




Release of 2019 Annual Results

March 2020



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Overview of main indicators

Unit: RMB100 million

I. Profit indicators	2019	2018	Year-on-year change	Growth rate
1. Net profit attributable to the equity holders of the Bank	480.15	445.13	35.02	7.9%
2. Pre-allowance profit	1,338.00	1,125.59	212.41	18.9%
3. Return on average assets (ROA)	0.76%	0.77%	Down 0.01 percentage point	
4. Return on average equity (ROE)	11.07%	11.39%	Down 0.32 percentage point	
5. Net operating income	1,875.84	1,648.54	227.30	13.8%
6. Non-interest income ratio	32.15%	31.51%	Up 0.64 percentage point	
7. Net interest margin	2.12%	2.09%	Up 0.03 percentage point	
8. Cost-to-income ratio	27.70%	30.57%	Down 2.87 percentage points	
II. Scale indicators	End of 2019	End of 2018	Year-on-year change	Growth rate
1. Total assets	67,504	60,667	6,837	11.3%
2. Loans to customers	39,980	36,084	3,896	10.8%
3. Deposits from customers	40,388	36,164	4,224	11.7%
III. Asset quality indicators	End of 2019	End of 2018	Year-on-year change	Growth rate
1. Non-performing loans (NPLs)	661.2	640.3	20.9	3.3%
2. NPL ratio	1.65%	1.77%	Down 0.12 percentage point	
3. Allowance coverage ratio	175.25%	157.98%	Up 17.27 percentage points	
4. Allowance for loans impairment losses to total loans	2.90%	2.80%	Up 0.10 percentage point	
IV. Regulatory indicators	End of 2019	End of 2018	Year-on-year change	
1. Capital adequacy ratio	12.44%	12.47%	Down 0.03 percentage point	
2. Tier-one capital adequacy ratio	10.20%	9.43%	Up 0.77 percentage point	
3. Core tier-one capital adequacy ratio	8.69%	8.62%	Up 0.07 percentage point	

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2 Strategic implementation



3 Outlook and strategy





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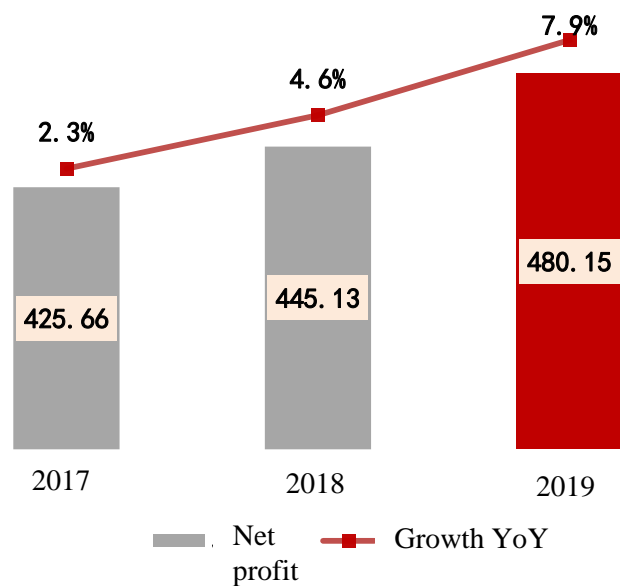
Performance overview

- I. Continuously increased profitability**
- II. Steadily expanded business scale**
- III. Continuously improved business structure**
- IV. Enhanced internal capacity of capital generation**
- V. Strengthened anti-risk capability**
- VI. Further consolidated brand advantages**

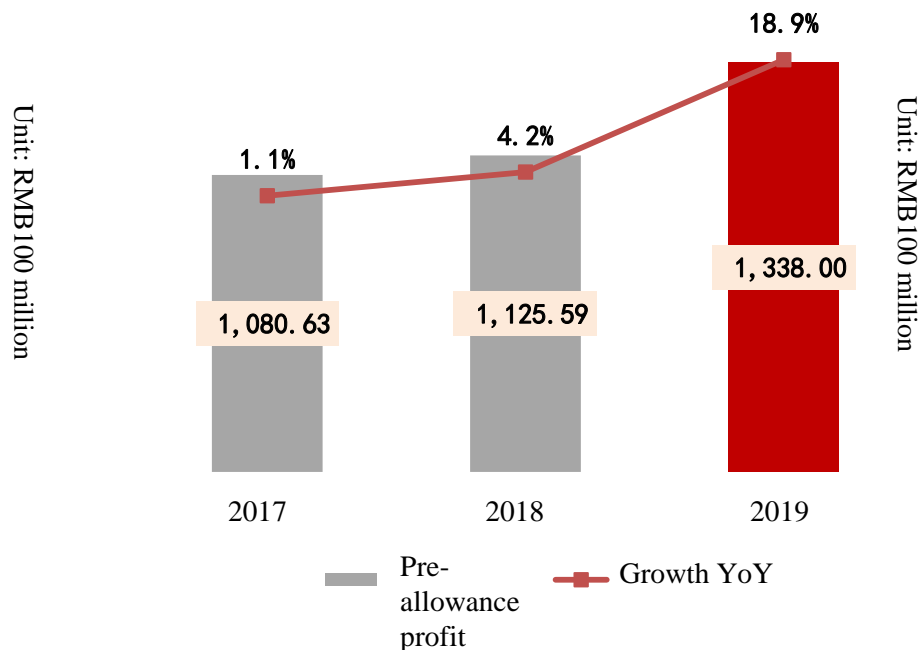
I. Continuously increased profitability

01 Profit growth hit a new high

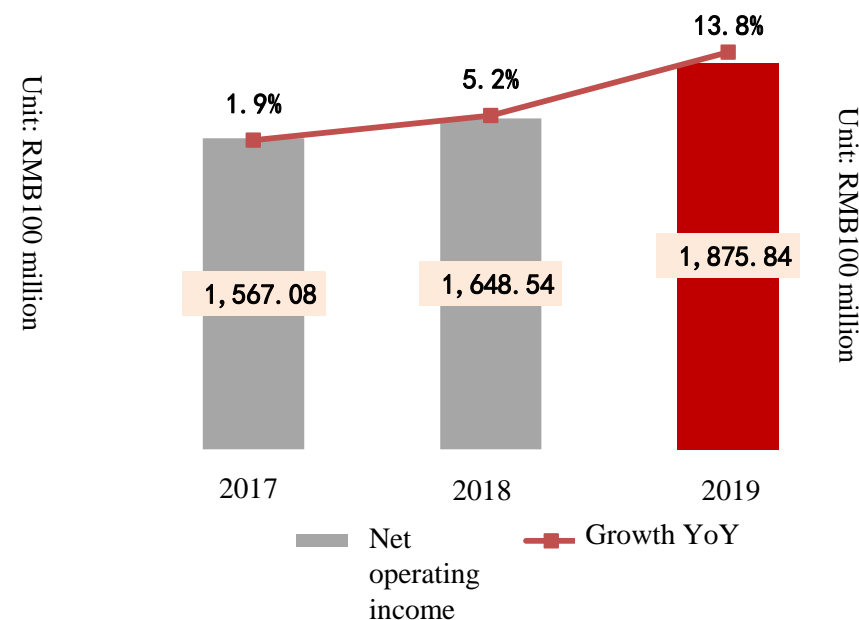
Net profit attributable to the equity holders of the bank
RMB48,015 million, +7.9%



Pre-allowance profit
RMB133,800 million, +18.9%



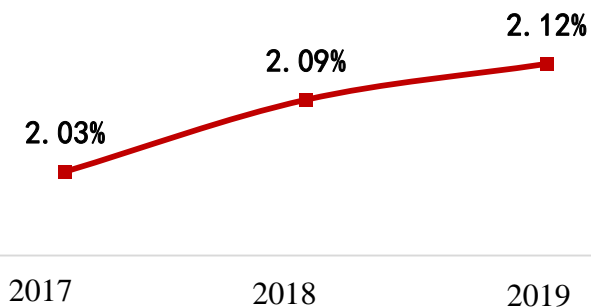
Net operating income
RMB187,584 million, +13.8%



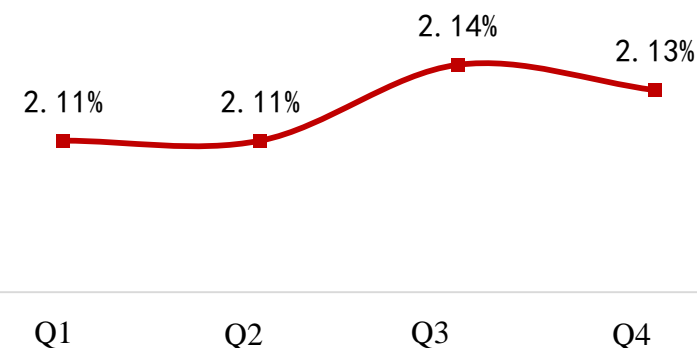
I. Continuously increased profitability

02 Net interest margin rose steadily, and cost control measures made notable progress

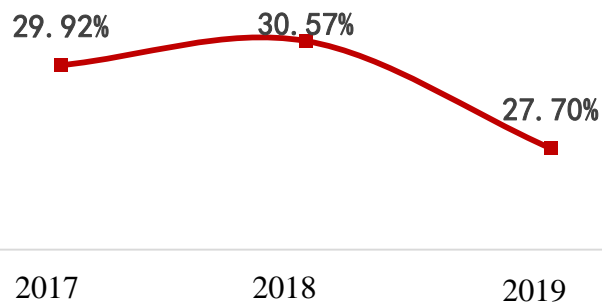
Net interest margin
2.12%, +0.03 percentage point



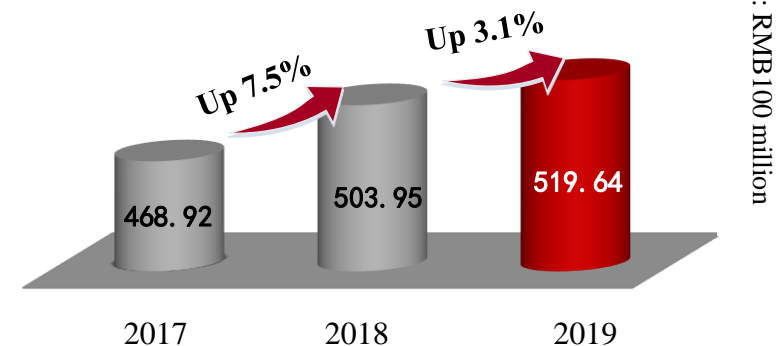
Net interest margin in each quarter of 2019



Cost-to-income ratio
27.70%, -2.87 percentage points



Operating and administrative expenses



I. Continuously increased profitability

03 Return for shareholders was generally stable

2019

RMB0.95
Basic earnings per share

Up 7.95% YoY

2019

0.76%
Return on average assets
(ROA)

Down 0.01 percentage point
YoY

2019

11.07%
Return on average equity
(ROE)

Down 0.32 percentage point
YoY

II. Steadily expanded business scale

01 Assets were properly invested

Growth of Assets

Unit: RMB100 million

Item	End of 2019	End of 2018	Increment	Growth rate
Total assets	67,504	60,667	6,837	11.3%
I. Loans to customers	39,980	36,084	3,896	10.8%
1. Corporate loans	22,672	21,239	1,433	6.7%
2. Personal loans	17,308	14,845	2,463	16.6%
II. Financial investments	18,634	15,884	2,749	17.3%
<i>Including: Investments in bond securities and funds</i>	14,528	11,338	3,190	28.1%
III. Interbank assets	3,341	2,853	488	17.1%
IV. Deposits and placements with central banks and others	5,549	5,846	-297	-5.1%

II. Steadily expanded business scale

02

Growth of deposits was beyond expectation

Growth of Liabilities

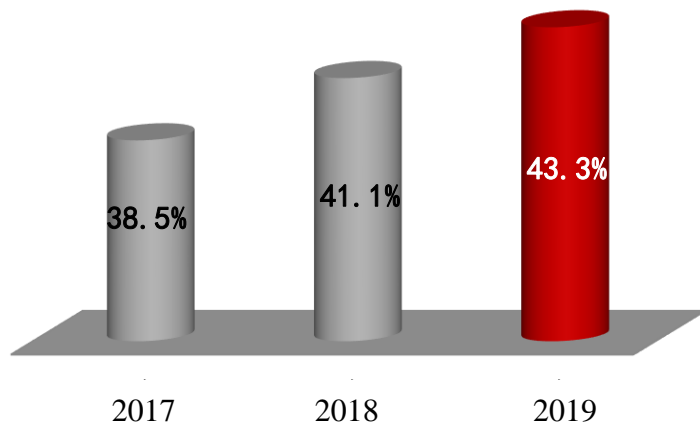
Unit: RMB100 million

Item	End of 2019	End of 2018	Increment	Growth rate
Total liabilities	62,179	56,136	6,043	10.8%
I. Deposits from customers	40,388	36,164	4,224	11.7%
1. Corporate deposits	31,607	29,039	2,567	8.8%
2. Personal deposits	8,782	7,125	1,657	23.3%
II. Interbank liabilities	11,524	10,135	1,389	13.7%
III. Borrowings from central banks and others	10,267	9,837	430	4.4%

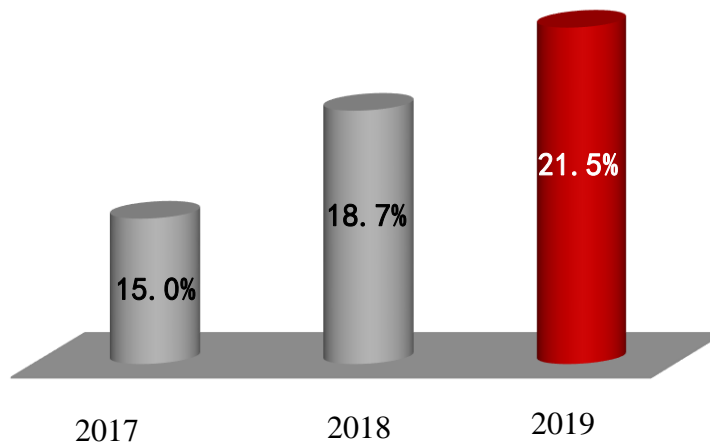
III. Continuously improved business structure

01 Asset structure was optimized

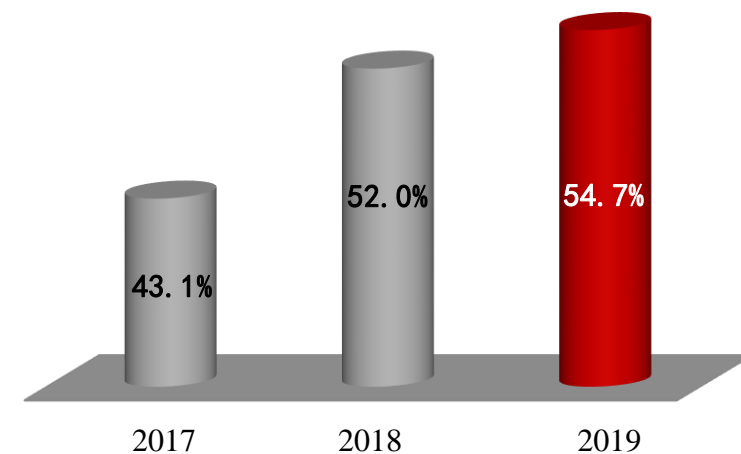
Personal loans accounted for 43.3% of the total loans, +2.2 percentage points



Investments in bond securities and funds accounted for 21.5% of the total assets, +2.8 percentage points



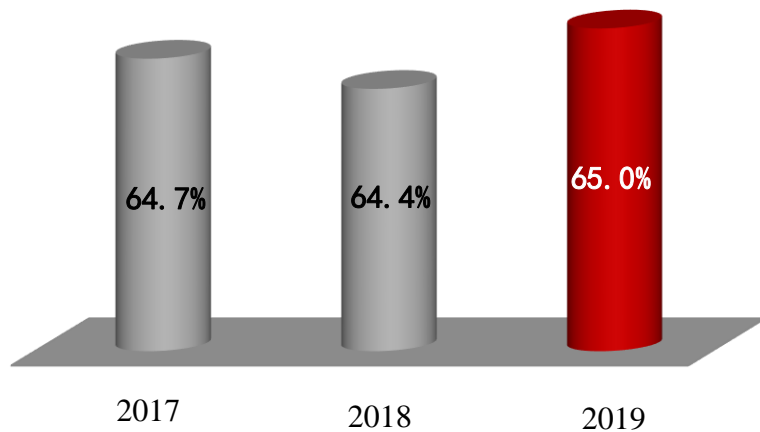
Treasury bond and local government debts accounted for 54.7% of the total bond investments, +2.7 percentage points



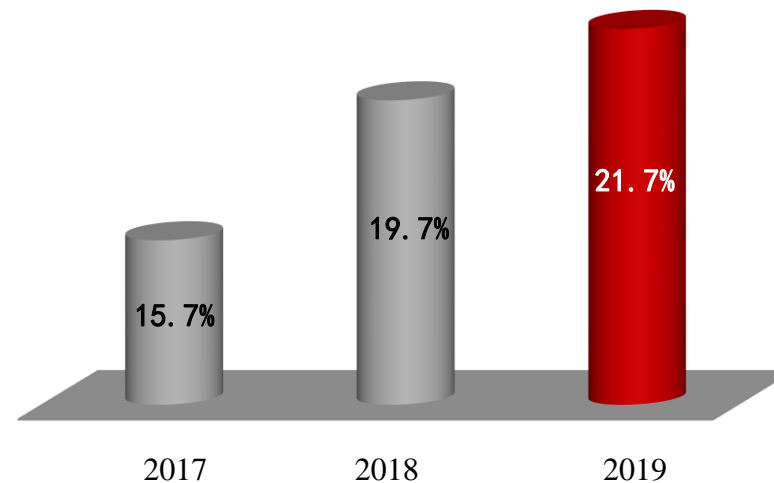
III. Continuously improved business structure

02 Liability structure was upgraded

Customer deposits accounted for 65.0% of the total liabilities, +0.6 percentage point



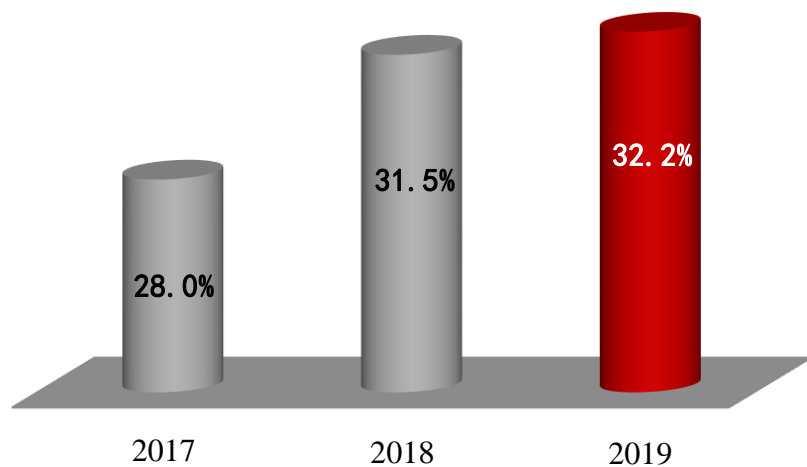
Personal deposits accounted for 21.7% of customer deposits, +2.0 percentage points



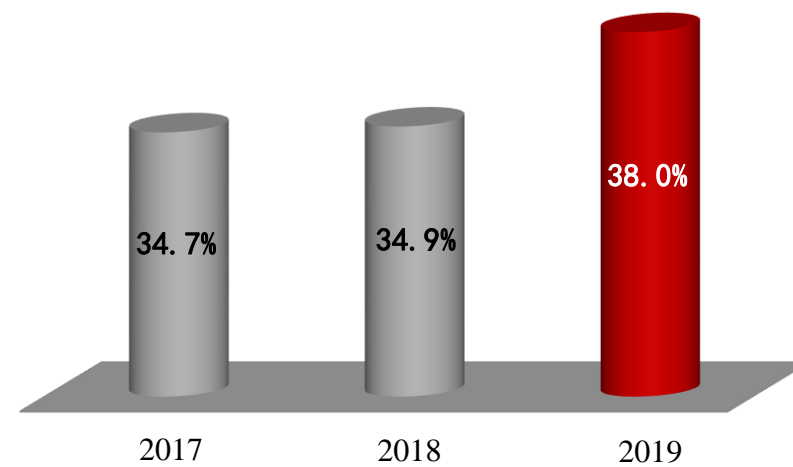
III. Continuously improved business structure

03 Income structure was improved

Non-interest income ratio was 32.2%, +0.7 percentage point



Net operating income of the retail sector accounted for 38.0% of the total, +3.1 percentage points

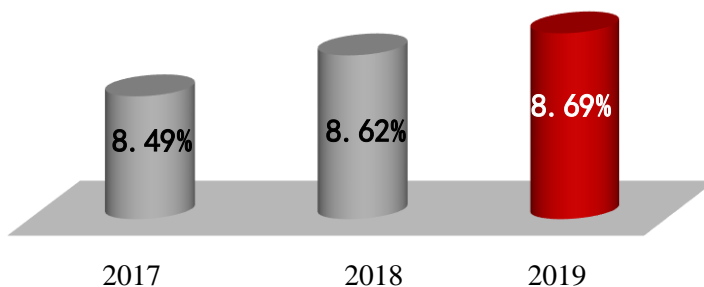


Note: In 2019, the Group calculated income from credit card cash installment as interest income instead of fee income, and adjusted relevant indicators in previous years accordingly.

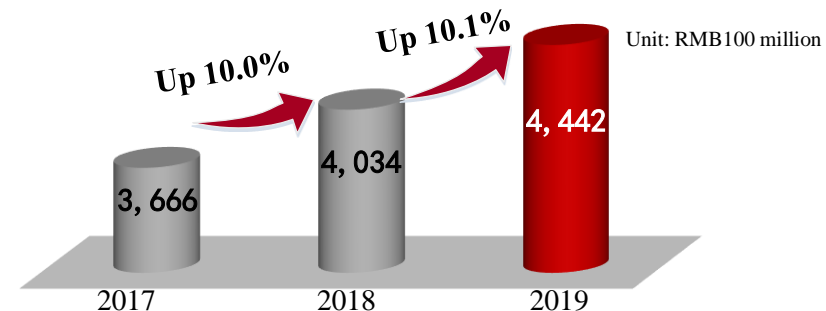
IV. Enhanced endogenous growth of capital

Core capital adequacy ratio rose

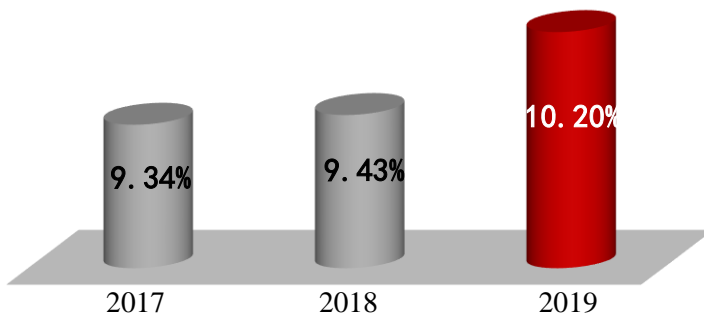
Core tier-one capital adequacy ratio
8.69%, +0.07 percentage point



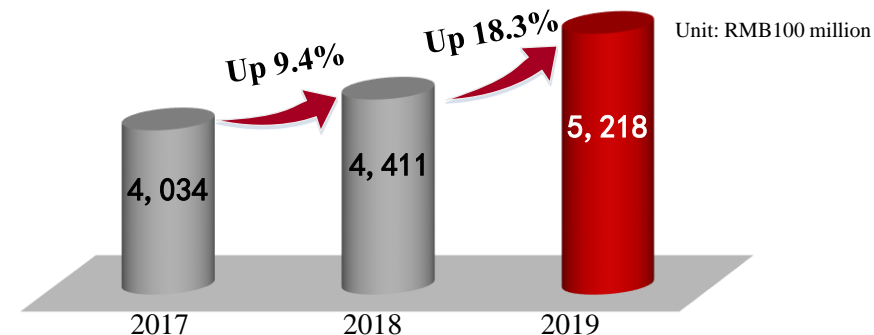
Net core tier-one capital
RMB444.2 billion, + 10.1%



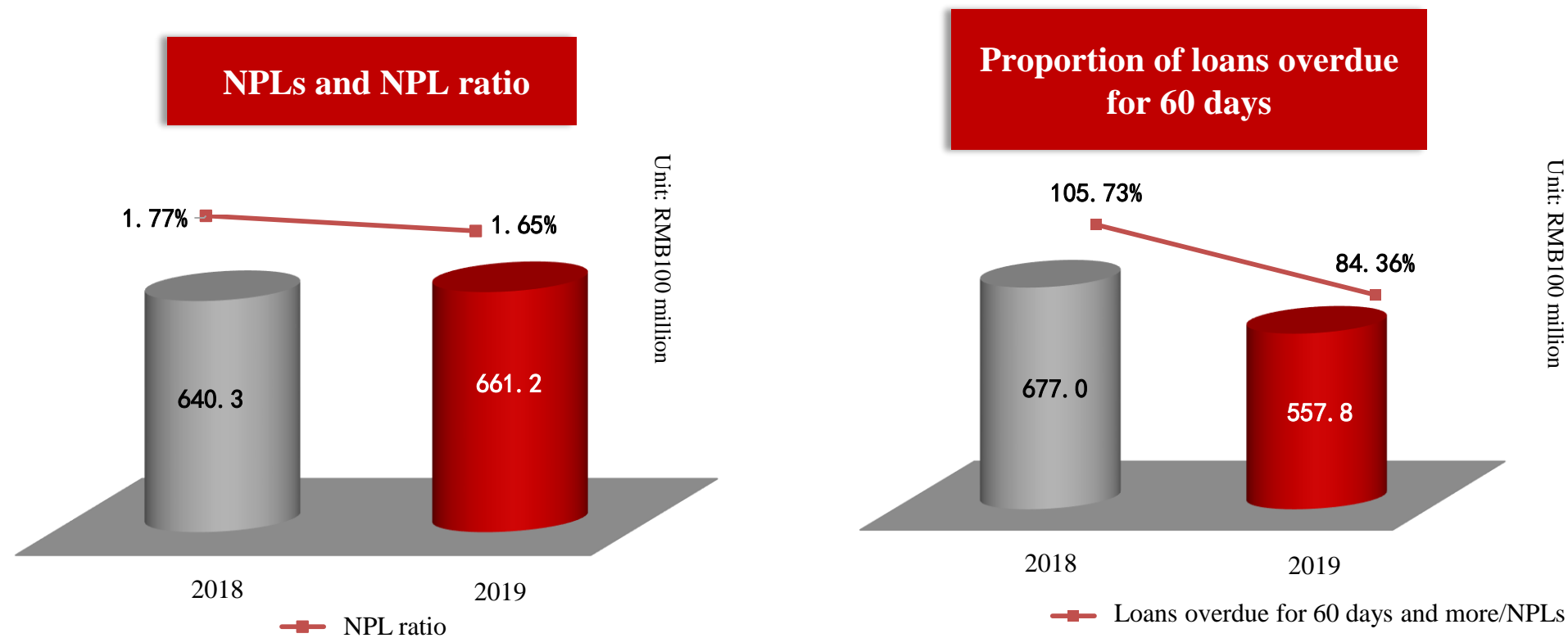
Tier-one capital adequacy ratio
10.20%, +0.77 percentage point



Net tier-one capital
RMB521.8 billion, + 18.3%



V. Strengthened withstanding capability



Indicator	End of 2019	End of 2018	Changes
1.Allowance coverage ratio	175.25%	157.98%	Up 17.27 percentage points
2. The ratio of allowance for impairment of loans to total loans	2.90%	2.80%	Up 0.10 percentage point

VI. Further consolidated brand advantage

The Banker Database

TOP 1000
WORLD BANKS 2019

World Ranking: 26
Country Ranking: 10



21世纪经济报道
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- **The Banker of the United Kingdom** rated the Bank
 - The 19th on its list of the “Top 500 Global Bank Brands”
 - The 26th on its list of the “Top 1,000 World Banks” in terms of tier-one capital



- **The Bank won the following awards from The Asian Banker**
 - Annual Custody Bank Award
 - Best Financial Institution Innovation Center
 - Best Block Chain Application Award
 - 2019 China Private Banking Value-added Service Award
 - 2019 Private Bank with Greatest Development Potential in China
 - Award for Project with Best Productivity, Efficiency and Automation

- **China Banking Association** awarded the Bank “Best Syndicated Loan Management Award”

- **21st Century Business Herald** rated the Bank as the “Best Automotive Financial Service Bank”



- **China Business Journal** rated the Bank as “Excellent Competitive Retail”

- The Bank won the “Green Development Award” in the 14th People’s Corporate Social Responsibility Award selection organized by the website **people.cn**.



- **Securities Times**
 - Gamma Award for Credit Card
 - Gamma Award for Bond Underwriting

- **The Bank won the following awards from National Interbank Funding Center**
 - Excellent Money Market Dealer in Interbank Local Currency Market
 - Excellent Derivatives Market Dealer in Interbank Local Currency Market
 - Core Dealer in Interbank Local Currency Market
 - Innovation Award for Interbank Local Currency Market Trading Mechanism – X-Swap



- **The Bank won the following awards from China Foreign Exchange Trade System**
 - Best Spot Matchmaking Institution Award
 - Best Spot Market Making Institution Award
 - Most Popular Spot Matchmaking Institution Award
 - Most Popular Spot Market Making Institution Award



2

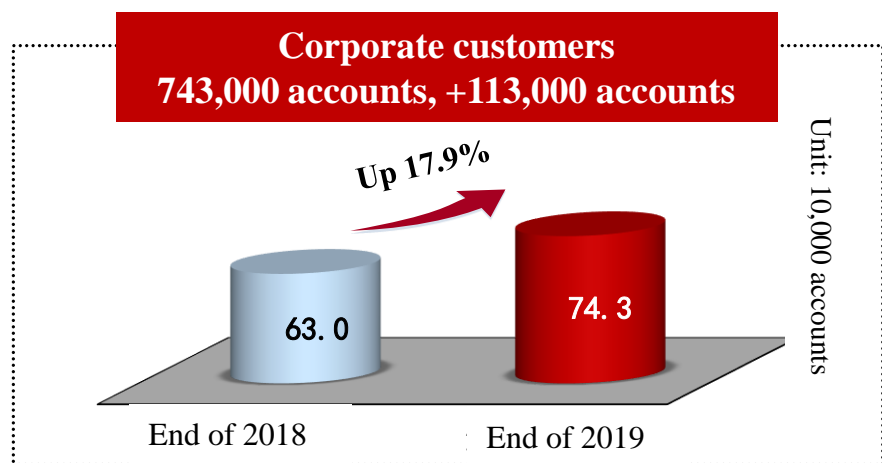
Strategic implementation

- I. Business transformation made steady progress**
- II. Fin-tech empowerment sped up**
- III. Remarkable achievements were reaped in serving the real economy**
- IV. Integration and internalization advanced in depth**

I. Business transformation made steady progress

01 Corporate banking business integration earned practical results and financing service capability has been enhanced continuously in all fronts.

- **The fastest customer growth cemented the customer base.**



- **Breakthroughs were made in developing strategic and institutional customers.** The number of strategic customers with at least RMB10 billion worth of deposits reached 16. New progress was made in providing financing for governments, universities and customs, etc. The Bank collected RMB89.5 billion worth of tobacco.

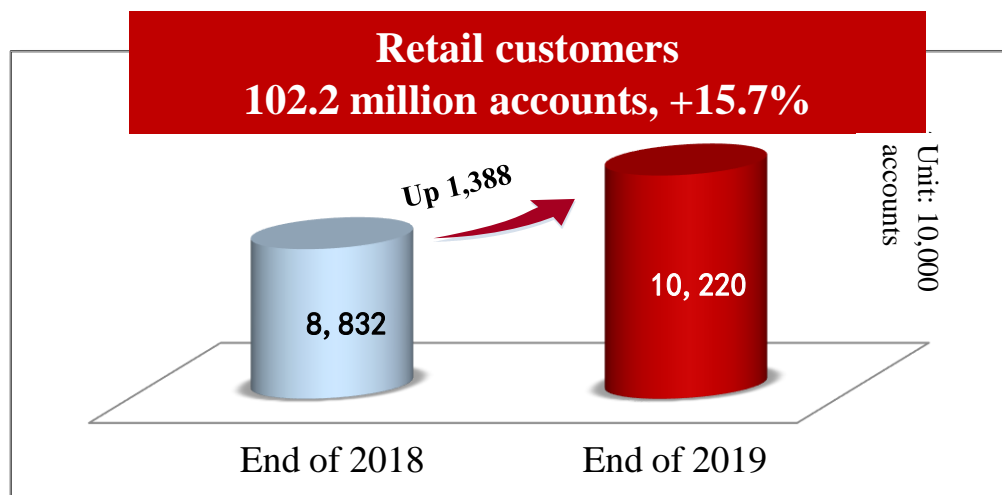
- **The corporate banking segment** recorded RMB93,780 million of net operating income, a year-on-year increase of 6.8%. The Bank's total corporate deposits exceeded RMB3 trillion, with a cost ratio of 2.03%, which remained at a low level compared with other peers.
- **Investment banking business sped up.** The scale of bonds underwritten by the Bank ranked fifth among whole market; and the scale of RMBS was the first among joint-stock banks. The Bank was honored "Best Management Award for Syndicated Loans" by China Banking Association.
- **Competitive edges in international business were cemented.** The Bank topped joint-stock banks for two consecutive years in terms of foreign exchange purchase and sale, international receipt and payment and cross-border Renminbi receipt and payment.
- **Custody business gained a higher market status.** The Bank's assets under custody exceeded RMB9 trillion, hitting a record high; it won the bid for the custodianship of the occupational annuity plans in central government and 25 provincial administrative regions, and was awarded "Annual Custody Bank Award" by *The Asian Banker*.
- **Remarkable achievements have been made in the construction of transaction banking system.** The Bank remained a leading runner in terms of transaction volume and number among joint-stock banks; it put in place a raft of major projects including bank-enterprise direct connect and MBS and implemented supervision over commercial housing presale funds.

I. Business transformation made steady progress

02

Potential of retail business transformation was released at a faster pace, and endogenous growth momentum continued to grow

□ The Bank registered over 100 million accounts of **retail customers**. The number of accounts of **debit card customers** was 69 million, an increase of 9.1 million or 15.2%, and that of **credit card customers** was 63.53 million, an increase of 11.26 million or 21.5%.



□ The number of **medium-to-high-end customers** grew at a faster pace. The Bank recorded 850,000 accounts of **VIP customers**, up 21%, and more than 40,000 accounts of **private banking customers**, up 24%.

- Net operating income from **retail business** registered RMB71.25 billion, up 23.9% year on year, which contributed 38% to the total operating income, an increase of 3.1 percentage points. The AUM exceeded RMB2 trillion. Personal deposits exceeded RMB878.2 billion, an increase of more than RMB165.7 billion, maintain rapid growth.
- **Personal loans** totaled more than RMB500 billion throughout the year, reaching a record high, and the NPL ratio fell for four years in a row.
- The total number of **credit cards** issued exceeded 83 million, and the total transaction volume recorded more than RMB2.5 trillion.
- The monthly average daily balance of AUM for **private banking** customers exceeded RMB570 billion.
- The Bank increased efforts to promote its **agency salary payment business**. The online agency payment platform was opened, with a valid agency salary payment amount of RMB335.6 billion, up 20.6%, and 5.41 million valid accounts of customers received agency salary payments, up 10.5%. **In going abroad finance**, the Bank recorded 6.69 million accounts of customers using its services, up 1.02 million accounts from the end of last year, and the corresponding AUM stood at RMB875 billion, up 24.2%.

I. Business transformation made steady progress

03

Competitive edges in financial market business were cemented, and the market-leading position was maintained

In financial market business, the Bank achieved net operating income of RMB19.48 billion, a growth of 16.6%.

Interbank business upgraded to a new level

1. The Bank ranked the third among all joint-stock banks in terms of both interbank assets and liabilities.
2. The Bank jumped to the top of all joint-stock banks in terms of incremental bill direct discount business and customers, and it ranked the second among all joint-stock banks in terms of volume of bill direct discount business. The turnover of bill assets accelerated. The turnover of bill direct discount exceeded RMB400 billion.

A leader in financial market business

1. The Bank completed RMB13.9 trillion worth of foreign exchange market making transactions and was among the top three comprehensive spot market makers.
2. Leveraging lower bond interest rate, the Bank achieved bond trading income of RMB1.12 billion; leveraging the sharp fluctuation in exchange rate, the Bank realized foreign exchange transaction income of RMB1.08 billion.
3. The Financial Market Center of Shanghai Branch of the Bank was established, successfully opening the foreign currency CD financing channel in China (Shanghai) Pilot Free Trade Zone and raising USD1 billion.

Asset management business grew well

1. The overall scale of non-risk-bearing wealth management business recorded RMB1.1 trillion, an increase of RMB178 billion or 19% from the beginning of the year, and the total scale growth ranked the first among all joint-stock banks.
2. The scale of new products was RMB374.6 billion, up RMB293 billion or 359% over the beginning of the year. The Bank ranked the second in terms of both increment and growth rate of the new products among all joint-stock banks.

II. Fin-tech empowerment sped up

01

More technological resources were invested, and application and service capabilities were strengthened

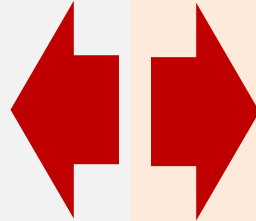
Tech investment was greatly increased



The Bank made tech investment of **RMB4.9 billion** (data of the Bank) throughout the year, up 37% year on year.



The number of tech personnel at the Head Office exceeded **1,662**, nearly a **1.4 times** increase from the previous year, achieving the goal of doubling the number of such personnel one year in advance.



Application infrastructure was constantly consolidated



The new credit card core system was launched, which is the first new generation of cloud-based credit card core business system with independent intellectual property rights in China.



Hefei Centralized Operation Center and Suzhou finance sharing project were put into operation, **enabling more efficient intensive operation.**



The bimodal R&D mechanism integrating stability and agility reached the domestic leading level. Transformation of the hybrid architecture of “tradition + cloud computing” was completed, and **the infrastructure cloudification rate approached 94%.**

II. Fin-tech empowerment sped up

02

Online traffic portals were created to enhance customer acquisition capabilities through digital ways



Mobile Banking

- ✓ **45.83 million** accounts of users, up **24.9%**
- ✓ **11.15 million** accounts of active monthly users, up **41.4%**
- ✓ **236 million** transactions, up **26.8%**
- ✓ Transaction value of **RMB8.72 trillion**, up **38.7%**



Mobile Card Space

- ✓ A total of **29.51 million** accounts of users registered, up **40%**
- ✓ **13.4 million** accounts of active monthly users, up **19%**
- ✓ The credit card all-media social media group platform and mini program ecological matrix operation layout were continuously improved, with **97 million** followers in total.

II. Fin-tech empowerment sped up

03

A digital management system was established to enhance customer management capabilities



Marketed to customers for over **100 million** times

Sold **RMB160 billion** worth of wealth management products

AUM for online marketing customer group grew by **RMB40 billion** annually

II. Fin-tech empowerment sped up

04

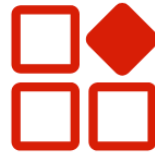
An “open-ended banking” ecosystem was formed, and “financial + non-financial” services were upgraded



Blockchain

✓The Bank led its peers in application of blockchain technology. It took a leading role in setting up the “Blockchain Trade Finance Alliance”. More than 20 banks joined the alliance and the transaction scale exceeded **RMB100 billion**.

✓“CITIC Chain” help the construction of Xiongan New Area blockchain platform , and will undertake the capital turnover for the development of Xiongan New Area which exceeded RMB1 trillion with the four major state-owned banks in the future.



Scenario introduction

✓The Bank sought cooperation with top online lenders in over **70 projects**, covering an array of user scenarios such as travel, housing, shopping and wealth management.

✓In credit card business, the Bank built an offline scenario system centering on business travel and business districts, which helped obtain **2.84 million** customers.



Service output

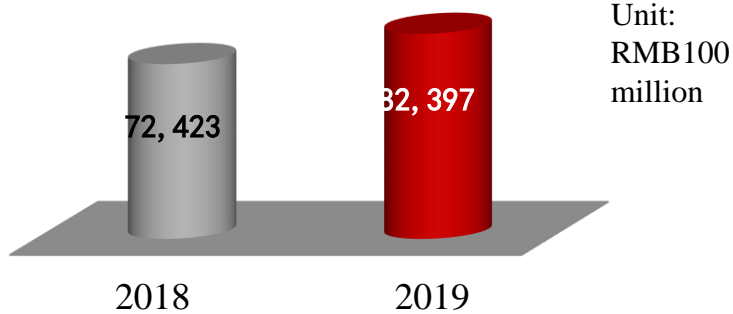
✓**18** products and services including electronic account, Xinjin Bao and Xin Miao Dai were rolled out.

✓Connecting mobile banking to six offline channels, the Bank enabled **12** card-free services including pre-filling and pre-processing through mobile banking.

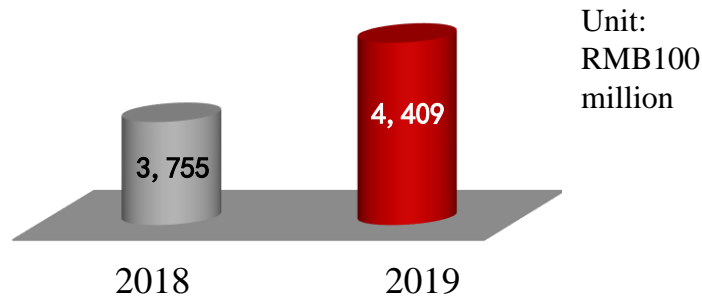
III. Remarkable achievements were reaped in serving the real economy

Strong in comprehensive financing

Various loans+financial investments+guarantees and commitments+non-risk-bearing wealth management
RMB8,239.7 billion, +13.8%

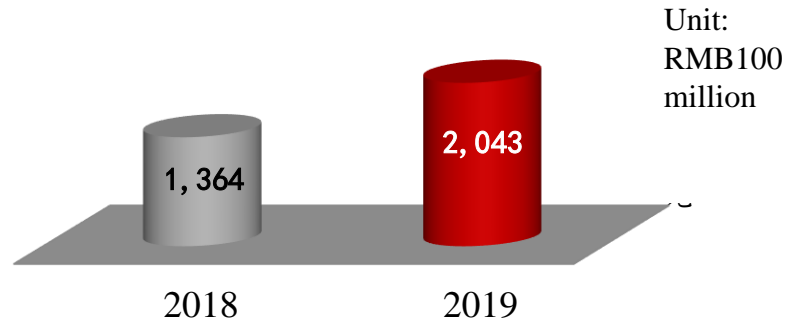


Bonds underwritten
RMB440.9 billion, +17.4%

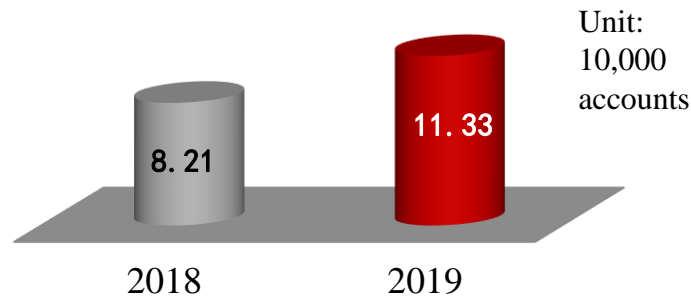


Vigorously promoting inclusive finance

Balance of inclusive finance loans
RMB204.3 billion, +49.8%

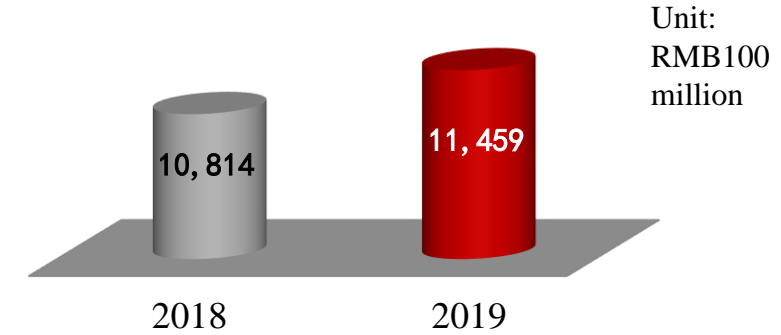


Inclusive finance loan customers
113,300 accounts, +38.0%

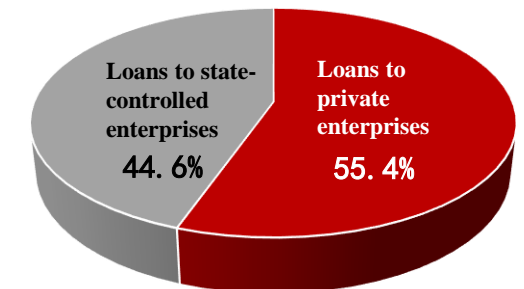


Boosting private economy

Balance of loans to private enterprises
RMB1,145.9 billion, +6.0%



Proportion of loans to private enterprises



The Bank met the “two no-less-than and two control” assessment requirements of the CBIRC and the conditions for the highest-grade RRR cut assessment criteria of the PBOC

IV. Integration and internalization advanced in depth

□ Highlighting unique business operations and leveraging advantages of domestic-overseas interaction

- **CITIC Financial Leasing** vigorously acted on national industrial policies and realized cumulative lease grant of RMB10,909 million for the year. Further highlighting its unique green leasing business, CITIC Financial Leasing realized green lease grant of RMB7,733 million, accounting for over 70% of the total.
- **London Branch of the Bank operated smoothly.** Over the past six months since its inception, London Branch actively expanded the UK market and launched a variety of financing services involving five countries and regions, with a total amount of about USD400 million. The cumulative transaction value of its financial market business reached USD1.6 billion.
- **The application for establishment of the Bank's branches in Hong Kong and Sydney was advanced as planned.**

□ Promoting integrated layout and enhancing market influence

- **CITIC aiBank turned losses into profits.** It achieved net operating income of RMB2.37 billion, up 83.2%, and net profit of RMB20 million, up RMB500 million year on year. Its scale grew rapidly. At the end of the year, CITIC aiBank recorded total assets of RMB58.87 billion, an increase of 63.9% over the end of the previous year. The balance of customer loans was RMB38.68 billion, an increase of 37%. The balance of customer deposits was RMB31.14 billion, an increase of 131%.
- **Profitability of JSC Altyn Bank in Kazakhstan was continuously enhanced.** JSC Altyn Bank recorded a net profit of 14.36 billion tenge (equivalent to RMB260 million), a year-on-year increase of 31.5%. The asset quality was good, and the NPL ratio at the end of the year was 0.38%, the lowest among all commercial banks in Kazakhstan.
- **The wealth management subsidiary was approved for establishment.**



3

Outlook and strategy

I. Economic landscape

New economic trend

1. The international economy still lingers in the in-depth adjustment period after the financial crisis and features continued slow growth and significantly increased destabilizing factors and risk points.
2. The domestic economy is transforming to high-quality development, and the supply-side structural reform is deepened. However, there are still many uncertainties, which, coupled with the outbreak of COVID-19, lead to greater downward economic pressure. It is expected that the government will strengthen countercyclical control, implement more proactive fiscal policy and moderately flexible monetary policy, and adhere to the policy keynote of maintaining stability.

New financial regulatory requirements

1. Strictly regulating innovative deposit products of commercial banks and stopping banks from attracting deposits by offering better interest rate through false structured deposits.
2. Guiding the adjustment of credit structure, increasing financial support for small and micro enterprises and private enterprises, and strengthening support for the real economy.
3. Improving the regulatory framework for systemically important financial institutions.
4. Tightening the real estate financing policy and real estate regulation.

New market business opportunities

1. Following the general trend, riding on potential business opportunities under countercyclical regulation, and making continuous efforts in such areas as infrastructure construction, old city reconstruction, debt swap of financing platforms, and industrial upgrading in key strategic regions.
2. Seizing the market and potential market opportunities arising from redivision of interbank market shares against the backdrop of tighter financial regulation including regulation on innovative deposit products and P2P lending remediation.

II. Business strategy

Adhering to the overall tone of “pursuing progress amid stability”, seeking long-term, sound and fast-paced development, consolidating the foundation, upgrading the structure, deepening transformation, and strengthening management, and striving to improve the Bank’s high-quality development level and sustainable development capabilities.

➤ **Long-term development:**

Paying equal attention to near-term concerns and long-term planning and pursuing coordinated development at present and in the mid-to-long term, the Bank will strictly obey ethical standards and reinforce the foundation for compliance, customers, risk control, technology and capital.

➤ **Sound development:**

The Bank will seek quantity and quality in parallel, achieve reasonable growth of quantity while improving quality, upgrade the structure and deepen transformation to enhance capabilities of high-quality development.

➤ **Fast-paced development:**

The Bank will set new records for itself while outperforming the market, ride on opportunities, improve management, and endeavour to make progress while maintaining stability.

II. Business strategy



1

Boost quality and quantity and constantly reinforce customer base

2

Further upgrade the structure of assets and liabilities based on overall planning

3

Strategically increase capital-light income by taking multiples measures

4

Strictly control risks and win the tough battle of maintaining asset quality

5

Deepen the formation of an internal control and compliance culture across the board

6

Advance internal management and propel digital transformation



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Thank you!