
Operating income	83,648	0.52	260,567	0.07
Net profit	27,098	3.71	75,983	0.29
Net profit attributable to equity holders of the Bank	27,003	3.50	75,818	0.22
Net cash flows generated from operating activities	Not applicable	Not applicable	280,989	Not applicable
Basic and diluted earnings per share (in RMB) ⁽¹⁾	0.27	3.85	0.71	(2.74)
Return on weighted average equity (% , annualized) ⁽¹⁾	12.55	Decreased by 0.46 percentage point	11.79	Decreased by 1.11 percentage points

Note (1): Calculated in accordance with the Rules for the Compilation and Submission of Information Disclosure by Companies that Offer Securities to the Public No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings per Share (Revision 2010) issued by the China Securities Regulatory Commission. There are no potential diluted ordinary shares of the Bank, so the diluted earnings per share is the same as the basic earnings per share. The calculation of relevant indicators excludes the impact of other equity instruments.

¹ “Loans to customers” refers to “loans and advances to customers” and “customer deposits” refers to “deposits from customers” in this report.

The data indicators related to asset quality are calculated using the data that is exclusive of accrued interest.

2.2 Changes in major accounting data and financial indicators and the reasons thereof

In RMB million, except for percentages

Item	January to September 2024	January to September 2023	Change (%)	Major reasons for change
Net cash flows generated from operating activities	280,989	(28,418)	Not applicable	Primarily due to the year-on-year increase in cash received from customer deposits during the current period

2.3 Table of capital adequacy ratio

In RMB million, except for percentages

Item	September 30, 2024		December 31, 2023	
	Consolidated	The Bank	Consolidated	The Bank
Net Common Equity Tier 1 (CET1) capital	826,754	803,128	780,106	757,568
Net tier 1 capital	1,026,922	1,003,113	950,258	927,554
Net capital	1,248,661	1,223,696	1,165,404	1,141,720
CET1 capital adequacy ratio (%)	9.42	9.24	9.53	9.33
Tier 1 capital adequacy ratio (%)	11.71	11.54	11.61	11.42
Capital adequacy ratio (%)	14.23	14.08	14.23	14.06

Note (1): Calculated in accordance with the Rules on Capital Management of Commercial Banks since 2024 and data for the comparison periods of previous years was calculated in accordance with the Rules on Capital Management of Commercial Banks (Provisional).

3 INFORMATION OF SHAREHOLDERS

3.1 Number of ordinary shareholders and shareholdings

As at the end of the reporting period, the Bank had a total of 151,140 ordinary shareholders (including 148,714 holders of A shares and 2,426 holders of H shares) and no holders of preference shares with voting rights restored or holders of special voting shares.

Shareholdings of Top Ten Ordinary Shareholders

Share, except for percentages

Name of shareholder	Number of shares held	Shareholding percentage (%)	Number of shares held subject to selling restrictions	Number of shares pledged, marked or locked-up	Nature of shareholder	Type of ordinary shares
China Post Group Corporation Limited	62,255,549,280	62.78	5,405,405,405	–	State-owned legal entity	A shares, H shares
HKSCC Nominees Limited	19,842,948,300	20.01	–	Unknown	Foreign legal entity	H shares
China Mobile Communications Group Co., Ltd.	6,777,108,433	6.83	6,777,108,433	–	State-owned legal entity	A shares
China Life Insurance Company Limited	1,187,533,205	1.20	–	–	State-owned legal entity	A shares
China Telecommunications Corporation Limited	1,117,223,218	1.13	–	–	State-owned legal entity	A shares
Hong Kong Securities Clearing Company Limited	932,950,388	0.94	–	–	Foreign legal entity	A shares
Industrial and Commercial Bank of China – SSE 50 Exchange-traded Open-end Index Securities Investment Fund	224,136,066	0.23	–	–	Others	A shares
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange-traded Open-end Index Securities Investment Fund	212,409,600	0.21	–	–	Others	A shares
Ping An Life Insurance Company of China, Ltd. – Self-owned funds	183,821,502	0.19	–	–	Others	A shares
China Construction Bank Corporation – E Fund CSI 300 Exchange-traded Open-end Index Initiated Securities Investment Fund	141,375,647	0.14	–	–	Others	A shares

Note (1): The total number of shares held by HKSCC Nominees Limited as the nominee refers to the total number of H shares held by all institutional and individual investors registered with accounts opened with the company as at the end of the reporting period, which includes 80,700,000 H shares held by the controlling shareholder China Post Group Corporation Limited through HKSCC Nominees Limited as the nominee.

Note (2): The total number of shares held by Hong Kong Securities Clearing Company Limited refers to the A shares (Shanghai-Hong Kong Stock Connect) held on behalf of Hong Kong investors and overseas investors as the nominee.

Note (3): HKSCC Nominees Limited is a wholly-owned subsidiary of Hong Kong Securities Clearing Company Limited. Apart from this, the Bank is not aware of whether there is any connected relation among the aforementioned shareholders or whether they constitute persons acting in concert as stipulated in the Administrative Measures for the Takeover of Listed Companies.

Note (4): Except for HKSCC Nominees Limited, whose participation in margin trading, short selling or refinancing was unknown to the Bank, the rest of the top ten ordinary shareholders of the Bank did not participate in margin trading or short selling.

Note (5): The above shareholders do not have special repurchase accounts nor do they involve delegation/entrustment of voting rights, abstention of voting rights, nor do any strategic investor or general legal entity become the top ten ordinary shareholders due to the participation in placement of new shares.

Shareholdings of the Top Ten Shareholders Not Subject to Selling Restrictions

Share

Name of shareholder	Number of circulating shares held not subject to selling restrictions	Type and number of shares	
		Type	Number
China Post Group Corporation Limited	56,850,143,875	A shares	56,769,443,875
		H shares	80,700,000
HKSCC Nominees Limited	19,842,948,300	H shares	19,842,948,300
China Life Insurance Company Limited	1,187,533,205	A shares	1,187,533,205
China Telecommunications Corporation Limited	1,117,223,218	A shares	1,117,223,218
Hong Kong Securities Clearing Company Limited	932,950,388	A shares	932,950,388
Industrial and Commercial Bank of China – SSE 50 Exchange-traded Open-end Index Securities Investment Fund	224,136,066	A shares	224,136,066
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange-traded Open-end Index Securities Investment Fund	212,409,600	A shares	212,409,600
Ping An Life Insurance Company of China, Ltd. – Self-owned funds	183,821,502	A shares	183,821,502
China Construction Bank Corporation – E Fund CSI 300 Exchange-traded Open-end Index Initiated Securities Investment Fund	141,375,647	A shares	141,375,647
National Social Security Fund Portfolio 108	113,531,044	A shares	113,531,044

Note (1): The total number of shares held by HKSCC Nominees Limited as the nominee refers to the total number of H shares held by all institutional and individual investors registered with accounts opened with the company as at the end of the reporting period, which includes 80,700,000 H shares held by the controlling shareholder China Post Group Corporation Limited through HKSCC Nominees Limited as the nominee.

Note (2): The total number of shares held by Hong Kong Securities Clearing Company Limited refers to the A shares (Shanghai-Hong Kong Stock Connect) held on behalf of Hong Kong investors and overseas investors as the nominee.

Note (3): HKSCC Nominees Limited is a wholly-owned subsidiary of Hong Kong Securities Clearing Company Limited. Apart from this, the Bank is not aware of whether there is any connected relation among the aforementioned shareholders or whether they constitute persons acting in concert as stipulated in the Administrative Measures for the Takeover of Listed Companies.

Note (4): Except for HKSCC Nominees Limited, whose participation in margin trading, short selling or refinancing was unknown to the Bank, the rest of the top ten shareholders not subject to selling restrictions of the Bank did not participate in margin trading or short selling.

Note (5): The above shareholders do not have special repurchase accounts nor do they involve delegation/entrustment of voting rights, abstention of voting rights, nor do any strategic investor or general legal entity become the top ten shareholders not subject to selling restrictions due to the participation in placement of new shares.

Lending of Shares by the Shareholders Holding More Than 5% of the Shares, the Top Ten Shareholders and the Top Ten Shareholders of Circulating Shares Not Subject to Selling Restrictions through Participation in Refinancing

Share, except for percentages

Name of shareholder	Shares held in common accounts and credit accounts at the beginning of the reporting period		Shares lent through refinancing and unreturned at the beginning of the reporting period		Shares held in common accounts and credit accounts at the end of the reporting period		Shares lent through refinancing and unreturned at the end of the reporting period	
	Number in aggregate	Percentage (%)	Number in aggregate	Percentage (%)	Number in aggregate	Percentage (%)	Number in aggregate	Percentage (%)
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange-traded Open-end Index Securities Investment Fund	82,568,700	0.08	120,100	0.00	212,409,600	0.21	–	–
China Construction Bank Corporation – E Fund CSI 300 Exchange-traded Open-end Index Initiated Securities Investment Fund	31,021,900	0.03	118,000	0.00	141,375,647	0.14	–	–

Changes in the Top Ten Shareholders and the Top Ten Shareholders of Circulating Shares Not Subject to Selling Restrictions Compared to the Previous Period Due to Reasons Related to Shares Lent/Returned through Refinancing

Share, except for percentages

Name of shareholder	Addition/exit during the reporting period	Number of shares lent through refinancing and unreturned at the end of the reporting period		Number of shares held in the shareholders' common accounts and credit accounts and shares lent through refinancing and unreturned at the end of the reporting period	
		Number in aggregate	Percentage (%)	Number in aggregate	Percentage (%)
China Construction Bank Corporation – E Fund CSI 300 Exchange-traded Open-end Index Initiated Securities Investment Fund	Addition	–	–	141,375,647	0.14
New China Life Insurance Company Ltd. – Traditional – General insurance products – 018L-CT001 Shanghai	Exit	–	–	112,257,154	0.11

4 ANALYSIS ON OVERALL OPERATING ACTIVITIES IN THE THIRD QUARTER

4.1 Overview of operations

The Bank followed the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and earnestly implemented the decisions and plans of the CPC Central Committee and the State Council. It focused on the primary task of achieving high-quality development, while upholding long-termism and the concept of sustainable development. In practice, the Bank consolidated its development foundation and enhanced its operational resilience through a “three-pronged approach” of capacity building, innovation-driven development, and refined management. In the process of supporting China’s high-quality economic and social development, the Bank developed the ability to navigate economic cycles and built a differentiated competitive edge.

While actively responding to the new challenges presented by the evolving circumstances, the Bank focused on steady development, effectively struck a balance among scale growth, structural optimization, earnings stability, and risk prevention and control, and continued to enhance its operational resilience. **Firstly, profitability remained stable.** During the reporting period, operating income reached RMB260,567 million, which represented a year-on-year increase of 0.07%. Specifically, net interest income rose by 1.46% year on year. The net profit attributable to equity holders of the Bank recorded RMB75,818 million, which represented a year-on-year increase of 0.22%. **Secondly, a robust and balanced business structure was developed via the balance among volume, price, and risks.** On the asset side, the Bank continued to improve asset allocation efficiency with a high-frequency dynamic management framework using risk-adjusted return on capital (RAROC) as a yardstick. On the credit business side, the Bank strengthened the position of its retail banking business as a cornerstone. Retail loans grew by 5.69% in the first three quarters of the year, accounting for 40.31% of all new loans, which remained at the forefront of the industry. Meanwhile, the Bank was committed to developing the corporate banking business, with corporate loans surging by 11.66%. The corporate banking business saw improvement in both volume and quality. The proportion of the balance of loans granted to Sannong (agriculture, rural areas, and farmers) customers and micro and small-sized enterprises (MSEs) rose by another 1.12 percentage points from the end of the previous year, which helped drive loans to increase at a reasonable rate. As a result, the ratio of total loans to total assets increased by another 0.61 percentage point from the end of the previous year. On the non-credit business side, the Bank strengthened the role of investment research as guidance, accelerated asset transaction and circulation, and achieved efficient use of funds. On the liability side, the Bank adhered to a value deposit-centered management mechanism and a development approach coordinating volume and price, while dynamically adjusting its development strategy for value deposits. The Bank’s year-on-year deposit growth surpassed that of the previous year by RMB272,735 million, the deposit structure continued to improve and its advantage in low-cost liabilities was solidified. The average interest payment rate on interest-bearing liabilities in the first three quarters was 1.49%, down by 8 basis points year on year. Moreover, refined management on both asset and liability sides helped consolidate the Bank’s advantage in interest spread, with the net interest margin standing at 1.89% in the first three quarters of the year, which maintained an excellent level among large state-owned banks. **Thirdly, asset quality remained excellent.** The Bank continuously refined its comprehensive risk management framework featuring an “all aspects, whole process, and entire staff” approach, and made significant progress in the digitized and intensive transformation of risk management. Meanwhile, the Bank steadily pushed forward the application of advanced approaches for capital management and improved its capability in risk identification. As at the end of the reporting period, the NPL (non-performing loan) ratio stood at 0.86%, maintaining an excellent level. The allowance to NPLs ratio was 301.88%, and the capital adequacy ratio was 14.23%, indicating an adequate risk offsetting capacity. **Fourthly, focusing on long-term growth, the Bank adopted a full range of measures to strengthen its development foundation.** The Bank adjusted deposit agency fee rates and promoted the long-term, healthy development of its “directly-operated + agency outlets” model. By fully leveraging national policies that support large state-owned commercial banks in increasing capital, it actively sought support from regulators and improved its ability to serve the real economy and withstand various risks.

Centering on the demands of the economy and customer needs, the Bank provided quality services to help consolidate economic recovery and met the financial needs of the real economy in a targeted and effective way. Firstly, the Bank contributed to fostering and developing new quality productive forces. It actively contributed to the development of modern industrial system, and provided targeted support to the advanced manufacturing sector. As at the end of the reporting period, the medium- and long-term loans to the manufacturing industry grew by 14.15% compared to that at the end of the previous year. Secondly, the Bank actively supported the steady and sound development of the real estate market. It fully advanced the implementation of the urban real estate financing coordination mechanism. It facilitated “white list” projects in 47 cities across 19 provinces and effectively addressed the reasonable financing needs of real estate projects. In line with national policies and regulatory requirements on housing loans, the Bank met the financing demands of first-time homebuyers and upgraders, with its housing loans increasing by RMB28,728 million in the first three quarters of the year. Thirdly, the Bank actively supported China’s four major initiatives, namely, the implementation of major national strategies, the security capacity building in critical areas, a new round of large-scale equipment renewal, and consumer goods trade-ins. It increased investments in national treasury bonds, local government bonds, etc., with financial investments rising by RMB390,731 million compared to that at the end of the previous year. Additionally, the Bank accelerated the development of online installment payment scenarios and introduced special offers for credit card installment plan holders to better serve the demand for big-ticket consumer goods trade-ins, including home appliances and digital products. Fourthly, the Bank made substantial progress in advancing the “five priorities” of technology finance, green finance, inclusive finance, pension finance and digital finance. It integrated the “five priorities” into its medium- and long-term development strategies, devised exclusive implementation plans and increased resource allocation. The Bank significantly enhanced the quality of financial services provided to Sannong customers as well as MSEs. The balance of agriculture-related loans totaled RMB2.22 trillion, representing an increase of RMB187,277 million compared to that at the end of the previous year. The balance of inclusive loans to MSEs amounted to RMB1.58 trillion, accounting for over 18% of the Bank’s total loans to customers. The Bank received the highest rating in the regulatory evaluation of financial services for MSEs for three consecutive years. The Bank also diversified its technology finance ecosystem and injected financial impetus into sci-tech innovation. The Bank served over 87 thousand sci-tech enterprises, with a financing balance exceeding RMB480 billion, representing a year-on-year increase of over 40%. The Bank actively developed green finance business. The balance of green loans reached RMB732,096 million, up by 14.77% from the end of the previous year, surpassing the average growth of all loans for several consecutive years. The Bank established a three-dimensional pension finance system featuring “three horizontal layers and three vertical lines”. With a focus on three customer segments, namely, pre-retirees, retirees, and families, the Bank made significant strides in pension finance, elderly service finance, and senior care industry finance, and advanced product sharing, service integration, and industry co-development. The Bank deepened its digital transformation and drove business growth with information technology. The Bank enhanced the effectiveness of IT-enabled refined governance and accelerated the upgrading of its core systems through the “new core plus ten project clusters”.

The Bank kept pursuing efficient management and optimal results. Based on its system support capabilities, it developed a differentiated competitive advantage, with refined customer service management at its core and digital transformation as the driving force.

Firstly, centered on creating five differentiated growth poles¹, the Bank continuously enhanced its system support capabilities to ensure high-quality development. The operation model of Sannong finance was reformed at a faster pace. It promoted the product integration and process optimization for micro loans. It strengthened the team of Sannong customer managers, promoted the grid-based development of strong industrial villages and large population villages, and promoted targeted services for specialty industries and advantageous industries. **It deepened all-round, one-stop comprehensive services and built a “credit plus” comprehensive service model of inclusive finance.** It provided customers with personalized and customized lead bank service solutions through the “1 plus N” customer service teams, and relied on the “PSBC Facilitates Corporate Operation” platform to actively empower the digital transformation of small and medium-sized enterprises. The Bank also pressed ahead with the transformation toward scenario-based services. It conducted “point-to-point” cooperation with industrial platforms and core enterprises, and expanded to serve upstream and downstream MSEs of the industrial chains, so as to achieve chain-style and batch customer reach. **Efforts were made to accelerate proactive credit extension.** The Bank broadened sources of customers in online scenarios and enhanced collaborative marketing capabilities through multiple channels. The balance of loans through proactive credit extension exceeded RMB270 billion, with an NPL ratio of around 0.5%. A high-quality development model was formed, characterized by rapid growth in business scale, reasonable and moderate risk levels, and continuously improved customer experience. **The Bank made every effort to develop the differentiated growth pole of the wealth management business.** It actively responded to market changes, promptly communicated market dynamics and product net value with customers and wealth management personnel, followed up on customers’ asset allocation and position management in a timely manner, promoted a product strategy of high returns, stable valuation, and flexible linkage and ensured long-term companionship. Regarding insurance business, the Bank kept pace with the market development, deepened investment education for customers, carried out 17 thousand “Why Purchase Insurance 2.0” salons, and continuously improved relevant empowerment and support systems such as “Insurance Strategy Guide”, further enhancing the insurance guarantee capability. **The Bank continuously consolidated the value creation ability of the differentiated growth pole in the financial market business.** Guided by investment research, it enhanced the capabilities for the refined management of asset allocation and trading activities. **The Bank strengthened the application of the future-oriented concept and technology.** It made continuous progress in developing the future-oriented technology framework phase 3.0, formulated future-oriented models for 10 industry segments, and further expanded the scope of application of the future-oriented concept and technology. In the first three quarters of the year, 11,547 customers were approved using the future-oriented technology, an increase of 87.94%, and the approved amounts reached RMB1,710,425 million, an increase of 257.99%. A total of 1,635 clients for which the Bank acted as a lead bank were acquired through the application of the future-oriented technology, an increase of 68.38%.

¹ Five differentiated growth poles refer to growth poles in Sannong finance, SME finance, proactive-credit extension, wealth management, and financial market business.

Secondly, following the customer-centric concept, the Bank pursued common growth and shared value appreciation with customers. Assets under management (AUM) from individual customers in the retail banking business exceeded RMB16 trillion, an increase of RMB1.15 trillion from the end of the previous year. The Bank had 55,138.5 thousand VIP customers¹, an increase of 7.11% from the end of last year, and 5,690.8 thousand Fujia customers and above, an increase of 14.67% from the end of the previous year. Focusing on the cultivation of lead bank clients, the Bank comprehensively deepened the new “1 plus N” operation and service system², independently developed and built a cloud platform for government service finance, and expanded the service chain to cover G-end, B-end, and C-end clients. The service scope of government service finance cloud sub-systems, such as Medical Account Link, Agricultural Matchmaking, Intelligent Education, and Intelligent Court, covered 30 provinces nationwide. Meanwhile, the Bank enhanced the linkage between wholesale and retail businesses, with the focus on agency payroll, group credit cards processing, and exclusive wealth management insurance for select customer groups. The amount of agency payroll business for institutional customers increased by about 15% year-on-year. Regarding corporate banking business, 242.7 thousand corporate customers were newly acquired, and corporate lead-bank customers surged by 85.22% compared with that at the end of last year. The finance product aggregate (FPA) for corporate customers amounted to RMB5.35 trillion, an increase of RMB0.67 trillion, or 14.29%, compared with that at the end of the previous year. The Bank was committed to building an interbank ecosystem. The “Together We Thrive” interbank ecosystem platform saw its user activity increase significantly. With nearly 2,500 registered users, the platform registered a cumulative transaction volume of over RMB4 trillion.

Thirdly, the Bank enhanced its digital capabilities, and strengthened the collaborative service ability. It accelerated the empowerment of intelligent technology. The “PSBC Assistant” intelligent Q&A tool was upgraded, driven by a dual model of “robot intelligent reply + expert manual answer” to swiftly assist outlet staff in solving counter business issues. The number of intelligent responses exceeded 580 thousand in total. The Bank innovatively applied “digital employee” navigation, business review, walk-through guidance and other functions in high-frequency transactions on ITMs, providing customers with multi-perspective and all-round financial services. Relying on the cloud counter, the Bank accelerated the promotion of mobile business expansion by “single-person outreach”, and applied it to 14,173 pieces of equipment in 32 branches, aiming at creating efficient, targeted and in-depth service capabilities and enhancing customer satisfaction. **Intensified efforts were made to develop an online operation system.** The Bank focused on customer group portrait analysis throughout the lifecycle and enhanced data empowerment. It boosted the risk operation capability of mobile banking, introduced the identity validating function by NFC, and strengthened the security of customer identity authentication. **The Bank enhanced the quality and coverage of intensive operations.** It realized centralized approval by the Head Office for auto loans across the Bank and consumer loans in select branches, so as to unify operational standards across regions and align risk preferences. This led to an 80% reduction in term of the average review time per transaction and a 30% reduction in operational personnel. Micro loans achieved centralized review and approval at tier-1 branches and the review and approval in eight branches were centralized to the Head Office, reducing operational personnel by around 40%. The Bank also optimized the post-lending early warning model rules for micro loans and promoted remote video post-lending services for micro loans. The average time spent on video post-lending services per transaction was reduced by about 90% compared to on-site post-lending services. 36 branches realized centralized loan collections, with the addition of multi-number outbound calling and flash message functions. Collection strategies were continuously optimized to make collection efforts more effective.

Sturdy grass withstands high winds; true gold stands the test of fire. In the next phase, the Bank will persist in enhancing the quality and efficiency of serving the real economy, adhere to its strategic positioning as a first-tier large retail bank, and focus on the goal of “first-class in serving the real economy, first-class in customer experience, and first-class in value creation”. Guided by the overall principle of seeking progress while maintaining stability, the Bank will steadily improve operational efficiency and management effectiveness, resolutely strive for better and stronger growth, continue to break new ground in high-quality development, and contribute PSBC strength to Chinese modernization.

¹ The Bank regards customers with assets of RMB100,000 and above as VIP customers. Among them, customers with assets between RMB100,000 (inclusive) and RMB500,000 are Jingui customers, customers with assets between RMB500,000 (inclusive) and RMB6 million are Fujia customers, and customers with assets of RMB6 million and above are Dingfu customers.

² The new “1 plus N” operation and service system refers to a system under which the Bank carries out reform and in-depth application of the operation mechanism, and develops a marketing support service system that integrates the front, middle and back offices-by focusing on the six dimensions of customer, product, collaboration, service, risk and technology.

4.2 Financial performance

4.2.1 Financial results

During the reporting period, the Bank's operating income amounted to RMB260,567 million, representing a year-on-year increase of RMB195 million, or 0.07%. The net profit amounted to RMB75,983 million, representing a year-on-year increase of RMB217 million, or 0.29%. Annualized return on average total assets was 0.62%. Annualized return on weighted average equity was 11.79%.

Net interest income

During the reporting period, the Bank's net interest income amounted to RMB214,947 million, representing a year-on-year increase of RMB3,100 million, or 1.46%. The steady growth of net interest income was mainly attributable to the Bank's adherence to the development strategy of achieving a balance among volume, price, and risks, and its efforts in improving the efficiency of asset and liability allocation and enhancing refined management of pricing.

Net fee and commission income

During the reporting period, the Bank's net fee and commission income amounted to RMB20,715 million, representing a year-on-year decrease of RMB3,000 million, or 12.65%, primarily due to a decrease in the income from bancassurance under the impact of the "reporting and execution consistency" policy. The Bank actively responded to the adjustment of bancassurance policies, continued to promote the diversified development of intermediary business, deepened the coordinated operation of "commercial banking + investment banking + investment", and realized relatively rapid growth in business income from investment banking, transaction banking, corporate banking, etc., continuously narrowing the decrease in the income from intermediary business.

Operating expenses

During the reporting period, the Bank's operating expenses amounted to RMB158,453 million, representing a year-on-year increase of RMB2,074 million, or 1.33%.

Credit impairment losses

During the reporting period, the Bank's credit impairment losses amounted to RMB18,934 million, representing a year-on-year decrease of RMB2,215 million, or 10.47%.

4.2.2 Assets and liabilities and equity

Assets

As at the end of the reporting period, the Bank's total assets amounted to RMB16,746,265 million, representing an increase of RMB1,019,634 million, or 6.48% compared with the prior year-end. Total loans to customers amounted to RMB8,779,373 million, representing an increase of RMB630,480 million, or 7.74% from the prior year-end. Among them, personal loans amounted to RMB4,724,405 million, representing an increase of RMB254,157 million, or 5.69% from the prior year-end. It is mainly because the Bank adhered to the strategic positioning of retail banking, continuously worked to be the major force in serving rural revitalization, and increased credit supply in key areas of rural revitalization, resulting in a rapid growth in personal micro loans. Corporate loans amounted to RMB3,589,413 million, representing an increase of RMB374,942 million, or 11.66% compared with the prior year-end, primarily because the Bank followed major national strategic plans, continuously increased support for the real economy, increased credit allocation to fields such as advanced manufacturing, sci-tech innovation, inclusive finance and green finance, and at the same time actively promoted product and service innovation, resulting in a relatively rapid growth in the scale of corporate loans.

Liabilities

As at the end of the reporting period, the Bank's total liabilities amounted to RMB15,713,397 million, representing an increase of RMB943,382 million, or 6.39% compared with the prior year-end. Customer deposits amounted to RMB15,007,335 million, representing an increase of RMB1,051,372 million, or 7.53% compared with the prior year-end. Among them, personal deposits amounted to RMB13,356,086 million, representing an increase of RMB861,230 million, or 6.89% compared with the prior year-end, mainly because the Bank adhered to the philosophy of maintaining high-quality deposit development, kept optimizing the business structure of deposits and realized growth in time deposits with maturities of one year or less. Corporate deposits amounted to RMB1,647,420 million, representing an increase of RMB188,983 million, or 12.96% compared with the prior year-end, mainly because the Bank thoroughly implemented the new "1 plus N" operation and service system, and constantly improved the comprehensive financial service capability for corporate customers, resulting in relatively fast growth in corporate deposits.

Equity

As at the end of the reporting period, the Bank's total equity amounted to RMB1,032,868 million, representing an increase of RMB76,252 million, or 7.97% compared with the prior year-end, among which: proceeds raised by the issuance of perpetual bonds were RMB30,000 million; net profit was RMB75,983 million; and distributed dividends on ordinary shares and perpetual bonds were RMB31,197 million.

4.2.3 Asset quality and capital adequacy ratio

As at the end of the reporting period, the NPL balance of the Bank amounted to RMB75,460 million, representing an increase of RMB8,000 million compared with the prior year-end. The NPL ratio was 0.86%, representing an increase of 0.03 percentage point over the prior year-end. The balance of special mention loans amounted to RMB79,356 million, representing an increase of RMB24,404 million compared with the prior year-end. The special mention loan ratio was 0.91%, representing an increase of 0.23 percentage point compared with the prior year-end. The balance of overdue loans was RMB97,568 million, representing an increase of RMB23,539 million compared with the prior year-end. The overdue loan ratio was 1.11%, representing an increase of 0.20 percentage point compared with the prior year-end. Allowance to NPLs ratio was 301.88%, representing a decrease of 45.69 percentage points compared with the prior year-end. During the reporting period, the annualized NPL formation ratio was 0.79%.

The CET1 capital adequacy ratio of the Bank was 9.42%, representing a decrease of 0.11 percentage point compared with the prior year-end; tier 1 capital adequacy ratio was 11.71%, representing an increase of 0.10 percentage point compared with the prior year-end; capital adequacy ratio was 14.23%, the same as the prior year-end, all meeting the regulatory requirements.

4.3 Financial statements and supplementary information

Financial statements prepared in accordance with IFRSs are attached in Appendix I to this report, and the supplementary information is attached in Appendix II to this report. There was no difference between the net profit attributable to equity holders of the Bank for the reporting period and the equity attributable to equity holders of the Bank at the end of the reporting period in the financial statements prepared by the Bank in accordance with PRC GAAP and IFRSs.

¹ NPL formation ratio = (NPL balance at the end of the period - NPL balance at the beginning of the period + the amount collected, disposed of and adjusted upwards during the period)/total loan balance at the beginning of the period.

5 OTHER REMINDERS

The profit distribution plan of the Bank for 2023 was reviewed and approved at the 2023 Annual General Meeting held on June 28, 2024. On the basis of 99,161,076,038 ordinary shares, the Bank distributed cash dividends of RMB2.610 (before tax) per ten shares, totaling approximately RMB25,881 million (before tax), to all the ordinary shareholders whose names appeared on the share register as of July 10, 2024 after the market close. The profit distribution plan has been implemented with the dividends of A shares paid on July 11, 2024 and the dividends of H shares paid on August 8, 2024.

At the Board meeting held on September 30, 2024, the Bank proposed distributing 2024 interim cash dividends. On the basis of the total share capital registered on the record date for dividend distribution, the Bank proposed to pay cash dividends to all the ordinary shareholders whose names appear on the share register on the record date at RMB1.477 (before tax) per ten ordinary shares, totaling approximately RMB14,646 million (before tax) calculated based on 99,161,076,038 ordinary shares. The distribution plan will be submitted to the general meeting of shareholders for approval. If approved, the above-mentioned dividends will be paid to all the ordinary shareholders of the Bank whose names appeared on the share register after the market close on January 7, 2025. The A-share dividend distribution date is expected to be January 8, 2025 and the H-share dividend distribution date is expected to be January 24, 2025.

For other significant events disclosed by the Bank during the reporting period in accordance with regulatory requirements, please refer to the announcements published by the Bank.

6 RELEASE OF QUARTERLY REPORT

This report is published on both the HKEXnews website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Bank. The quarterly report prepared in accordance with PRC GAAP is also available on both the website of the Shanghai Stock Exchange at www.sse.com.cn and the website of the Bank.

By order of the Board
Postal Savings Bank of China Co., Ltd.
Du Chunye
Joint Company Secretary

Beijing, the PRC
October 30, 2024

As at the date of this announcement, the Board of the Bank comprises Mr. Liu Jianjun and Ms. Yao Hong as Executive Directors; Mr. Han Wenbo, Mr. Chen Donghao, Mr. Liu Xin'an, Mr. Zhang Xuanbo, Mr. Hu Yuting, Mr. Ding Xiangming and Mr. Yu Mingxiong as Non-executive Directors; Mr. Wen Tiejun, Mr. Chung Shui Ming Timpson, Ms. Pan Yingli, Mr. Tang Zhihong and Mr. Hong Xiaoyuan as Independent Non-executive Directors.

* *Postal Savings Bank of China Co., Ltd. is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking and/or deposit-taking business in Hong Kong.*

APPENDIX I FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH IFRS^s

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2024

(All amounts in RMB million unless otherwise stated)

	July to September 2024 (unaudited)	July to September 2023 (unaudited)	January to September 2024 (unaudited)	January to September 2023 (unaudited)
Interest income	127,860	126,691	382,543	372,001
Interest expense	(55,789)	(55,149)	(167,596)	(160,154)
Net interest income	72,071	71,542	214,947	211,847
Fee and commission income	9,111	9,348	32,799	43,354
Fee and commission expense	(3,557)	(3,836)	(12,084)	(19,639)
Net fee and commission income	5,554	5,512	20,715	23,715
Net trading gains	1,032	907	3,313	3,160
Net gains on investment securities	5,137	5,305	19,565	18,982
Net gains on derecognition of financial assets measured at amortized cost	295	333	2,026	1,658
Share of results of associates	14	4	20	11
Net other operating gains	(455)	(388)	(19)	999
Operating income	83,648	83,215	260,567	260,372
Operating expenses	(51,081)	(53,270)	(158,453)	(156,379)
Credit impairment losses	(2,814)	(1,833)	(18,934)	(21,149)
Impairment losses on other assets	(5)	(3)	(18)	(4)
Profit before income tax	29,748	28,109	83,162	82,840
Income tax expenses	(2,650)	(1,981)	(7,179)	(7,074)
Net profit	27,098	26,128	75,983	75,766
Net profit attributable to:				
Equity holders of the Bank	27,003	26,091	75,818	75,655
Non-controlling interests	95	37	165	111

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2024

(All amounts in RMB million unless otherwise stated)

	July to September 2024 (unaudited)	July to September 2023 (unaudited)	January to September 2024 (unaudited)	January to September 2023 (unaudited)
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Remeasurement of retirement benefit obligations	–	–	(22)	(22)
Other comprehensive income not subsequently reclassified to profit or loss under equity method	14	–	31	–
Changes in fair value of equity instrument investments measured at fair value through other comprehensive income	(40)	(340)	105	(940)
Subtotal	(26)	(340)	114	(962)
Item that may be reclassified subsequently to profit or loss				
Net gains/(losses) on investments in financial assets measured at fair value through other comprehensive income	(1,003)	(1,003)	1,355	768
Subtotal	(1,003)	(1,003)	1,355	768
Total comprehensive income for the period	26,069	24,785	77,452	75,572
Total comprehensive income attributable to:				
Equity holders of the Bank	25,974	24,748	77,287	75,461
Non-controlling interests	95	37	165	111
Basic and diluted earnings per share (in RMB Yuan)	0.27	0.26	0.71	0.73

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2024

(All amounts in RMB million unless otherwise stated)

	As at September 30, 2024 (unaudited)	As at December 31, 2023 (audited)
Assets		
Cash and deposits with central bank	1,264,313	1,337,501
Deposits with banks and other financial institutions	285,274	189,216
Placements with banks and other financial institutions	336,883	297,742
Derivative financial assets	4,691	2,154
Financial assets held under resale agreements	293,652	409,526
Loans and advances to customers	8,552,373	7,915,245
Financial investments		
Financial assets measured at fair value through profit or loss	986,349	888,516
Financial assets measured at fair value through other comprehensive income – debt instruments	554,675	503,536
Financial assets measured at fair value through other comprehensive income – equity instruments	4,588	7,326
Financial assets measured at amortized cost	4,232,707	3,988,210
Interests in associates	724	673
Property and equipment	59,048	55,220
Deferred tax assets	62,005	62,508
Other assets	108,983	69,258
Total assets	16,746,265	15,726,631
Liabilities		
Borrowings from central bank	32,277	33,835
Deposits from banks and other financial institutions	99,626	95,303
Placements from banks and other financial institutions	47,208	60,212
Derivative financial liabilities	4,492	3,595
Financial assets sold under repurchase agreements	227,881	273,364
Customer deposits	15,007,335	13,955,963
Income tax payable	1,875	79
Debt securities issued	200,784	261,138
Deferred tax liabilities	15	4
Other liabilities	91,904	86,522
Total liabilities	15,713,397	14,770,015

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT SEPTEMBER 30, 2024

(All amounts in RMB million unless otherwise stated)

	As at September 30, 2024 (unaudited)	As at December 31, 2023 (audited)
Equity		
Share capital	99,161	99,161
Other equity instruments		
Perpetual bonds	199,986	169,986
Capital reserve	162,679	162,682
Other reserves	274,219	273,740
Retained earnings	294,915	249,304
Equity attributable to equity holders of the Bank	1,030,960	954,873
Non-controlling interests	1,908	1,743
Total equity	1,032,868	956,616
Total liabilities and equity	16,746,265	15,726,631

Liu Jianjun

(On behalf of the Board)

Yao Hong

(On behalf of the Board)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2024

(All amounts in RMB million unless otherwise stated)

	January to September 2024 (unaudited)	January to September 2023 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	83,162	82,840
Adjustments for:		
Amortization of intangible assets and other assets	1,654	1,514
Depreciation of property and equipment, and right-of-use assets	6,834	7,132
Impairment loss on assets		
– Credit impairment losses	18,934	21,149
– Impairment losses on other assets	18	4
Interest income arising from financial investments	(105,968)	(103,322)
Interest expense arising from debt securities issued	4,058	4,889
Net gains on investment securities	(21,592)	(20,640)
Unrealized exchange losses/(gains)	(1,253)	288
Share of results of associates	(20)	(11)
Net losses from disposal of property and equipment and other assets	7	4
Subtotal	(14,166)	(6,153)
NET DECREASE/(INCREASE) IN OPERATING ASSETS		
Deposits with central bank	59,801	(9,280)
Deposits with banks and other financial institutions	(95,583)	(4,455)
Placements with banks and other financial institutions	(29,317)	(29,072)
Financial assets measured at fair value through profit or loss	8,238	(12,685)
Financial assets held under resale agreements	51,658	77,695
Loans and advances to customers	(654,176)	(824,617)
Other operating assets	(47,935)	(40,426)
Subtotal	(707,314)	(842,840)
NET (DECREASE)/INCREASE IN OPERATING LIABILITIES		
Borrowings from central bank	(1,571)	11,421
Deposits from banks and other financial institutions	264	(10,632)
Placements from banks and other financial institutions	(3,555)	12,237
Financial assets sold under repurchase agreements	(45,419)	49,919
Customer deposits	1,058,095	781,305
Other operating liabilities	(5,825)	(15,307)
Subtotal	1,001,989	828,943
NET CASH FLOWS GENERATED FROM/(USED IN) OPERATING ACTIVITIES BEFORE TAX		
Income tax paid	280,509	(20,050)
	480	(8,368)
NET CASH FLOWS GENERATED FROM/(USED IN) OPERATING ACTIVITIES		
	280,989	(28,418)
CASH FLOWS FROM OPERATING ACTIVITIES INCLUDE:		
Interest received	289,190	279,265
Interest paid	(174,959)	(157,875)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2024

(All amounts in RMB million unless otherwise stated)

	January to September 2024 (unaudited)	January to September 2023 (unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash received from disposal/redemption of financial investments	1,247,378	1,193,693
Cash received from income arising from financial investments	119,710	120,865
Cash received from disposal of property and equipment, intangible assets and other long-term assets	505	56
Cash paid for purchase of financial investments	(1,647,697)	(1,593,352)
Cash paid for purchase of property and equipment, intangible assets and other long-term assets	(12,241)	(9,139)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(292,345)	(287,877)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from issuance of ordinary shares	–	45,000
Cash received from issuance of perpetual bonds	30,000	–
Cash received from issuance of debt securities	69,460	442,030
Cash paid for dividends and interests	(35,929)	(37,521)
Cash paid for issuance of ordinary shares	–	(20)
Cash paid for issuance of perpetual bonds	(3)	–
Cash paid for issuance of debt securities	–	(1)
Cash paid for repayment of debt securities	(129,140)	(112,900)
Cash paid to repay principal and interest of lease liabilities	(2,612)	(2,837)
NET CASH FLOWS (USED IN)/GENERATED FROM FINANCING ACTIVITIES	(68,224)	333,751
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(84)	699
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(79,664)	18,155
Balance of cash and cash equivalents at the beginning of period	453,227	239,980
BALANCE OF CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	373,563	258,135

APPENDIX II SUPPLEMENTARY INFORMATION

Pillar 3 Information Disclosed Pursuant to the Rules on Capital Management of Commercial Banks

Based on the Basel III (final version) issued by the Basel Committee and the realities of China's banking industry, the National Financial Regulatory Administration promulgated the Rules on Capital Management of Commercial Banks (hereinafter referred to as the "Rules") on November 1, 2023. This section was prepared in accordance with the relevant concepts and rules of capital adequacy ratios in the Rules, rather than financial reporting and accounting standards. In accordance with the Information Disclosure Contents and Requirements for Commercial Banks in Appendix 22 to the Rules and the requirements of relevant regulatory documents, the Bank discloses the following information:

1. Table KM1: Key Metrics at Consolidated Group Level

In RMB million, except for percentages

	a	b	c
	As at September 30, 2024	As at June 30, 2024	As at March 31, 2024
Available capital (amounts)			
1 Net CET1 capital	826,754	799,366	802,322
2 Net tier 1 capital	1,026,922	999,498	1,002,470
3 Net capital	1,248,661	1,219,300	1,221,214
Risk-weighted assets (amounts)			
4 Total risk-weighted assets (RWA)	8,773,018	8,613,974	8,523,447
4a Total risk-weighted assets (pre-floor)	8,773,018	8,613,974	8,523,447
Risk-based capital ratios as a percentage of RWA			
5 CET1 capital adequacy ratio (%)	9.42	9.28	9.41
5a CET1 capital adequacy ratio (%) (pre-floor)	9.42	9.28	9.41
6 Tier 1 capital adequacy ratio (%)	11.71	11.60	11.76
6a Tier 1 capital adequacy ratio (%) (pre-floor)	11.71	11.60	11.76
7 Capital adequacy ratio (%)	14.23	14.15	14.33
7a Capital adequacy ratio (%) (pre-floor)	14.23	14.15	14.33
Additional CET1 buffer requirements as a percentage of RWA			
8 Capital conservation buffer requirement (%)	2.50	2.50	2.50
9 Countercyclical buffer requirement (%)	–	–	–
10 Bank G-SIB and/or D-SIB additional requirements (%) ⁽¹⁾	0.50	0.50	0.50
11 Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	3.00	3.00	3.00
12 CET1 available after meeting the bank's minimum capital requirements (%)	4.42	4.28	4.41

In RMB million, except for percentages

	a	b	c
	As at September 30, 2024	As at June 30, 2024	As at March 31, 2024
Leverage ratio			
13 Adjusted on- and off-balance sheet exposures	17,526,447	17,155,120	16,951,270
14 Leverage ratio (%) ⁽²⁾	5.86	5.83	5.91
14a Leverage ratio a (%) ⁽³⁾	5.86	5.83	5.91
14b Leverage ratio b (%) ⁽⁴⁾	5.88	5.83	5.95
14c Leverage ratio c (%) ⁽⁵⁾	5.88	5.83	5.95
Liquidity coverage ratio			
15 High-quality liquid assets	3,152,739	3,194,323	2,925,137
16 Net cash outflow	1,212,804	1,315,009	1,035,196
17 Liquidity coverage ratio (%)	259.95	242.91	282.57
Net stable funding ratio			
18 Total available stable funding	14,246,095	14,081,132	13,873,254
19 Total required stable funding	8,400,400	8,322,703	8,367,044
20 Net stable funding ratio (%)	169.59	169.19	165.81

Note (1): As at the end of the reporting period, the Bank fell in the second bucket of domestic systemically important banks, to which an additional capital requirement of 0.5 percent applies.

Note (2): Leverage ratio refers to the leverage ratio taking into account the temporary exemption of deposit reserves.

Note (3): Leverage ratio a refers to the leverage ratio without taking into account the temporary exemption of deposit reserves.

Note (4): Leverage ratio b refers to the leverage ratio calculated using the simple arithmetic average of the daily balances of securities financing transactions during the latest quarter, taking into account the temporary exemption of deposit reserves.

Note (5): Leverage ratio c refers to the leverage ratio calculated using the simple arithmetic average of the daily balances of securities financing transactions during the latest quarter, without taking into account the temporary exemption of deposit reserves.

2. Table OV1: Overview of Risk-Weighted Assets

In RMB million, except for percentages

		a	b	c
		Risk-weighted assets		Minimum capital requirements
		As at September 30, 2024	As at June 30, 2024	As at September 30, 2024
1	Credit risk	8,212,021	8,060,984	656,962
2	Credit risk (excluding counterparty credit risk, credit valuation adjustment risk, asset management products in banking book and securitisation exposures in banking book)	7,773,847	7,614,873	621,908
3	Of which: standardised approach (SA)	7,773,847	7,614,873	621,908
4	Of which: exposure formed in the process of clearing securities, commodities, and foreign exchange transactions	–	–	–
5	Of which: amounts below the thresholds for deduction (subject to 250% risk weight)	167,480	166,748	13,398
6	Of which: foundation internal ratings-based (F-IRB) approach	–	–	–
7	Of which: supervisory slotting approach	–	–	–
8	Of which: advanced internal ratings-based (A-IRB) approach	–	–	–
9	Counterparty credit risk (CCR)	11,951	14,133	956
10	Of which: standardised approach	11,951	14,133	956
11	Of which: current risk exposure approach	–	–	–
12	Of which: other approaches	–	–	–
13	Credit valuation adjustment (CVA)	1,081	927	86
14	Asset management products in banking book	399,497	405,642	31,960
15	Of which: look-through approach	54,559	55,437	4,365
16	Of which: mandate-based approach	331,093	334,276	26,487
17	Of which: 1250% risk weight	13,845	15,929	1,108
18	Securitisation exposures in banking book	25,645	25,409	2,052
19	Of which: securitisation IRB approach (SEC-IRBA)	–	–	–
20	Of which: securitisation external ratings-based approach (SEC-ERBA)	14,387	15,182	1,151
21	Of which: securitisation standardised approach (SEC-SA)	11,258	10,227	901
22	Market risk	92,495	84,488	7,400
23	Of which: standardised approach (SA)	92,495	84,488	7,400
24	Of which: internal model approach (IMA)	–	–	–
25	Of which: simplified standardised approach	–	–	–
26	Capital charge for switch between trading book and banking book	–	–	–
27	Operational risk	468,502	468,502	37,480
28	Additional adjustment due to the application of capital floor	–	–	
29	Total	8,773,018	8,613,974	701,842

3. Table GSIB1: G-SIB Indicators

Please refer to the Bank's website for the G-SIB indicators of the Group in the previous year (www.psbc.com/en/investor_relations/finance/financial_reports/).

4. Table LR1: Summary Comparison of Accounting Assets vs Leverage Ratio Exposure Measure

In RMB million, except for percentages

		a
		As at September 30, 2024
1	Total consolidated assets	16,746,265
2	Adjustments that are consolidated for accounting purposes but outside the scope of regulatory consolidation	–
3	Adjustments for fiduciary assets	–
4	Adjustments for derivative financial instruments	9,184
5	Adjustments for securities financing transactions	706
6	Adjustments for off-balance sheet items	775,882
7	Adjustments for asset securitisation transactions	–
8	Adjustments for unsettled financial assets	–
9	Adjustments for eligible cash pooling transactions	–
10	Adjustments for temporary exemption of central bank reserves (if applicable)	–
11	Adjustments for prudent valuation adjustments and provisions	–
12	Other adjustments	(5,590)
13	Adjusted on- and off-balance sheet exposures	17,526,447

5. Table LR2: Leverage Ratio

In RMB million, except for percentages

	a	b
	As at September 30, 2024	As at June 30, 2024
On-balance sheet exposures		
1 On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs))	16,703,175	16,463,032
2 Less: provisions associated with on-balance sheet exposures	(255,253)	(263,998)
3 Less: Tier 1 capital deductions	(5,590)	(6,734)
4 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 3)	16,442,332	16,192,300
Derivative exposures		
5 Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	3,574	2,211
6 Add-on amounts for potential future exposure associated with all derivatives transactions	9,484	10,146
7 Gross-up for derivatives collateral provided where deducted from the balance sheet assets	–	–
8 Less: deductions of receivables assets for cash variation margin provided in derivatives transactions	–	–
9 Less: exempted central counterparty (CCP) leg of client-cleared trade exposures	–	–
10 Adjusted effective notional amount of written credit derivatives	817	974
11 Less: adjusted effective notional offsets and add-on deductions for written credit derivatives	–	–
12 Total derivative exposures (sum of rows 5 to 11)	13,875	13,331
Securities financing transaction exposures		
13 Gross SFT assets (with no recognition of netting), after adjustment for sale accounting transactions	293,652	211,036
14 Less: netted amounts of cash payables and cash receivables of gross SFT assets	–	–
15 Counterparty credit risk exposure for SFT assets	706	2,383
16 Agent transaction exposures	–	–
17 Total securities financing transaction exposures (sum of rows 13 to 16)	294,358	213,419
Other off-balance sheet exposures		
18 Off-balance sheet exposure at gross notional amount	3,070,593	2,975,140
19 Less: adjustments for conversion to credit equivalent amounts	(2,288,683)	(2,233,491)
20 Less: provisions associated with off-balance sheet exposures	(6,028)	(5,579)
21 Off-balance sheet items (sum of rows 18 to 20)	775,882	736,070
Capital and total exposures		
22 Net tier 1 capital	1,026,922	999,498
23 Adjusted on- and off-balance sheet exposures (sum of rows 4, 12, 17 and 21)	17,526,447	17,155,120

In RMB million, except for percentages

	a	b
	As at September 30, 2024	As at June 30, 2024
Leverage ratio		
24 Leverage ratio	5.86%	5.83%
24a Leverage ratio a ⁽¹⁾	5.86%	5.83%
25 Minimum leverage ratio requirements	4.00%	4.00%
26 Additional leverage buffers	0.25%	0.25%
Disclosure of mean values		
27 Mean value of gross SFT assets	217,343	211,930
27a Quarter-end value of gross SFT assets	293,652	211,036
28 Adjusted on- and off-balance sheet exposures a ⁽²⁾	17,450,138	17,156,014
28a Adjusted on- and off-balance sheet exposures b ⁽³⁾	17,450,138	17,156,014
29 Leverage ratio b ⁽⁴⁾	5.88%	5.83%
29a Leverage ratio c ⁽⁵⁾	5.88%	5.83%

Note (1): Leverage ratio a refers to the leverage ratio calculated using the quarter-end value of SFTs, without taking into account the temporary exemption of deposit reserves.

Note (2): Adjusted on- and off-balance sheet exposures a refers to the adjusted on- and off-balance sheet exposures calculated using the simple arithmetic average of the daily balances of SFTs during the latest quarter, taking into account the temporary exemption of deposit reserves.

Note (3): Adjusted on- and off-balance sheet exposures b refers to the adjusted on- and off-balance sheet exposures calculated using the simple arithmetic average of the daily balances of SFTs during the latest quarter, without taking into account the temporary exemption of deposit reserves.

Note (4): Leverage ratio b refers to the leverage ratio calculated using the simple arithmetic average of the daily balances of SFTs during the latest quarter, taking into account the temporary exemption of deposit reserves.

Note (5): Leverage ratio c refers to the leverage ratio calculated using the simple arithmetic average of the daily balances of SFTs during the latest quarter, without taking into account the temporary exemption of deposit reserves.

6. Table LIQ1: Liquidity Coverage Ratio

In RMB million, except for percentages

	a
	Adjusted value As at September 30, 2024
1 High-quality liquid assets	3,152,739
2 Net cash outflow ⁽¹⁾	1,212,804
3 Liquidity coverage ratio (%)	259.95

Note (1): Net cash outflow represents net cash outflow for the next 30 days.