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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 2022

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, 2022. 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, contains no false record, misleading statement or material omission, and they assume individual and joint and several liabilities for the information in this quarterly report.
- 1.2 The Third Quarterly Report of 2022 has been considered and approved at the meeting of the Board of the Bank held on October 26, 2022. There were 13 directors eligible for attending the meeting, among whom 13 attended in person.
- 1.3 These quarterly financial statements have not been audited.
- 1.4 Mr. Liu Jianjun¹, Legal Representative of the Bank, and Mr. Zhang Xuewen, Vice President in charge of finance of the Bank (performing the responsibilities on behalf of the General Manager of the Finance and Accounting Department²), hereby declare and warrant the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.

¹ Mr. Zhang Jinliang ceased to be Chairman and Legal Representative of the Bank due to the change of job. Upon approval by the Board, Mr. Liu Jianjun, the Executive Director and President of the Bank, has been performing the duties on behalf of Chairman and Legal Representative of the Bank since April 25, 2022.

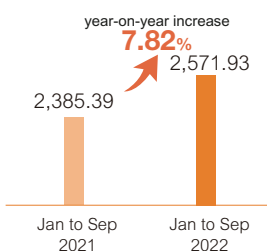
² Mr. Liu Yucheng ceased to be General Manager of the Finance and Accounting Department of the Bank due to the reason of age. Mr. Zhang Xuewen, the Vice President in charge of finance of the Bank, has been performing the duties on behalf of General Manager of the Finance and Accounting Department of the Bank.

2 MAJOR FINANCIAL DATA

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”)¹.

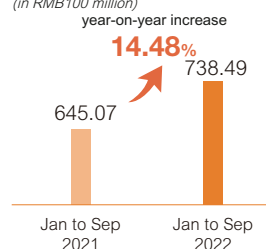
Operating income

(in RMB 100 million)



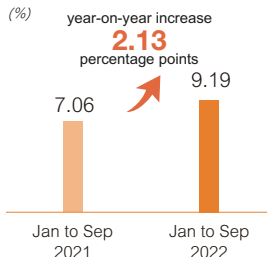
Net profit attributable to equity holders of the Bank

(in RMB 100 million)



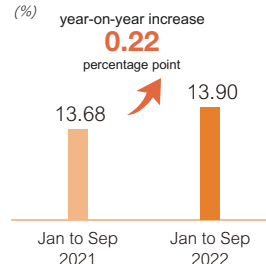
Percentage of net fee and commission income

(%)



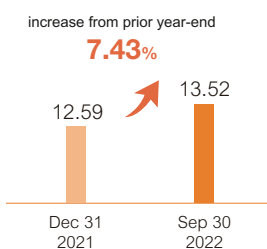
Annualized return on weighted average equity

(%)



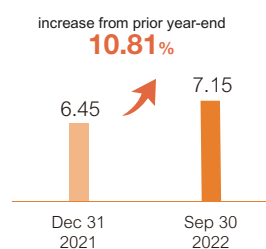
Total assets

(In RMB trillion)



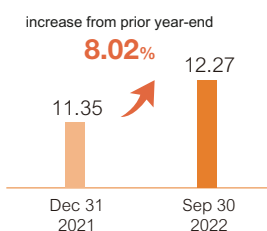
Total loans to customers

(In RMB trillion)



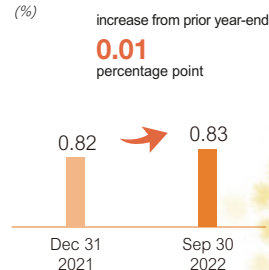
Customer deposits

(In RMB trillion)



NPL ratio

(%)



¹ “Loans to customers” refers to “total loans and advances to customers”.

The data indicators related to asset quality in this report are calculated using the data caliber without accrued interests.

2.1 Major accounting data and financial indicators

In millions of RMB, except for percentages or otherwise stated

Item	September 30, 2022	December 31, 2021	Changes as compared with the prior year-end (%)
Total assets	13,523,061	12,587,873	7.43
Total loans and advances to customers	7,151,869	6,454,099	10.81
Allowance for impairment losses on loans ⁽¹⁾	236,591	216,900	9.08
Financial investments	4,666,768	4,348,620	7.32
Total liabilities	12,705,054	11,792,324	7.74
Customer deposits	12,265,045	11,354,073	8.02
Equity attributable to equity holders of the Bank	816,463	794,091	2.82
Net assets per share (in RMB) ⁽²⁾	7.32	6.89	6.24

Note (1): Allowance for impairment losses on loans to customers 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 millions of RMB, except for percentages or otherwise stated

Item	July to September 2022	Changes as compared to the period from July to September of the prior year (%)	January to September 2022	Changes as compared to the period from January to September of the prior year (%)
Operating income	83,558	3.46	257,193	7.82
Net profit	26,765	13.50	73,935	14.05
Net profit attributable to equity holders of the Bank	26,735	13.78	73,849	14.48
Net cash flows from operating activities	Not applicable	Not applicable	129,214	–
Basic and diluted earnings per share (in RMB) ⁽¹⁾	0.29	16.00	0.73	12.31
Return on weighted average equity (% annualized) ⁽¹⁾	15.09	Increased by 0.44 percentage point	13.90	Increased by 0.22 percentage point

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

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

In millions of RMB, except for percentages

Item	January to September 2022	January to September 2021	Change (%)	Major reasons for change
Net cash flows from operating activities	129,214	(49,786)	–	Mainly due to the increase of cash received from customer deposits year-on-year

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 200,880 ordinary shareholders (including 198,345 holders of A shares and 2,535 holders of H shares) and no holders of preference shares with voting rights restored.

The shareholdings of top ten ordinary shareholders as at the end of the reporting period are as follows:

Share, except for percentages

Name of shareholder	Number of shares held	Shareholding percentage (%)	Number of shares subject to selling restrictions	Number of shares pledged, marked or locked-up	Nature of shareholder	Type of ordinary shares
China Post Group Corporation Limited	62,249,789,280	67.38	61,253,339,187	-	State-owned legal entity	RMB ordinary shares, overseas listed foreign shares
HKSCC Nominees Limited	19,843,024,510	21.48	-	Unknown	Foreign legal entity	Overseas listed foreign shares
China Life Insurance Company Ltd.	2,179,689,824	2.36	-	-	State-owned legal entity	RMB ordinary shares
China Telecommunications Corporation Limited	1,117,223,218	1.21	-	-	State-owned legal entity	RMB ordinary shares
Hong Kong Securities Clearing Company Limited	851,048,934	0.92	-	-	Foreign legal entity	RMB ordinary shares
Shenzhen New Star Investment Management Co., Ltd. – New Star Growth No.1 Fund	145,800,000	0.16	-	-	Others	RMB ordinary shares
Shanghai International Port (Group) Co., Ltd.	112,539,226	0.12	-	-	State-owned legal entity	RMB ordinary shares
Dajia Life Insurance Co., Ltd. – Universal Products	101,864,500	0.11	-	-	Others	RMB ordinary shares
Foresea Life Insurance Co., Ltd. – Self-owned funds	99,999,997	0.11	-	-	Domestic non-state-owned legal entity	RMB ordinary shares
E Fund Management Co., Ltd. – Social Security Fund Portfolio 1104	89,868,576	0.10	-	-	Others	RMB ordinary shares

Note (1): The total number of shares held by HKSCC Nominees Limited as the nominee is the total number of H shares held by all institutional and individual investors registered with the company as at the end of the reporting period, which includes 80,700,000 H shares held by 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 (HKSCC). Apart from this, the Bank is not aware of any connected relations 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 the unknown situation of HKSCC Nominees Limited, as at the end of the reporting period, the remaining top ten ordinary shareholders of the Bank did not participate in margin trading, short selling or refinancing.

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

The shareholdings of top ten ordinary shareholders not subject to selling restrictions as at the end of the reporting period are as follows:

Share

Name of shareholder	Number of circulating shares held not subject to selling restrictions	Type and number of shares	
		Type	Number
HKSCC Nominees Limited	19,843,024,510	Overseas listed foreign shares	19,843,024,510
China Life Insurance Company Ltd.	2,179,689,824	RMB ordinary shares	2,179,689,824
China Telecommunications Corporation Limited	1,117,223,218	RMB ordinary shares	1,117,223,218
China Post Group Corporation Limited	996,450,093	RMB ordinary shares	915,750,093
		Overseas listed foreign shares	80,700,000
Hong Kong Securities Clearing Company Limited	851,048,934	RMB ordinary shares	851,048,934
Shenzhen New Star Investment Management Co., Ltd. – New Star Growth No.1 Fund	145,800,000	RMB ordinary shares	145,800,000
Shanghai International Port (Group) Co., Ltd.	112,539,226	RMB ordinary shares	112,539,226
Dajia Life Insurance Co., Ltd. - Universal Products	101,864,500	RMB ordinary shares	101,864,500
Foresea Life Insurance Co., Ltd. – Self-owned funds	99,999,997	RMB ordinary shares	99,999,997
E Fund Management Co., Ltd. – Social Security Fund Portfolio 1104	89,868,576	RMB ordinary shares	89,868,576

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

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Note (4): Except for the unknown situation of HKSCC Nominees Limited, as at the end of the reporting period, the remaining top ten ordinary shareholders not subject to selling restrictions of the Bank did not participate in margin trading, short selling or refinancing.

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

3.2 Offshore preference shares

The Bank has redeemed all of the US\$7.25 billion offshore preference shares on September 27, 2022. For details, please refer to the announcements published by the Bank on the websites of Hong Kong Stock Exchange, Shanghai Stock Exchange and the Bank. As at the end of the reporting period, the Bank did not have any outstanding offshore preference shares.

4 ANALYSIS ON OVERALL OPERATING ACTIVITIES IN THE THIRD QUARTER

4.1 Overview of operations

In the face of the complex and challenging external environment this year, the Bank has upheld Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as its guidance, earnestly implemented the decisions and plans of the CPC Central Committee and the State Council, and thoroughly implemented the requirements that “the epidemic must be contained, the economy be stabilized, and the development be safe”. It did the “difficult but right” things as well as “right and great” things, and strengthened and gave full play to its own characteristics and advantages in its solid efforts to serve the real economy. It firmly promoted the transformation of the Bank towards “uniqueness, comprehensiveness, lightness, digitalization and intensiveness”. It has all along been greatly committed to promoting its capability building goals in six aspects: core business, system support, coordination and integration, technological facilitation, institutional drive, and innovation leadership. The Bank also made continued efforts in ecological finance, industrial finance, synergistic finance, green finance and sci-tech finance to promote the continuous improvement of value creation capacity, so as to gain the initiative and forge the future in the high-quality development.

The Bank actively responded to various challenges posed by the external environment and achieved excellent operating results by continuously strengthening its development foundation while meeting the needs of economic and social development. **Firstly, progress was achieved and stability ensured in business operations.** As of the end of the reporting period, the Bank’s total assets amounted to RMB13.52 trillion, representing an increase of 7.43% from the prior year-end. Total loans to customers exceeded 7 trillion and amounted to RMB7.15 trillion, representing an increase of 10.81% or RMB697,770 million from the prior year-end which was RMB42,675 million more than the increase in the first three quarters last year, hitting a new record high. Total liabilities amounted to RMB12.71 trillion, an increase of 7.74% from the prior year-end, including total customer deposits of RMB12.27 trillion, an increase of 8.02% or RMB910,972 million from the prior year-end which was RMB249,564 million more than the growth in the first three quarters last year. **Secondly, profitability remained stable.** In the first three quarters, the Bank’s net profit maintained double-digit growth. Net profit attributable to equity holders of the Bank was RMB73,849 million, up 14.48% year on year. Operating income was RMB257,193 million, up 7.82% year on year. **Thirdly, the value creation capability continued to improve.** The annualized return on average total assets and annualized return on weighted average equity were 0.76% and 13.90% respectively, an increase of 0.02 and 0.22 percentage point year on year, respectively.

With a firm resolve to implement the requirements for high-quality development, the Bank proactively exercised more forward-looking, refined and scientific management to continuously improve its development quality and management, thus continuously enhancing the quality and efficiency of financial services. **In terms of asset allocation,** the Bank adhered to the risk-adjusted return on capital (RAROC) as the basis for allocation of resources and injected more liquidity into the real economy. It focused on the present and kept an eye on the future in terms of credit extension arrangements. On the one hand, it expanded the customer base by focusing efforts on key tasks such as the creditworthy village program and “proactive credit facilities” to achieve more stable and sustainable growth of credit supply; on the other hand, on the basis that it proactively extended credit facilities ahead of the schedule in the first half of the year, it made comprehensive arrangements for growth of credit facilities for the second half of the year, with focus on extending more credit facilities to the real economy. Thanks to these, the loan-to-deposit ratio and the proportion of credit assets in total assets increased by 0.64 and 0.82 percentage point compared with the figures in the first half of the year, respectively. In terms of non-credit asset arrangement, the Bank used RAROC as a yardstick to strike a balance between investment and financing strategies, and improved its control over the

pace of investment and financing to enhance the efficiency of capital utilization, increase the flow of asset transactions and enhance the contribution of non-interest income. **In terms of liability management**, the Bank continued to pursue quality development instead of growth of scale by optimizing the liability development mechanism with value deposits as the core, achieving “moderate growth, structural optimization, and cost reduction”. In the first three quarters, new deposits were mainly lower-cost value deposits due within one year or less, which recorded an increase that was more than RMB300,000 million over that in the first three quarters last year. High-cost and long-term deposits further decreased, with the deposit interest payment rate continuing to fall. **In terms of profitability mode**, by continuously enhancing its comprehensive financial services and customer management capabilities, the Bank saw an accelerated leapfrog growth of intermediary business income. The net fee and commission income reached RMB23,639 million, an increase of 40.30% year on year, and the share of net fee and commission income in operating income reached 9.19%, an increase of 2.13 percentage points year on year. **In terms of risk management**, the Bank upheld the concept of risk control first. It continued to improve the comprehensive risk management system featuring “all aspects, whole process and entire staff”. It actively promoted the development and application of advanced approaches for capital management, advanced the transformation of risk management towards digitalization and intensiveness in all aspects, enhanced the service support by risk management tools, and strengthened the cultivation of risk management professionals. Asset quality remained sound, with a non-performing loan ratio of 0.83%, ranking among the top in the industry. The allowance to NPLs ratio was 404.47%, implying sufficient risk compensation.

The Bank stayed on the course of differentiated and distinctive high-quality development, and focused on capacity building to sharpen sustainable and comprehensive competitive advantage, thus laying a firm foundation for sustainable development.

First, the strengths of retail banking continued to be consolidated. **Firstly**, the Bank persistently promoted its wealth management strategy. Focusing on the philosophy of “customer centricity and value creation for customers”, it continued to deepen customer engagement, and launched the second Wealth Management Festival as well as customer investment education activities to facilitate the upgrade of customer asset allocation. Prioritizing the interests of the customers, it enhanced its product selection capability by way of cooperation with selected top-performing fund companies and selected equity fund products. With a focus on people’s livelihood and old-age service, it fulfilled its responsibility as a major state-owned bank by building a service platform for personal pension account management and launching a pension wealth management pilot, with PSBC Wealth Management raising RMB5,000 million from its pension wealth management products. The Bank established strong middle-office support involving customer managers, product managers, and wealth advisors, identified standard workflow, established a collaborative working mechanism, and formed a rapid transmission chain around service models, asset allocation, exclusive products and other aspects to jointly empower front-line wealth managers. As of the end of the reporting period, the Bank registered AUM of RMB13.60 trillion attributable to individual customers, an annual increase of over RMB1 trillion; and the Bank had 46,707.0 thousand VIP customers, an increase of 9.56% from the prior year-end; and 4,133.4 thousand affluent customers, an increase of 16.04%¹ from the prior year-end. **Secondly**, financial services were provided for new urban residents more precisely. Focusing on the needs of new urban residents in payment, settlement and delivery scenarios, the Bank innovatively launched the “U+ Card”, an exclusive debit card for new urban residents, which offers multiple fee reductions and exemptions on inter-bank transfer fees, SMS service fees for account balance change notifications and card production cost, etc., which effectively reduced the cost of financial services provided for them. To address the needs of new urban residents for delivery across cities or provinces, the Bank, together with China Post Group, offered a 20% discount on postage for parcels delivered at China Post branches if the postage is paid via U+ Card. The Bank provided refined services for new urban residents and precisely identified this target group with the help of data and technology. Besides the U+ Card, the Bank, together with Meituan jointly launched the “Meituan Delivery Rider Card”, an exclusive salary card for riders, with more preferential benefits such as phone bill coupons. **Thirdly**, the construction of the e-CNY application ecology was

¹ The Bank’s classification of customer levels is mainly based on the scale of personal financial assets of customers at the Bank and the balance of personal loans from the Bank (collectively referred to as “comprehensive assets”). In general, customers with comprehensive assets of RMB100,000 and above are VIP customers of the Bank, and those with comprehensive assets of RMB500,000 and above are affluent customers of the Bank.

accelerated. The Bank continued to deepen the research and development pilot of e-CNY, focusing on building the scenario-based ecology. It innovatively applied e-CNY for scenarios such as consumer loan disbursement and repayment, insurance purchases and online car lease payments. The Bank also launched the “Lize e-CNY Card” based on the e-CNY hardware wallet to provide “all-in-one access and payment card” services for corporate employees in Beijing Lize Financial Business District, such as Health Kit registration, turnstile access, elevator rides, office check-in, dining in cafeterias, and consumption by e-CNY in business districts, thus creating a new e-CNY application model integrating “finance, work and life”. It launched a mobile PAY-based account-mode hardware wallet to optimize customer payment experience, and empowered partners to jointly build the e-CNY ecology and supported partner banks to implement distinctive scenarios such as consumer loan disbursement and repayment as well as salary payment.

Second, the role of the Bank as the “main driving force” for rural revitalization was more prominent. In order to realize the dream of “allowing most Chinese farmers to be granted PSBC credit and providing comprehensive financial services for hundreds of millions of farmers”, the Bank further promoted the high-quality and efficient development of financial business related to agriculture, rural areas and farmers, cooperated with China Post Group to further develop projects benefiting farmers around the “villages, cooperatives, households, enterprises, small shops”, and established a digitalized banking ecology to serve rural revitalization, which helped advance rural revitalization across the board. **Firstly**, the Bank continued to improve the rural credit system, and launched innovative online loan products for creditworthy households, and on the basis of external data accessed through cooperation with third parties, it established a more efficient and targeted proactive credit extension mechanism characterized by “small amounts and wide coverage”. It launched and steadily promoted the pilot project of universal credit extension for farmers, and based on its assessment, the Bank finalized 362.0 thousand creditworthy villages and 6,343.5 thousand creditworthy households as of the end of the reporting period. The “Rural Financial Services Portrait” data product was launched to get accurate user portraits for 456.7 thousand administrative villages. **Secondly**, the Bank continued to promote the reform to realize the intensive operation of micro loans by initiating pilots for centralized operation of review and approval and for centralized operation of post-lending management and overdue loan collection, and continued to promote the application of mobile integrated terminals to promote full-process digital operation. **Thirdly**, the Bank did its best to provide financial services in key areas of rural revitalization, worked to form an ecology where corporate banking services serve the endeavor of rural revitalization, supported the supply of food and major agricultural products, the construction of modern agricultural business systems and rural development initiatives, and ensured basic financial services in rural areas to help stabilize and increase agricultural production, steadily raise farmers’ income, and ensure stability in rural areas. **Fourthly**, it facilitated efforts to consolidate and expand the achievements in poverty alleviation with efforts to promote rural revitalization. While strictly implementing the requirement of “poverty alleviation policies and government supervision being continued” to maintain the overall stability of financial support policies, it provided more financial support in areas out of poverty and contributed to the development of pillar industries and advantageous, distinctive local businesses in counties out of poverty to enhance the self-development ability of those areas and the population out of poverty. As of the end of the reporting period, the Bank recorded a balance of RMB1.77 trillion in agriculture-related loans, an increase of RMB152,377 million from the prior year-end. The balance of personal micro loans was RMB1.13 trillion, an increase of RMB210,505 million from the prior year-end.

Third, it accelerated the “unique, comprehensive and specialized” development of corporate finance. **Firstly**, the Bank provided a full range of professional financial services through the integrated financial service model of “commercial banking + investment banking + transaction banking” and the integrated financial service system of “1+N”². Its corporate customers have expanded in both quantity and quality, with the number reaching 1,329.1 thousand, an increase of 177.7 thousand from the prior year-end. The Bank focused its efforts on key customer groups to drive the development, with the increment of value customers and effective customers accounting for 6.73% of the total customers acquired this year. **Secondly**, the Bank focused precisely on such target groups representing the direction of China’s economic transformation as specialized and sophisticated enterprises that produce new and unique products and sci-tech enterprises. It continuously improved the financial service

² Centering on the four aspects of customers, products, linkage and service, the Bank builds the “1+N” operation and service system of corporate finance. The Bank strengthens its penetrating marketing management ability according to demands and capital flow of customers and provides extended services for upstream and downstream customers of a core customer.

system for sci-tech enterprises and increased the credit loan amount. Relying on the product of Science and Innovation e-Loan and technology industry chain development projects, it provided online financing for sci-tech enterprises, with loans granted to more than 23.0 thousand specialized and sophisticated enterprises that produce new and unique products and sci-tech enterprises. **Thirdly**, the Bank actively assisted micro- and small-enterprises (MSEs) for their healthy development. The Bank deepened the construction of a long-term mechanism in which MSEs “dare to and are willing, able to and well-informed to get loans”, and increased financial support for MSEs and other entities in distress to further enhance the endogenous development momentum of MSEs. The balance of inclusive loans to MSEs amounted to RMB1.15 trillion, accounting for more than 16% of total loans to customers, ranking in the forefront of major state-owned banks. It continued to deepen the digital transformation of micro finance, enriched the business model and service scenarios of Easy Small and Micro Loan, promoted cooperation with various government service platforms, and explored multipurpose applications of credit data to improve the availability and convenience of microfinance services. The balance of the Bank’s online micro and small loan products amounted to RMB1.06 trillion, representing an increase of 49.03% from the prior year-end. **Fourthly**, the Bank also ramped up supply of corporate loans to areas including infrastructure, green industry, manufacturing, and sci-tech innovation, with the size of loans achieving stable growth. As of the end of the reporting period, the balance of corporate loans stood at RMB2,592,309 million, up RMB338,373 million or 15.01% from the prior year-end.

Fourth, treasury and asset management businesses contributed to value creation in a comprehensive manner. **Firstly**, the Bank actively promoted the construction of the ecosystem and further deepened its cooperation with customers. **Secondly**, the Bank actively promoted the transformation of business transactions, and strove to explore the in-depth application of FinTech in trading business, and officially launched the electronic trading system, effectively realizing automated quotation monitoring, programmed trading strategies and ex-ante risk control measures, and promoted the upgrade toward intelligent, automated and programmed financial market businesses. It also continuously improved the bill transfer mechanism and synergy system, and put more efforts to improve trading channels to strengthen its role of “dealer” and “market maker” in the bill business, thus increasing the proportion of non-interest income. **Thirdly**, the Bank actively promoted business innovation. The “Special and New Discounting” was launched, which provides customers with more convenient and affordable bill financing services through special products, thus facilitating specialized and sophisticated enterprises that produce new and unique products to carry out bill financing. The “Intelligent Instant Discounting”, a corporate mobile banking service, was also successfully launched, realizing the app-based instant discounting business processing scenario.

Fifth, the strategic goal of “boosting leapfrog growth of intermediary business income” attained steady progress. The Bank continued to fulfill its role as a major state-owned bank and implemented the national policy of fee reduction and interest concessions. It optimized business structure and promoted capacity building to promote high-quality development of intermediary business. The Bank accelerated the upgrade of wealth management strategy, continued to engage in businesses such as agency insurance and fund business, and promoted the growth of AUM scale and structure optimization, with net fee and commission income from agency business increasing by 47.17% year on year. For credit card business, the Bank put more efforts to promote and operate the credit cards within business districts, carried out marketing activities during holidays, and improved customer life cycle management to drive the growth of customer and consumption transaction scale, with net fee and commission income increasing by 20.52% year on year. For wealth management business, the Bank optimized the product structure and enriched the strategies and maturity mix to develop flagship products as part of its efforts to continuously improve the competitiveness of wealth management products. For transaction banking business, the Bank actively advanced the development of digital supply chain business, promoted the online business of bill and letter of credit to enrich online financing scenarios, and continuously improved the quality and efficiency of business development, leading to a year-on-year increase of 50.62% in net fee and commission income. For investment banking business, the Bank actively expanded bond underwriting and distribution business and scaled up the syndicated loan business, and made great efforts in asset securitization business, which led to a new level of business development and a year-on-year increase of 33.44% in net fee and commission income. For the custodian business, the Bank continuously improved its operation service system, steadily expanded the scale of public funds and insurance custody, and expanded asset securitization, asset management, trust and other business fields to achieve diversified business development.

Sixth, green development was further enhanced. Centering on the national vision and goal of carbon peak and carbon neutrality, the Bank vigorously developed sustainable finance, green finance and climate finance, and supported biodiversity conservation. As of the end of the reporting period, the balance of green loans was RMB465,771 million, up 25.11% from the prior year-end. A total of 19 green financial institutions, including carbon neutrality sub-branches, green sub-branches and green finance departments, have been established. The Bank optimized credit policies, improved management mechanisms, increased financial support for key areas such as rural revitalization, infrastructure, and ecological and environmental protection, explored transition finance, and promoted the integration of inclusive finance and green finance. It offered innovative green financial services to support green development, took the lead in applying the universal green collateral pool launched by China Central Depository & Clearing Co., Ltd., and successfully conducted the first inter-bank deposit business pledged by green bonds. The Bank provided carbon accounting services for corporate customers and completed carbon accounting for 1,519 enterprises in total as of the end of the reporting period. The Bank actively promoted carbon neutrality in its own operations and carried out a bank-wide carbon examination; and launched the “Green Office, Low Carbon Life” initiative to promote the awareness and concerted actions in respect to energy saving and emission reduction throughout the Bank.

Seventh, management mechanisms and operating models were innovated continuously. **Firstly**, business development was led by risk management. With digital transformation as the core, the Bank promoted the development and application of full-process digital risk control tools to establish an enterprise-level risk management platform and improve the intelligent level of risk management. Centering on forward-looking risk analysis and prediction, it established and cultivated a team of risk management professionals who are first-class in the industry, regularly held “industry research lectures”, and strengthened resource allocations and research accumulation in specialized fields to enhance risk analysis and prediction capabilities. Focusing on refinement management, it developed a joint prevention and control mechanism for asset quality, further improved the internal control system, enhanced the accuracy of measurement of capital costs and risk costs, and strengthened its risk management capabilities so that risk management can truly become a “firewall” to ensure safety and a “boost” to lead high-quality business development. **Secondly**, all-round progress was made in business process reengineering. The Bank built a strong and unified back-office support through intensive transformation, bringing about a strong service, support and control throughout the Bank. The Bank has launched the three-year plan for transformation toward centralized operation, under which the front-office business will be centralized in accordance with the direction of “front-office business being processed at back office, back-office business being centralized, centralized business being processed in a specialized manner, specialized processing being shared, and shared services being provided via cloud”. At present, it has initiated the pilot of centralized operation of internal account reconciliation, guarantee and letter of credit business, monitoring risk verification, financial reporting, monitoring and analysis of telecommunications fraud prevention, retail credit, custodian business and intensive post-lending management for small enterprises.

Eighth, digital transformation was accelerated through integration of business and technology. The Bank made continuous efforts in FinTech to further enhance its contribution to capacity building. As of the end of the reporting period, 239 projects went live as planned for the year. In this regard, 42 key projects, including the electronic trading system for financial market businesses, corporate mobile banking and credit anti-fraud system, were put into full operation. Nearly 80% of customers were migrated to the new-generation core system for personal banking business. Overall, the system was in smooth operation, and the average response speed for deposit transactions increased by 37.50%. The image recognition function of “PSBC Brain” has been applied in emerging scenarios such as Photovoltaic Loan and You Xiang Loan (邮享贷), and was used in more than 416.7 thousand transactions on average per day. The process robot automation (RPA) has been applied in more than 20 scenarios, such as maintaining parameters for wealth management and international settlement account reconciliation, and it has processed more than 22.8 thousand transactions. The Bank continuously optimized the functions of the cloud management platform, and promoted containerization and micro service architecture for applications to establish a cloud-native operation

and maintenance control system. With 201 systems such as mobile banking, online banking and mobile integrated terminal being deployed on private cloud platforms, the daily transaction volume on cloud platforms reached 589 million, accounting for 93.30% of total transactions, and the application of cloud technology continued to maintain the leading position in the industry. The big data infrastructure environment continued to be consolidated, and the big data platform was integrated and connected to 145 business systems of the Bank, realizing unified access, centralized storage and efficient processing of data resources across the Bank. Capacity of the data middle office was continuously enhanced as a total of 178 data service contents went live, which provides support for 9 analysis scenarios such as marketing management and customer analysis.

The grand blueprint for Chinese modernization was put forward at the 20th National Congress of the Communist Party of China. Going forward, the Bank will implement the decisions and plans of the 20th National Congress, follow the new development philosophy in full, in the right way, and in all fields of endeavor, and serve the new development pattern. It will take the historical initiative to give full play to its resource advantages, shoulder the responsibility as a major state-owned bank, and promote high-quality development with PSBC characteristics, so as to make our contribution to the building of a modern socialist country in all respects.

4.2 Financial performance

4.2.1 Financial results

During the reporting period, the Bank's operating income reached RMB257,193 million, representing a year-on-year increase of 7.82%. The net profit amounted to RMB73,935 million, representing a year-on-year increase of 14.05%. Annualized return on average total assets was 0.76%, representing a year-on-year increase of 0.02 percentage point. Annualized return on weighted average equity was 13.90%, representing a year-on-year increase of 0.22 percentage point.

(1) Net interest income

Net interest income was RMB205,441 million, representing a year-on-year increase of RMB4,551 million or 2.27%. The growth was mainly driven by the increase in the scale of assets and liabilities and the Bank's optimization of its asset-liability structure. Net interest margin was 2.23%, and net interest spread was 2.21%.

(2) Net fee and commission income

Net fee and commission income amounted to RMB23,639 million, representing a year-on-year increase of RMB6,790 million, or 40.30%. It was mainly because the Bank actively implemented the strategy of boosting the leapfrog growth of intermediary business income, continuously enhanced capacity building in terms of intermediary businesses and steadfastly promoted the transformation and upgrading of wealth management, thus achieving rapid growth in income from bancassurance, credit card, wealth management, investment banking and transaction banking services.

(3) Operating expenses

Operating expenses amounted to RMB143,142 million, representing a year-on-year increase of RMB14,234 million, or 11.04%.

(4) Credit impairment losses

Credit impairment losses amounted to RMB31,458 million, representing a year-on-year decrease of RMB5,809 million, or 15.59%. In specific, impairment losses on loans to customers registered RMB33,216 million, representing a year-on-year increase of RMB10,161 million, or 44.07%.

4.2.2 Assets and liabilities and equity

As of the end of the reporting period, the Bank's total assets amounted to RMB13,523,061 million, representing an increase of RMB935,188 million, or 7.43% compared with the prior year-end. Total liabilities amounted to RMB12,705,054 million, representing an increase of RMB912,730 million, or 7.74% compared with the prior year-end. Total equity amounted to RMB818,007 million, representing an increase of RMB22,458 million, or 2.82% compared with the prior year-end.

(1) Loans and advances to customers

Total loans and advances to customers amounted to RMB7,151,869 million, representing an increase of RMB697,770 million, or 10.81% compared with the prior year-end. Among them, personal loans amounted to RMB4,017,737 million, representing an increase of RMB261,584 million, or 6.96% compared with the prior year-end. It is mainly because the Bank adhered to the strategic positioning of retail banking and the active implementation of the national development strategy of rural revitalization, resulting in a rapid growth in personal micro loans. Corporate loans amounted to RMB2,592,309 million, representing an increase of RMB338,373 million, or 15.01% compared with the prior year-end, primarily because the Bank continued to increase its support for the real economy and increased credit supply to infrastructure construction, green industry, manufacturing, and technological innovation, resulting in a steady growth in the scale of small enterprises loans and corporate loans.

(2) Customer deposits

Customer deposits amounted to RMB12,265,045 million, representing an increase of RMB910,972 million, or 8.02% compared with the prior year-end. Among them, personal deposits amounted to RMB10,850,346 million, representing an increase of 8.01% compared with the prior year-end, primarily due to the increase in deposits with maturities of one year or less, and the effective reduction of high-cost, long-term deposits. Corporate deposits amounted to RMB1,411,521 million, representing an increase of 8.13% compared with the prior year-end. The structure of corporate deposits remained relatively optimal.

(3) Equity

Total equity amounted to RMB818,007 million, representing an increase of RMB22,458 million, or 2.82% compared with the prior year-end. In specific, in the first three quarters, the Bank recorded a net profit of RMB73,935 million, distributed RMB29,564 million of dividends on ordinary shares, preference shares and interests on perpetual bonds, redeemed offshore preference shares of RMB47,869 million, and raised net proceeds of RMB29,997 million from the issuance of perpetual bonds.

4.2.3 Asset quality and capital adequacy ratio

The Bank continued to strengthen asset quality control, stepped up efforts in NPL disposal, and maintained stable asset quality. As at the end of the reporting period, the Bank's NPL balance amounted to RMB58,899 million, representing an increase of RMB6,214 million compared with the prior year-end. The NPL ratio was 0.83%, unchanged from the end of the second quarter, representing a slight increase of 0.01 percentage point over the prior year-end. The balance of special mention loans amounted to RMB39,128 million, representing an increase of RMB8,718 million compared with the prior year-end. Special mention loan ratio was 0.55%, representing an increase of 0.08 percentage point compared with the prior year-end. The balance of overdue loans was RMB67,249 million, representing an increase of RMB9,890 million compared with the prior year-end. The overdue loan ratio was 0.94%, representing an increase of 0.05 percentage point compared with the prior year-end. The allowance to NPLs ratio was 404.47%, representing a decrease of 14.14 percentage points compared with the prior year-end. In the first nine months of 2022, newly generated NPLs stood at RMB37,895 million, with an annualized NPL formation ratio¹ of 0.77%, unchanged from the end of the second quarter, representing an increase of 0.21 percentage point over the same period last year.

¹ NPL formation ratio = (NPL balance at the end of the period – NPL balance at the beginning of the period + collection and disposal amount during the period) / total loan balance at the beginning of the period.

As at the end of the reporting period, core tier 1 capital adequacy ratio was 9.55%, representing a decrease of 0.37 percentage point compared with the prior year-end; tier 1 capital adequacy ratio was 11.53%, representing a decrease of 0.86 percentage point compared with the prior year-end; capital adequacy ratio was 14.10%, representing a decrease of 0.68 percentage point compared with the prior year-end, all meeting the regulatory requirements.

4.3 Financial statements and supplementary financial information

Financial statements prepared in accordance with IFRSs are attached in Appendix I to this report, and the supplementary financial information is attached in Appendix II to this report. There was no difference between the net profit and equity for the reporting period in the consolidated financial statements prepared by the Bank under China Accounting Standards for Business Enterprises and the corresponding figures prepared by the Bank under IFRSs.

5 OTHER REMINDERS

The Bank reviewed and approved the profit distribution plan for 2021 at the 2021 Annual General Meeting held on June 28, 2022. On the basis of 92,383,967,605 ordinary shares of the Bank, the Bank distributed cash dividends of RMB0.2474 (before tax) per share, totaling approximately RMB22,856 million (before tax), to all the ordinary shareholders whose names appeared on the share register on the record date. The profit distribution plan has been implemented with the dividends of A shares were paid on July 12, 2022 and the dividends of H shares were paid on August 10, 2022.

The Bank redeemed all of the US\$7.25 billion offshore preference shares issued by the Bank in 2017 on September 27, 2022.

The Bank convened a board meeting on October 26, 2022 to review and approve the Proposal on the Plan for Non-public Issuance of A Shares by Postal Savings Bank of China. The proceeds from the non-public issuance of A shares shall not exceed RMB45 billion (inclusive) which, after deducting the relevant issuance expenses, will be fully used to replenish the core tier 1 capital of the Bank. The amount of proceeds will depend on the final issuance plan approved by the relevant regulatory authorities. The issuance plan is subject to review and approval by the shareholders' general meeting of the Bank, and it also requires approval by the relevant regulatory authorities after being approved by the shareholders' general meeting.

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



6 RELEASE OF QUARTERLY REPORT

This report is published on both the HKEXnews website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and the website of the Bank at www.psbc.com. 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 that of the Bank at www.psbc.com.

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

Beijing, the PRC
October 26, 2022

As at the date of this announcement, the Board of the Bank comprises Mr. Liu Jianjun, Mr. Zhang Xuewen and Ms. Yao Hong as Executive Directors; Mr. Han Wenbo, Mr. Chen Donghao, Mr. Wei Qiang, Mr. Liu Yue and Mr. Ding Xiangming as Non-executive Directors; Mr. Fu Tingmei, Mr. Wen Tiejun, Mr. Chung Shui Ming Timpson, Mr. Hu Xiang and Ms. Pan Yingli 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 IFRSs

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022

(All amounts in millions of RMB unless otherwise stated)

	July to September 2022 (unaudited)	July to September 2021 (unaudited)	January to September 2022 (unaudited)	January to September 2021 (unaudited)
Interest income	119,103	114,737	354,550	335,664
Interest expense	(50,779)	(45,943)	(149,109)	(134,774)
Net interest income	68,324	68,794	205,441	200,890
Fee and commission income	11,050	9,648	41,124	33,683
Fee and commission expense	(5,291)	(4,228)	(17,485)	(16,834)
Net fee and commission income	5,759	5,420	23,639	16,849
Net trading gains	821	767	3,009	2,472
Net gains on investment securities	7,132	4,870	18,045	17,450
Net gains/(losses) on derecognition of financial assets measured at amortized cost	524	3	719	(43)
Net other operating gains	998	907	6,340	921
Operating income	83,558	80,761	257,193	238,539
Operating expenses	(49,308)	(46,343)	(143,142)	(128,908)
Credit impairment losses	(4,359)	(7,813)	(31,458)	(37,267)
Impairment losses on other assets	(6)	(19)	(15)	(27)
Profit before income tax	29,885	26,586	82,578	72,337
Income tax expenses	(3,120)	(3,005)	(8,643)	(7,512)
Net profit	26,765	23,581	73,935	64,825
Net profit attributable to:				
Equity holders of the Bank	26,735	23,497	73,849	64,507
Non-controlling interests	30	84	86	318

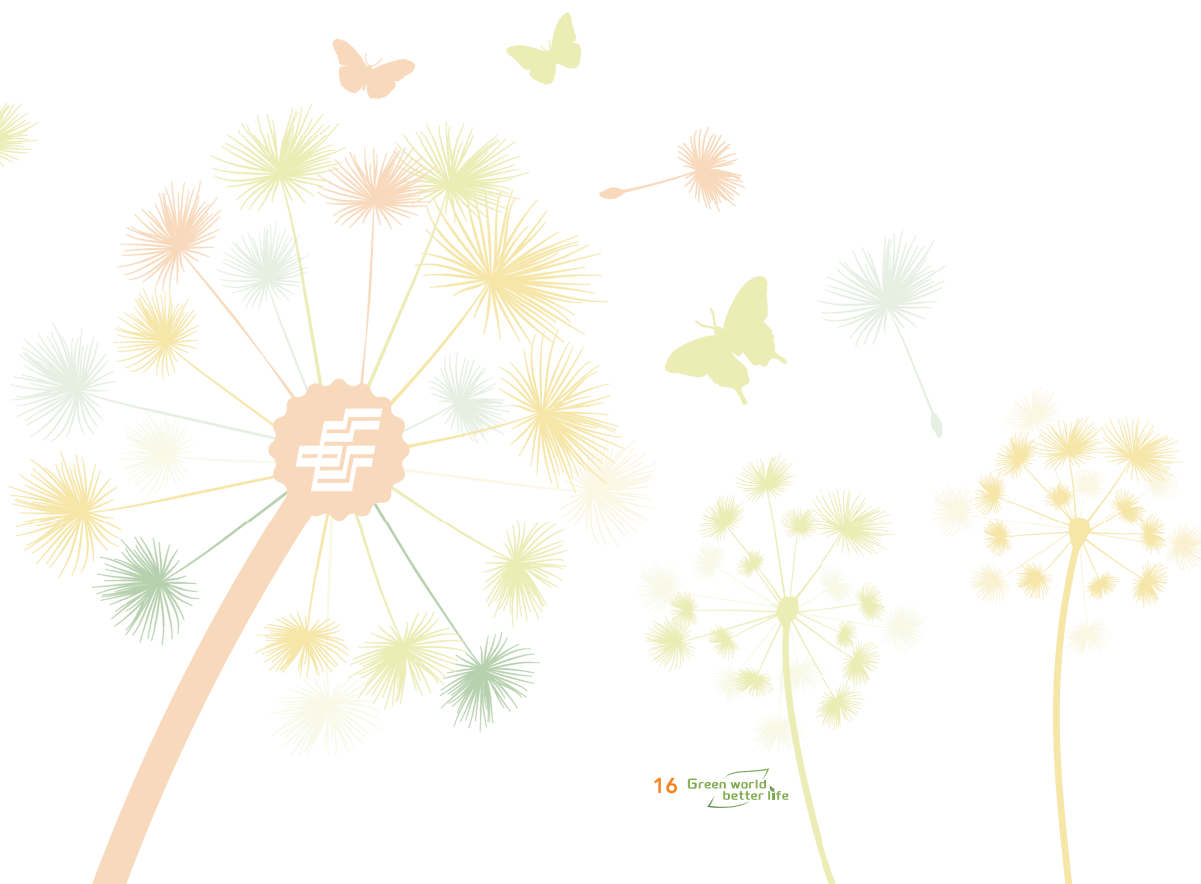


CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022

(All amounts in millions of RMB unless otherwise stated)

	July to September 2022 (unaudited)	July to September 2021 (unaudited)	January to September 2022 (unaudited)	January to September 2021 (unaudited)
Other comprehensive income (expense)				
Item that will not be reclassified to profit or loss				
Changes in fair value of equity instrument investments measured at fair value through other comprehensive income	(999)	4,162	(2,076)	4,162
Subtotal	(999)	4,162	(2,076)	4,162
Item that may be reclassified subsequently to profit or loss				
Net (losses)/gains on investments in financial assets measured at fair value through other comprehensive income	(1,008)	779	(1,845)	1,581
Subtotal	(1,008)	779	(1,845)	1,581
Total comprehensive income for the period	24,758	28,522	70,014	70,568
Total comprehensive income attributable to:				
Equity holders of the Bank	24,728	28,438	69,928	70,250
Non-controlling interests	30	84	86	318
Basic and diluted earnings per share (in RMB Yuan)	0.29	0.25	0.73	0.65



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2022

(All amounts in millions of RMB unless otherwise stated)

	September 30, 2022 (unaudited)	December 31, 2021 (audited)
Assets		
Cash and deposits with central bank	1,241,853	1,189,458
Deposits with banks and other financial institutions	154,041	90,782
Placements with banks and other financial institutions	271,383	280,093
Derivative financial assets	3,831	6,053
Financial assets held under resale agreements	100,926	265,229
Loans and advances to customers	6,915,278	6,237,199
Financial investments		
Financial assets measured at fair value through profit or loss	850,318	750,597
Financial assets measured at fair value through other comprehensive income-debt instruments	379,298	306,132
Financial assets measured at fair value through other comprehensive income-equity instruments	9,722	11,888
Financial assets measured at amortized cost	3,427,430	3,280,003
Interests in associates	653	–
Property and equipment	55,033	54,669
Deferred tax assets	62,764	56,319
Other assets	50,531	59,451
Total assets	13,523,061	12,587,873
Liabilities		
Borrowings from central bank	21,721	17,316
Deposits from banks and other financial institutions	73,449	154,809
Placements from banks and other financial institutions	53,221	42,565
Derivative financial liabilities	4,989	5,176
Financial assets sold under repurchase agreements	90,159	34,643
Customer deposits	12,265,045	11,354,073
Income tax payable	6,637	4,267
Debt securities issued	101,029	81,426
Deferred tax liabilities	14	11
Other liabilities	88,790	98,038
Total liabilities	12,705,054	11,792,324

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

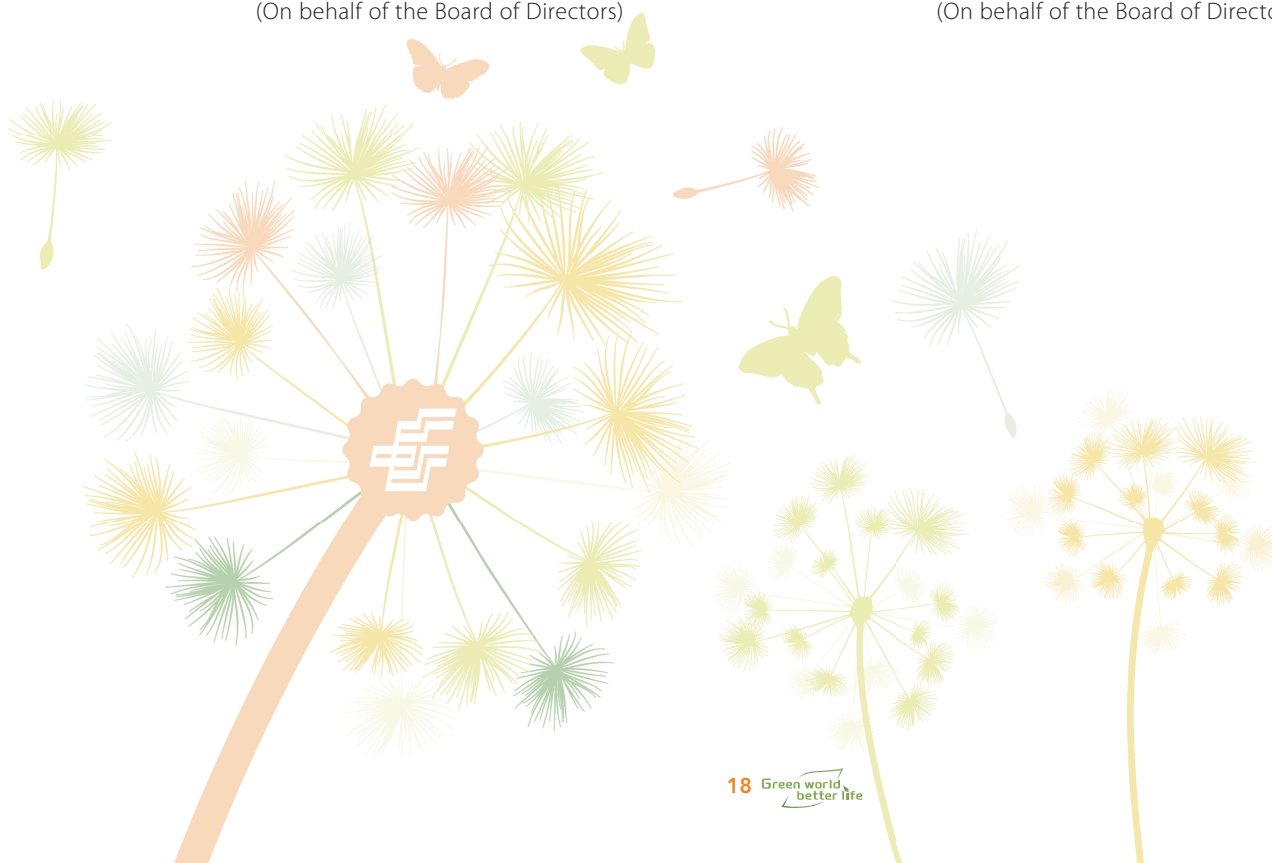
AS AT SEPTEMBER 30, 2022

(All amounts in millions of RMB unless otherwise stated)

	September 30, 2022 (unaudited)	December 31, 2021 (audited)
Equity		
Share capital	92,384	92,384
Other equity instruments		
Preference shares	-	47,869
Perpetual bonds	139,983	109,986
Capital reserve	125,366	125,486
Other reserves	215,248	219,526
Retained earnings	243,482	198,840
Equity attributable to equity holders of the Bank	816,463	794,091
Non-controlling interests	1,544	1,458
Total equity	818,007	795,549
Total equity and liabilities	13,523,061	12,587,873

Liu Jianjun
(On behalf of the Board of Directors)

Zhang Xuewen
(On behalf of the Board of Directors)



CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022

(All amounts in millions of RMB unless otherwise stated)

	January to September 2022 (unaudited)	January to September 2021 (unaudited)
Cash flows from operating activities		
Profit before income tax	82,578	72,337
Adjustments for:		
Amortization of intangible assets and other assets	1,019	752
Depreciation of property and equipment and right-of-use assets	6,612	5,714
Impairment loss on assets	31,473	37,294
– Credit impairment losses	31,458	37,267
– Impairment losses on other assets	15	27
Interest income arising from financial investments	(95,564)	(95,566)
Interest expense arising from debt securities issued	2,605	1,727
Net gains on investment securities	(18,762)	(17,407)
Unrealized exchange (gains)/losses	(3,953)	874
Net (gains)/losses from disposal of property, equipment and other assets	(7)	21
Subtotal	6,001	5,746
Net (increase)/decrease in operating assets		
Deposits with central bank	(64,273)	(8,248)
Deposits with banks and other financial institutions	(58,451)	(31,381)
Placements with banks and other financial institutions	(15,691)	7,167
Financial assets measured at fair value through profit or loss	55,375	(32,647)
Financial assets held under resale agreements	37,989	(9,743)
Loans and advances to customers	(710,026)	(662,667)
Other operating assets	5,516	(7,427)
Subtotal	(749,561)	(744,946)

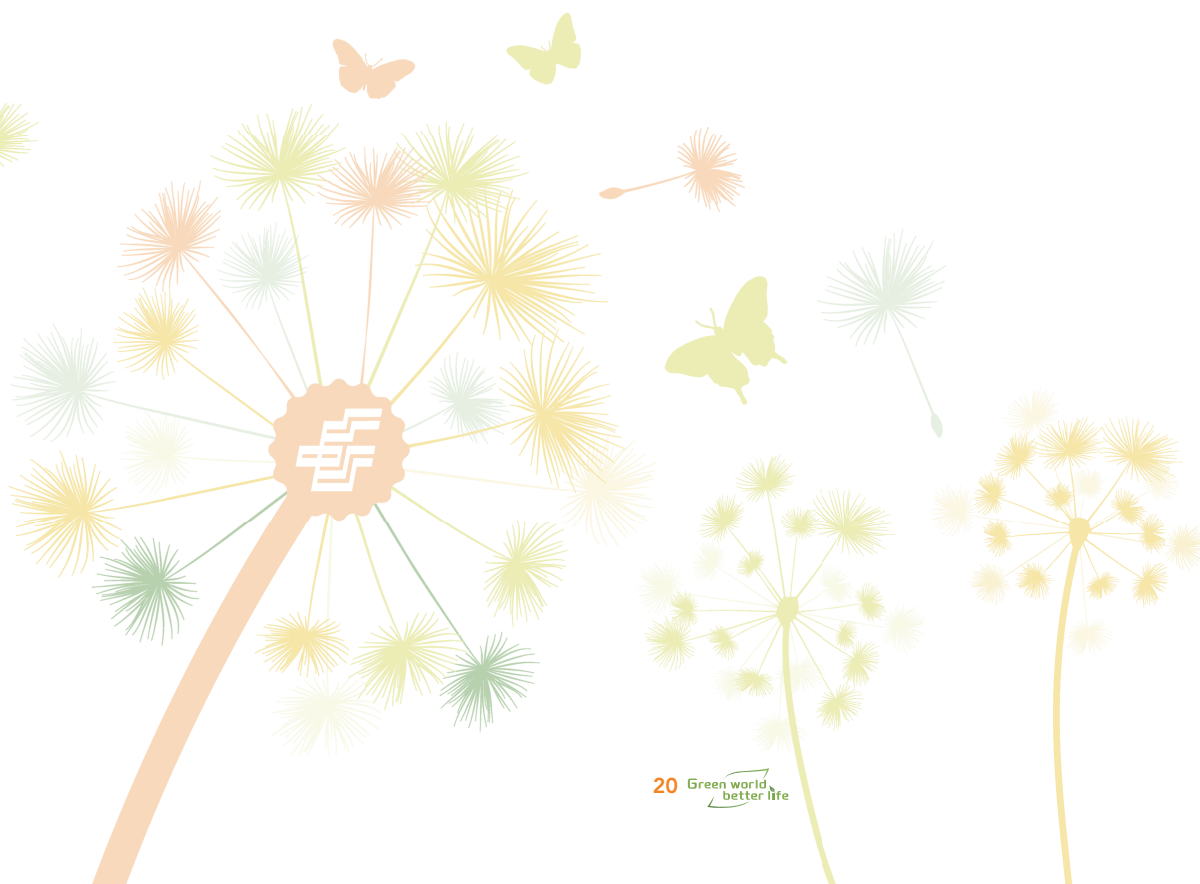


CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022

(All amounts in millions of RMB unless otherwise stated)

	January to September 2022 (unaudited)	January to September 2021 (unaudited)
Net increase/(decrease) in operating liabilities		
Borrowings from central bank	4,397	(17,042)
Deposits from banks and other financial institutions	(81,355)	2,146
Placements from banks and other financial institutions	8,717	17,177
Financial assets sold under repurchase agreements	55,512	37,814
Customer deposits	931,353	653,512
Other operating liabilities	(34,605)	12,323
Subtotal	884,019	705,930
Net cash flows generated from/(used in) operating activities before tax	140,459	(33,270)
Income tax paid	(11,245)	(16,516)
Net cash flows generated from/(used in) operating activities	129,214	(49,786)
Cash flows from operating activities include:		
Interest received	268,198	246,674
Interest paid	(171,235)	(125,144)



CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022

(All amounts in millions of RMB unless otherwise stated)

	January to September 2022 (unaudited)	January to September 2021 (unaudited)
Cash flows from investing activities		
Cash received from disposal/redemption of financial investments	961,303	828,185
Cash received from income arising from financial investments	110,471	108,270
Cash received from disposal of property and equipment, intangible assets and other long-term assets	220	236
Cash paid for purchase of financial investments	(1,312,113)	(1,005,288)
Cash paid for purchase of property and equipment, intangible assets and other long-term assets	(7,290)	(6,332)
Net cash flows used in investing activities	(247,409)	(74,929)
Cash flows from financing activities		
Cash received from issuance of ordinary shares	–	30,000
Cash received from issuance of perpetual bonds	30,000	30,000
Cash received from issuance of debt securities	40,000	65,480
Cash paid for dividends and interests	(32,563)	(25,544)
Cash paid for issuance of perpetual bonds	(3)	(3)
Cash paid for issuance of debt securities	(3)	(4)
Cash paid for issuance of ordinary shares	–	(15)
Cash paid for repayment of debt securities	(20,000)	(7,170)
Cash paid for repayment of preference shares	(51,273)	–
Cash paid to repay principal and interest of lease liabilities	(2,832)	(3,058)
Net cash flows (used in)/generated from financing activities	(36,674)	89,686
Effect of exchange rate changes on cash and cash equivalents	1,223	(170)
Net decrease in cash and cash equivalents	(153,646)	(35,199)
Balance of cash and cash equivalents at the beginning of period	313,764	335,526
Balance of cash and cash equivalents at the end of period	160,118	300,327



APPENDIX II SUPPLEMENTARY FINANCIAL INFORMATION

TABLE OF CAPITAL ADEQUACY RATIOS

In millions of RMB, except for percentages

Item	September 30, 2022		December 31, 2021	
	Consolidated	The Bank	Consolidated	The Bank
Calculated in accordance with the Capital Rules for Commercial Banks (Provisional):				
Core tier 1 capital – net	674,916	653,664	635,024	619,935
Tier 1 capital – net	815,023	793,646	793,006	777,789
Net capital	996,774	974,772	945,992	930,200
Core tier 1 capital adequacy ratio (%)	9.55	9.30	9.92	9.74
Tier 1 capital adequacy ratio (%)	11.53	11.30	12.39	12.22
Capital adequacy ratio (%)	14.10	13.87	14.78	14.62

TABLE OF LEVERAGE RATIO

In millions of RMB, except for percentages

Item	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021
Tier 1 capital – net	815,023	838,323	840,751	793,006
On- and off-balance sheet assets after adjustments	14,071,223	13,931,845	13,733,769	13,010,219
Leverage ratio (%)	5.79	6.02	6.12	6.10

TABLE OF LIQUIDITY COVERAGE RATIO

In millions of RMB, except for percentage

Item	September 30, 2022	December 31, 2021
High-quality liquid assets	2,392,714	2,337,935
Net cash outflow for the next 30 days	1,137,723	940,684
Liquidity coverage ratio (%)	210.31	248.54



EVALUATION INDICATORS FOR SYSTEMIC IMPORTANCE

Pursuant to the Evaluation Measures for Systemically Important Banks issued by the People's Bank of China and China Banking and Insurance Regulatory Commission, the Bank's evaluation indicators for domestic systemic importance as of December 31, 2021 are as follows.

In RMB10,000, unless otherwise stated

Tier 1 indicator	Tier 2 indicator	The Bank	
Scale	Balance of adjusted on- and off-balance sheet assets	1,300,658,483.98	
Relevance	Intra-financial system assets	349,439,169.53	
	Intra-financial system liabilities	17,708,878.97	
	Securities and other financing instruments issued	69,797,419.95	
Substitutability	Payments settled through payment systems or correspondent banks	9,389,096,945.81	
	Assets under custody	446,983,688.80	
	Agency and commission business	267,525,469.26	
	Number of customers and number of domestic operating institutions	Number of corporate customers	1,151,408
		Number of personal customers	824,948,079
		Number of domestic operating institutions	10,313
Complexity	Derivatives	63,216,174.27	
	Securities measured at fair value	13,998,028.25	
	Assets of non-banking affiliates	5,552,836.28	
	Wealth management business	Balance of non-principal-guaranteed wealth management products issued by the Bank	25,994,869.09
		Balance of wealth management products issued by wealth management subsidiary	65,530,603.08
	Overseas claims and debts	2,731,971.69	

Note (1): Calculated upon the standards of the Evaluation Measures for Systemically Important Banks (Yin Fa [2020] No. 289), and the data of some indicators differs from the data disclosed in the annual report.