

Composition of Capital

In millions of RMB, except for percentages

Item	Amount
Core tier 1 capital:	
1 Paid-in capital	92,384
2 Retained earnings	369,803
2a Surplus reserve	42,688
2b General risk reserve	130,108
2c Undistributed profits	197,007
3 Accumulated other comprehensive income and disclosed reserve	129,013
3a Capital reserve	125,486
3b Others	3,527
4 Valid portion to core tier 1 capital during the transition period (only applicable to non-joint stock companies. Fill in 0 for joint stock banks)	–
5 Valid portion of minority interests	759
6 Core tier 1 capital before regulatory adjustments	591,959
Core tier 1 capital: Regulatory adjustments	
7 Prudential valuation adjustments	–
8 Goodwill (net of deferred tax liabilities)	–
9 Other intangible assets other than land use rights (net of deferred tax liabilities)	2,187
10 Net deferred tax assets that rely on future profitability and arise from operating losses	–
11 Reserves that relate to the cash flow hedging of items that are not measured at fair value	–
12 Shortfall of provision for loan impairment	–
13 Gain on sale related to asset securitization	–
14 Unrealized gains and losses resulted from changes in the fair value of liabilities due to changes in own credit risk	–
15 Defined-benefit pension fund net assets (net of deferred tax liabilities)	–
16 Direct or indirect holding in own ordinary shares	–
17 Reciprocal cross-holdings in core tier 1 capital between banks or between banks and other financial institutions	–
18 Deductible amount of insignificant minority investments in core tier 1 capital instruments issued by financial institutions that are not subject to consolidation	–
19 Deductible amount of significant minority investments in core tier 1 capital instruments issued by financial institutions that are not subject to consolidation	–
20 Mortgage servicing rights	–
21 Deductible amount in net deferred tax assets that rely on the bank's future profitability	–
22 Deductible amount exceeding the 15% threshold for significant minority capital investments in core tier 1 capital instruments issued by financial institutions that are not subject to consolidation and undeducted portion of net deferred tax assets that rely on the bank's future profitability	–
23 Including: Deductible amount of significant minority investments in capital instruments issued by financial institutions	–
24 Including: Deductible amount of mortgage servicing rights	–
25 Including: Deductible amount in net deferred tax assets that rely on the bank's future profitability	–
26a Investments in core tier 1 capital instruments issued by financial institutions that are under control but not subject to consolidation	–
26b Shortfall in core tier 1 capital instruments issued by financial institutions that are under control but not subject to consolidation	–
26c Other items that should be deducted from core tier 1 capital	–
27 Undeducted shortfall that should be deducted from additional tier 1 capital and tier 2 capital	–
28 Total regulatory adjustments to core tier 1 capital	2,187
29 Core tier 1 capital	589,772

Composition of Capital

Item	Amount
Additional tier 1 capital:	
30 Additional tier 1 capital instruments and related premium	157,855
31 Including: Portion classified as equity	157,855
32 Including: Portion classified as liabilities	–
33 Invalid instruments to additional tier 1 capital after the transition period	–
34 Valid portion of minority interests	101
35 Including: Invalid portion to additional tier 1 capital after the transition period	–
36 Additional tier 1 capital before regulatory adjustments	157,956
Additional tier 1 capital: Regulatory adjustments	
37 Direct or indirect investments in own additional tier 1 instruments	–
38 Reciprocal cross-holdings in additional tier 1 capital between banks or between banks and other financial institutions	–
39 Deductible amount of insignificant minority investments in additional tier 1 capital instruments issued by financial institutions that are not subject to consolidation	–
40 Significant minority investments in additional tier 1 capital instruments issued by financial institutions that are not subject to consolidation	–
41a Investments in additional tier 1 capital instruments issued by financial institutions that are under control but not subject to consolidation	–
41b Shortfall in additional tier 1 capital instruments issued by financial institutions that are under control but not subject to consolidation	–
41c Other items that should be deducted from additional tier 1 capital	–
42 Undeducted shortfall that should be deducted from tier 2 capital	–
43 Total regulatory adjustments to additional tier 1 capital	–
44 Additional tier 1 capital	157,956
45 Tier 1 capital (core tier 1 capital + additional tier 1 capital)	747,728
Tier 2 capital:	
46 Tier 2 capital instruments and related premium	49,969
47 Invalid instruments to tier 2 capital after the transition period	–
48 Valid portion of minority interests	203
49 Including: Invalid portion after the transition period	–
50 Valid portion of surplus provision for loan impairment	69,109
51 Tier 2 capital before regulatory adjustments	119,281
Tier 2 capital: Regulatory adjustments	
52 Direct or indirect investments in own tier 2 instruments	–
53 Reciprocal cross-holdings in tier 2 capital between banks or between banks and other financial institutions	–
54 Deductible portion of tier 2 capital instruments in insignificant minority investments issued by financial institutions that are not subject to consolidation	–
55 Tier 2 capital instruments in significant minority investments issued by financial institutions that are not subject to consolidation	–
56a Investments in tier 2 capital instruments issued by financial institutions that are under control but not subject to consolidation	–
56b Shortfall in tier 2 capital instruments issued by financial institutions that are under control but not subject to consolidation	–
56c Other items that should be deducted from tier 2 capital	–
57 Total regulatory adjustments to tier 2 capital	–
58 Tier 2 capital	119,281
59 Total capital (tier 1 capital + tier 2 capital)	867,009
60 Total risk-weighted assets	6,053,964

Composition of Capital

Item	Amount
Requirements for capital adequacy ratios and reserve capital	
61 Core tier 1 capital adequacy ratio	9.74
62 Tier 1 capital adequacy ratio	12.35
63 Capital adequacy ratio	14.32
64 Institution specific capital requirements	2.50
65 Including: Capital conservation buffer requirement	2.50
66 Including: Countercyclical buffer requirement	–
67 Including: G-SIB buffer requirement	–
68 Percentage of core tier 1 capital meeting buffers to risk-weighted assets	4.74
Domestic minimum regulatory capital requirements	
69 Core tier 1 capital adequacy ratio	5.00
70 Tier 1 capital adequacy ratio	6.00
71 Capital adequacy ratio	8.00
Amounts below the thresholds for deduction	
72 Undeducted amount of insignificant minority investments in capital instruments issued by financial institutions that are not subject to consolidation	42,951
73 Undeducted amount of significant minority investments in capital instruments issued by financial institutions that are not subject to consolidation	–
74 Mortgage servicing rights (net of deferred tax liabilities)	–
75 Other net deferred tax assets that rely on the bank's future profitability (net of deferred tax liabilities)	57,531
Valid caps of surplus provision for loan impairment to tier 2 capital	
76 Provision for loan impairment under the weighted approach	215,734
77 Valid cap of surplus provision for loan impairment in tier 2 capital under the weighted approach	69,109
78 Surplus provision for loan impairment under the internal ratings-based approach	–
79 Valid cap of surplus provision for loan impairment in tier 2 capital under the internal ratings-based approach	–
Capital instruments subject to phase-out arrangements	
80 Valid cap to core tier 1 capital for the current period due to phase-out arrangements	–
81 Excluded from core tier 1 capital due to phase-out arrangements	–
82 Valid cap to additional tier 1 capital for the current period due to phase-out arrangements	–
83 Excluded from additional tier 1 capital due to phase-out arrangements	–
84 Valid cap to tier 2 capital for the current period due to phase-out arrangements	–
85 Excluded from tier 2 capital for the current period due to phase-out arrangements	–

Composition of Capital

Detailed description of related items

In millions of RMB

Item	Balance sheet under regulatory scope of consolidation	Code
Goodwill	–	a
Intangible assets	4,122	b
Including: Land use rights	1,935	c
Deferred income tax liabilities	–	
Including: Deferred tax liabilities related to goodwill	–	d
Including: Deferred tax liabilities related to other intangible assets other than land use rights	–	e
Paid-in capital		
Including: Amount included in core tier 1 capital	92,384	f
Other equity instruments	157,855	g
Including: Preference shares	47,869	
Including: Perpetual bonds	109,986	
Capital reserve	125,486	h
Others	3,527	i
Surplus reserve	42,688	j
General risk reserve	130,108	k
Undistributed profits	197,007	l

Composition of Capital

Correspondence between all the items disclosed in the second step and items in the disclosure template of capital composition

In millions of RMB

Item	Amount	Code
Core tier 1 capital:		
1 Paid-in capital	92,384	f
2 Retained earnings	369,803	j+k+l
2a Surplus reserve	42,688	j
2b General risk reserve	130,108	k
2c Undistributed profits	197,007	l
3 Accumulated other comprehensive income and disclosed reserve	129,013	h+i
3a Capital reserve	125,486	h
3b Others	3,527	i
4 Valid portion to core tier 1 capital during the transition period (only applicable to non-joint stock companies. Fill in 0 for joint stock banks)	–	
5 Valid portion of minority interests	759	
6 Core tier 1 capital before regulatory adjustments	591,959	
Core tier 1 capital: Regulatory adjustments		
7 Prudential valuation adjustments	–	
8 Goodwill (net of deferred tax liabilities)	–	a-d
9 Other intangible assets other than land use rights (net of deferred tax liabilities)	2,187	b-c-e
10 Net deferred tax assets that rely on future profitability and arise from operating losses	–	
11 Reserves that relate to the cash flow hedging of items that are not measured at fair value	–	
12 Shortfall of provision for loan impairment	–	
13 Gain on sale related to asset securitization	–	
14 Unrealized gains and losses resulted from changes in the fair value of liabilities due to changes in own credit risk	–	
15 Defined-benefit pension fund net assets (net of deferred tax liabilities)	–	
16 Direct or indirect holding in own ordinary shares	–	
17 Reciprocal cross-holdings in core tier 1 capital between banks or between banks and other financial institutions	–	
18 Deductible amount of insignificant minority investments in core tier 1 capital instruments issued by financial institutions that are not subject to consolidation	–	
19 Deductible amount of significant minority investments in core tier 1 capital instruments issued by financial institutions that are not subject to consolidation	–	
20 Mortgage servicing rights	–	
Additional tier 1 capital:		
21 Additional tier 1 capital instruments and related premium	157,855	
22 Including: Portion classified as equity	157,855	g

Composition of Capital

Main features of regulatory capital instruments		Ordinary shares (A shares)	Ordinary shares (H shares)	Tier 2 capital bonds	Tier 2 capital bonds	Preference shares (overseas)	Undated capital bonds	Undated capital bonds
1	Issuer	Postal Savings Bank of China Co., Ltd.	Postal Savings Bank of China Co., Ltd.	Postal Savings Bank of China Co., Ltd.	Postal Savings Bank of China Co., Ltd.	Postal Savings Bank of China Co., Ltd.	Postal Savings Bank of China Co., Ltd.	Postal Savings Bank of China Co., Ltd.
2	Identification code	601658.SH	1658.HK	1628016.IB	1728005.IB	4612	2028006.IB	2128011.IB
3	Applicable laws	PRC laws	PRC laws/laws of Hong Kong, PRC	PRC laws	PRC laws	The creation and issuance of the Offshore Preference Shares and the rights and obligations (including non-contractual rights and obligations) attached to them are governed by and shall be construed in accordance with PRC laws	PRC laws	PRC laws
4	Including: Applicable to rules for the transitional period of the Capital Rules for Commercial Banks (Trial)	Core tier 1 capital	Core tier 1 capital	Tier 2 capital	Tier 2 capital	Additional tier 1 capital	Additional tier 1 capital	Additional tier 1 capital
5	Including: Applicable to the rules after expiration of the transitional period of the Capital Rules for Commercial Banks (Trial)	Core tier 1 capital	Core tier 1 capital	Tier 2 capital	Tier 2 capital	Additional tier 1 capital	Additional tier 1 capital	Additional tier 1 capital
6	Including: Applicable to bank/group level	Bank and group level	Bank and group level	Bank and group level	Bank and group level	Bank and group level	Bank and group level	Bank and group level
7	Instrument type	Core tier 1 capital instruments	Core tier 1 capital instruments	Tier 2 capital instruments	Tier 2 capital instruments	Additional tier 1 capital instruments	Additional tier 1 capital instruments	Additional tier 1 capital instruments
8	Amount that can be included in regulatory capital (in millions; on the latest reporting date)	RMB142,264	RMB75,606	RMB29,982	RMB19,987	RMB47,869	RMB79,989	RMB29,997
9	Par value of instrument (in millions)	RMB72,528	RMB19,856	RMB30,000	RMB20,000	USD7,250	RMB80,000	RMB30,000
10	Accounting treatment	Share capital, capital reserve	Share capital, capital reserve	Bonds payable	Bonds payable	Other equity instruments	Other equity instruments	Other equity instruments
11	Initial issuance date	November 28, 2019	September 28, 2016	October 26, 2016	March 22, 2017	September 27, 2017	March 16, 2020	March 19, 2021
12	Perpetual or dated	Perpetual	Perpetual	Dated	Dated	Perpetual	Perpetual	Perpetual
13	Including: Original maturity date	No maturity date	No maturity date	October 28, 2026	March 24, 2027	No maturity date	No maturity date	No maturity date
14	Issuer's redemption (subject to regulatory approval)	No	No	Yes	Yes	Yes	Yes	Yes
15	Including: Redemption date (or contingent redemption date) and amount	Not applicable	Not applicable	October 28, 2021 redemption in part or full	March 24, 2022 redemption in part or full	The first redemption date is September 27, 2022 full or part	The first redemption date is March 18, 2025 full or part	The first redemption date is March 23, 2026 full or part
16	Including: Subsequent redemption date (if any)	Not applicable	Not applicable	Not applicable	Not applicable	September 27 each year after the first redemption date	March 18 each year after the first redemption date	March 23 each year after the first redemption date
17	Including: Fixed or floating interest payment or dividend	Floating	Floating	Fixed	Fixed	Floating: The dividend yield is fixed in a single dividend yield adjustment cycle (five years) and is reset every five years	Floating: The coupon rate is fixed in a single coupon rate adjustment cycle (five years) and is reset every five years	Floating: The coupon rate is fixed in a single coupon rate adjustment cycle (five years) and is reset every five years

Composition of Capital

Main features of regulatory capital instruments		Ordinary shares (A shares)	Ordinary shares (H shares)	Tier 2 capital bonds	Tier 2 capital bonds	Preference shares (overseas)	Undated capital bonds	Undated capital bonds
18	Including: Coupon rate and relevant indicators	Not applicable	Not applicable	3.30%	4.50%	The dividend yield in the first five years is 4.50% and is reset every 5 years based on the yield of five-year US treasury bond on the resetting date plus 263.4 basis points	The coupon rate in the first five years is 3.69% and is reset every 5 years based on the arithmetic average of the maturity yield of the 5-year product of the maturity yield curve of China Bonds published on ChinaBond.com (or other websites approved by China Central Depository & Clearing Co., Ltd.) (rounded to 0.01%) plus 125 basis points to reset the coupon rate 5 trading days (excluding the day) before the adjustment date of the benchmark interest rate	The coupon rate in the first five years is 4.42% and is reset every 5 years based on the arithmetic average of the maturity yield of the 5-year product of the maturity yield curve of China Bonds published on ChinaBond.com (or other websites approved by China Central Depository & Clearing Co., Ltd.) (rounded to 0.01%) plus 133 basis points to reset the coupon rate 5 trading days (excluding the day) before the adjustment date of the benchmark interest rate
19	Including: Existence of dividend brake mechanism	Not applicable	Not applicable	No	No	Yes	Yes	Yes
20	Including: Discretion to cancel dividend or interest payment	Full discretion	Full discretion	No	No	Full discretion	Full discretion	Full discretion
21	Including: Existence of redemption incentive mechanism	No	No	No	No	No	No	No
22	Including: Cumulative or non-cumulative	Non-cumulative	Non-cumulative	Not applicable	Not applicable	Non-cumulative	Non-cumulative	Non-cumulative
23	Conversion into shares	No	No	No	No	Yes	No	No
24	Including: Please specify the trigger condition for share conversion, if allowed	Not applicable	Not applicable	Not applicable	Not applicable	Upon the occurrence of any additional tier 1 capital instrument trigger event, that is, the core tier 1 capital adequacy ratio drops to 5.125% or below; or upon the occurrence of any tier 2 capital instrument trigger event, which means either of the following circumstances (whichever is earlier): (1) the CBIRC having concluded that a share conversion or write-off is necessary without which the Bank would become non-viable; (2) the relevant authorities having concluded that a public sector injection of capital or equivalent support is necessary without which the Bank would become non-viable	Not applicable	Not applicable

Composition of Capital

Main features of regulatory capital instruments	Ordinary shares (A shares)	Ordinary shares (H shares)	Tier 2 capital bonds	Tier 2 capital bonds	Preference shares (overseas)	Undated capital bonds	Undated capital bonds
25 Including: Please specify share conversion in whole or in part, if allowed	Not applicable	Not applicable	Not applicable	Not applicable	Upon the occurrence of any additional tier 1 capital instrument trigger event, the Bank shall have the right to, without the consent of holders of preference shares, convert all or part of the issued and outstanding offshore preference shares into ordinary H shares; Upon the occurrence of any tier 2 capital instrument trigger event, the Bank shall have the right to, without the consent of holders of preference shares, convert all of the issued and outstanding offshore preference shares into ordinary H shares	Not applicable	Not applicable
26 Including: Please specify the method to determine the conversion price, if share conversion is allowed	Not applicable	Not applicable	Not applicable	Not applicable	The initial conversion price is the average trading price of ordinary H shares of the Bank in the 20 trading days prior to the announcement date of the Board resolution (March 24, 2017) on the Offshore Preference Shares issuance	Not applicable	Not applicable
27 Including: Please specify share conversion is mandatory or not, if allowed	Not applicable	Not applicable	Not applicable	Not applicable	Mandatory	Not applicable	Not applicable
28 Including: Please specify the instrument type after conversion, if allowed	Not applicable	Not applicable	Not applicable	Not applicable	Core tier 1 capital	Not applicable	Not applicable
29 Including: Please specify the issuer of the instrument after conversion, if allowed	Not applicable	Not applicable	Not applicable	Not applicable	The Bank	Not applicable	Not applicable
30 Write-down or not	No	No	Yes	Yes	No	Yes	Yes
31 Including: Please specify the trigger point of write-down, if allowed	Not applicable	Not applicable	Trigger events refer to either of the following circumstances (whichever is earlier): 1. the CBIRC having concluded that a write-off is necessary without which the issuer would become non-viable; or 2. the relevant authorities having concluded that a public sector injection of capital or equivalent support is necessary without which the issuer would become non-viable	Trigger events refer to either of the following circumstances (whichever is earlier): 1. the CBIRC having concluded that a write-off is necessary without which the issuer would become non-viable; or 2. the relevant authorities having concluded that a public sector injection of capital or equivalent support is necessary without which the issuer would become non-viable	Not applicable	Trigger events refer to either of the following circumstances (whichever is earlier): 1. the CBIRC having concluded that a write-off is necessary without which the issuer would become non-viable; or 2. the relevant authorities having concluded that a public sector injection of capital or equivalent support is necessary without which the issuer would become non-viable	Trigger events refer to either of the following circumstances (whichever is earlier): 1. the CBIRC having concluded that a write-off is necessary without which the issuer would become non-viable; or 2. the relevant authorities having concluded that a public sector injection of capital or equivalent support is necessary without which the issuer would become non-viable

Composition of Capital

Main features of regulatory capital instruments		Ordinary shares (A shares)	Ordinary shares (H shares)	Tier 2 capital bonds	Tier 2 capital bonds	Preference shares (overseas)	Undated capital bonds	Undated capital bonds
32	Including: Please specify write-down in part or in full, if allowed	Not applicable	Not applicable	In full	In full	Not applicable	Part or full	Part or full
33	Including: Please specify the write-down is perpetual or temporary, if write-down is allowed	Not applicable	Not applicable	Perpetual	Perpetual	Not applicable	Perpetual	Perpetual
34	Including: Please specify the book entry value recovery mechanism, if temporary write-down is allowed	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
35	Hierarchy of claims in liquidation (please specify instrument types enjoying higher priorities)	After depositor, general creditor, and holders of subordinated debts (including tier 2 capital bonds) and additional tier 1 capital instruments	After depositor, general creditor, and holders of subordinated debts (including tier 2 capital bonds) and additional tier 1 capital instruments	The repayment sequence of the bond principal and the interest payment sequence are after depositors and general creditors, and before equity capital, additional tier 1 capital instruments and hybrid capital bonds; the current bonds are in the same liquidation order as other subordinated debts which are issued by the issuer with the same repayment order as the current bonds and are paid in the same order as additional tier 2 capital instruments that may be issued in the future with the same repayment order as the current bonds	The repayment sequence of the bond principal and the interest payment sequence are after depositors and general creditors, and before equity capital, additional tier 1 capital instruments and hybrid capital bonds; the current bonds are in the same liquidation order as other subordinated debts which are issued by the issuer with the same repayment order as the current bonds and are paid in the same order as additional tier 2 capital instruments that may be issued in the future with the same repayment order as the current bonds	After depositors, general creditors, and holders of subordinated debts (including tier 2 capital bonds), pari passu with those capital instruments with the same repayment order	After depositors, general creditors, and holders of subordinated debts that are senior to the current bonds and before all classes of shares held by shareholders of the issuer; the current bonds are in the same priority as additional tier 1 capital instruments of the issuer with the same repayment order	After depositors, general creditors, and holders of subordinated debts that are senior to the current bonds and before all classes of shares held by shareholders of the issuer; the current bonds are in the same priority as additional tier 1 capital instruments of the issuer with the same repayment order
36	Does the instrument contain temporary illegible attribute?	No	No	No	No	No	No	No
37	Including: If yes, please specify such attribute	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable