






Release of 2022 Interim Results of China CITIC Bank



August 2022

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Overview of main indicators



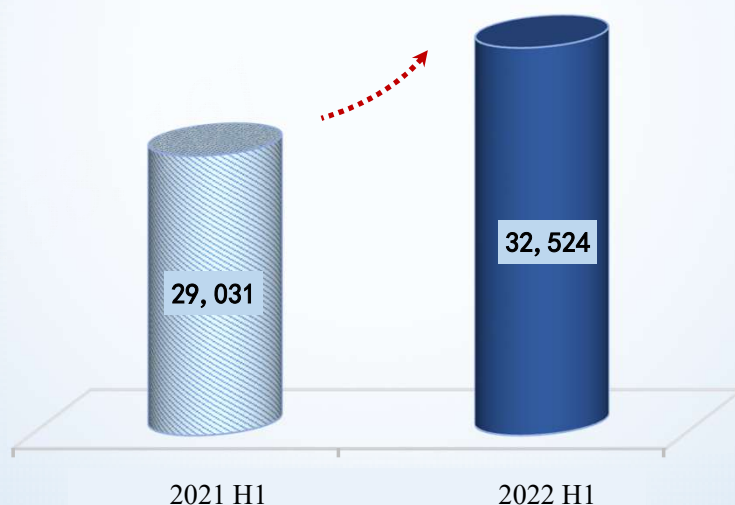
Unit: RMB100 Million

Operating Performance	Six Months Ended 30 June 2022	Year-on-year Increment	Growth Rate
I. Net profit attributable to the equity holders	325.24	34.93	12.03%
II. Return on average assets (ROA)	0.81%	Up 0.03 percentage point	
III. Return on average equity (ROE)	11.82%	Down 0.28 percentage point	
IV. Net operating income	1,083.94	28.02	2.65%
V. Net interest margin	1.99%	Down 10 bps	
VI. Non-interest net income	345.46	30.36	9.64%
Proportion of non-interest net income	31.87%	Up 2.03 percentage points	
VII. Cost-to-income ratio	24.21%	Up 1.27 percentage points	
Scale Indicators	End of June 2022	Increment over the end of the previous year	Growth Rate
I. Total assets	82,780	2,351	2.92%
II. Loans to customers	50,112	1,553	3.20%
III. Deposits from customers	51,004	3,638	7.68%
Quality indicators	End of June 2022	Increment over the end of the previous year	Growth Rate
I. Balance of non-performing loans (NPLs)	655.20	-19.39	-2.87%
II. NPL ratio	1.31%	Down 0.08 percentage point	
III. Balance of allowance on loans	1,291.72	77.01	6.34%
IV. Allowance coverage ratio	197.15%	Up 17.08 percentage points	
V. Allowance for loan impairment losses to total loans	2.58%	Up 0.08 percentage point	
Regulatory indicators	End of June 2022	Compared to the end of the previous year	
I. Capital adequacy ratio	13.05%	Down 0.48 percentage point	
II. Tier-one capital adequacy ratio	10.49%	Down 0.39 percentage point	
III. Core tier-one capital adequacy ratio	8.56%	Down 0.29 percentage point	

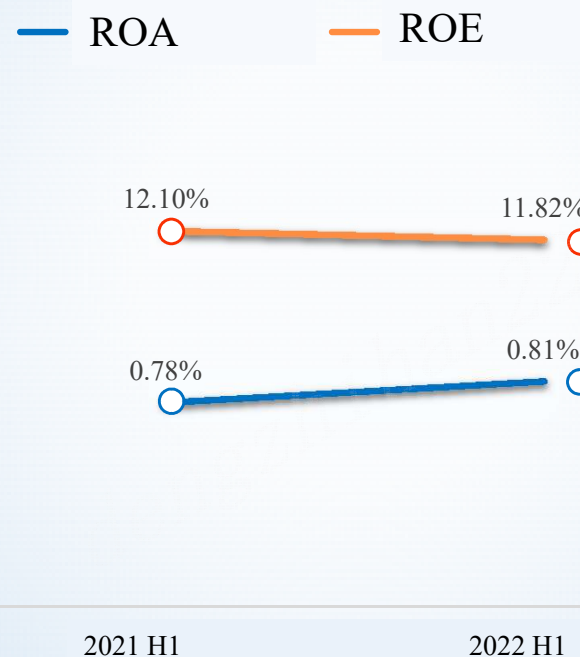
I. Operating income increased steadily and income structure further improved

Net profit grew rapidly

RMB32,524 million
+RMB3,493 million 12.03% ↑



ROA and ROE were basically stable

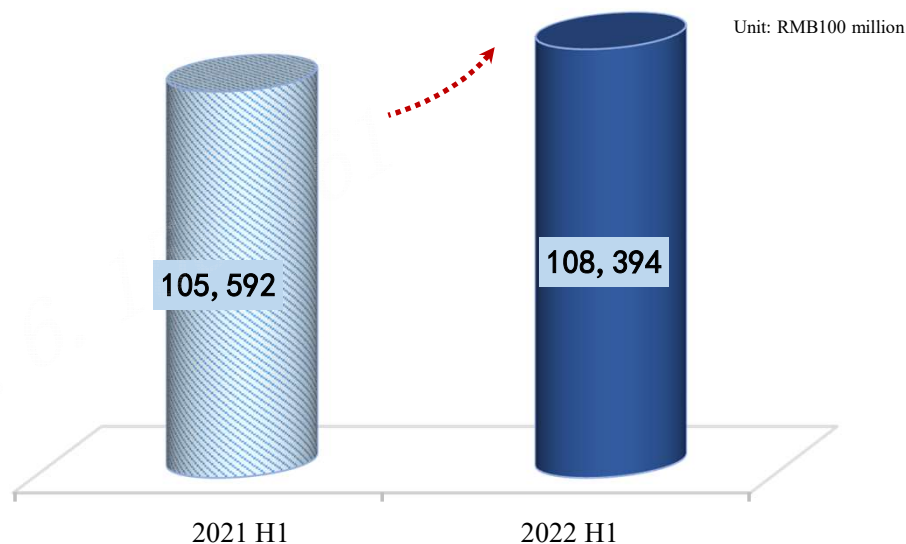


I. Operating income increased steadily and income structure further improved

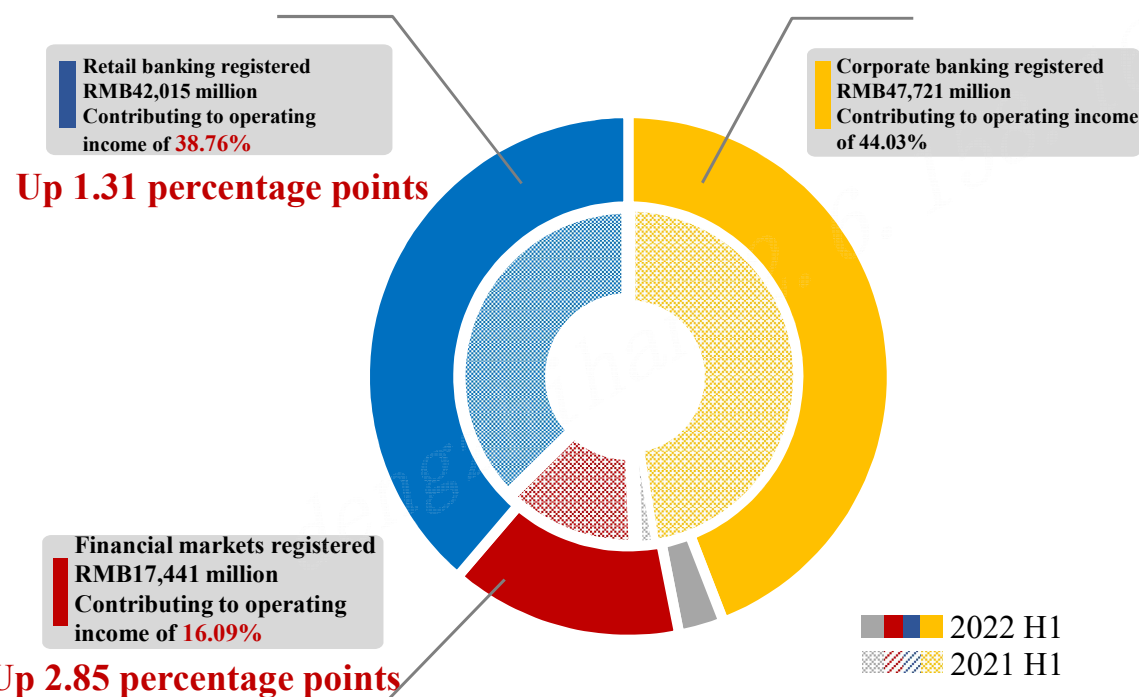
Net operating income grew steadily

RMB108,394 million

+RMB2,802 million  **2.65%**



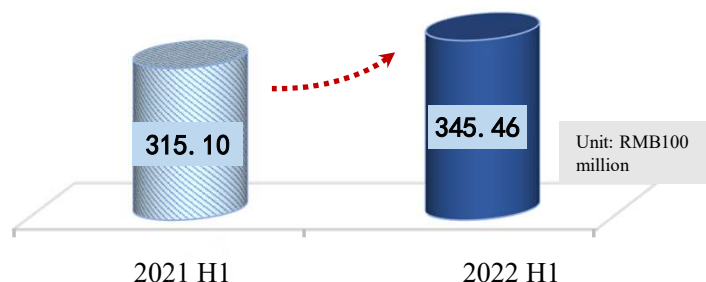
More balanced income structure



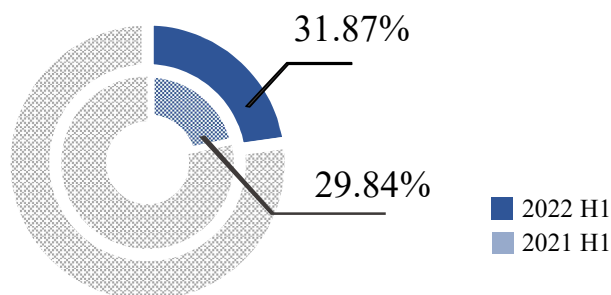
I. Operating income increased steadily and income structure further improved

Non-interest income maintained a sound growth,
and its proportion increased

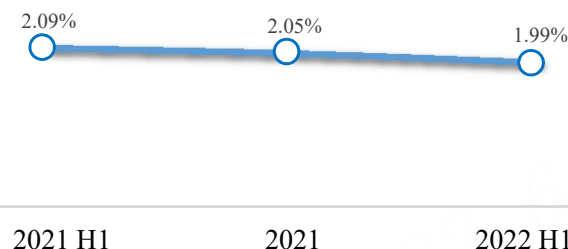
RMB34,546 million
+RMB3,036 million **↑9.64%**



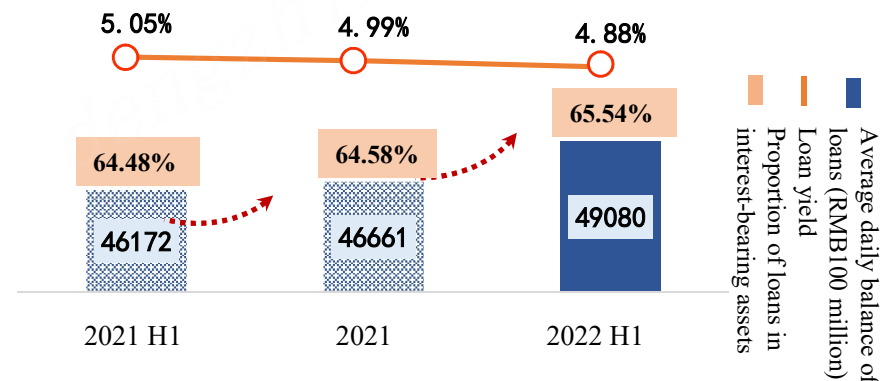
Proportion of non-interest net income
went up by 2.03 percentage points



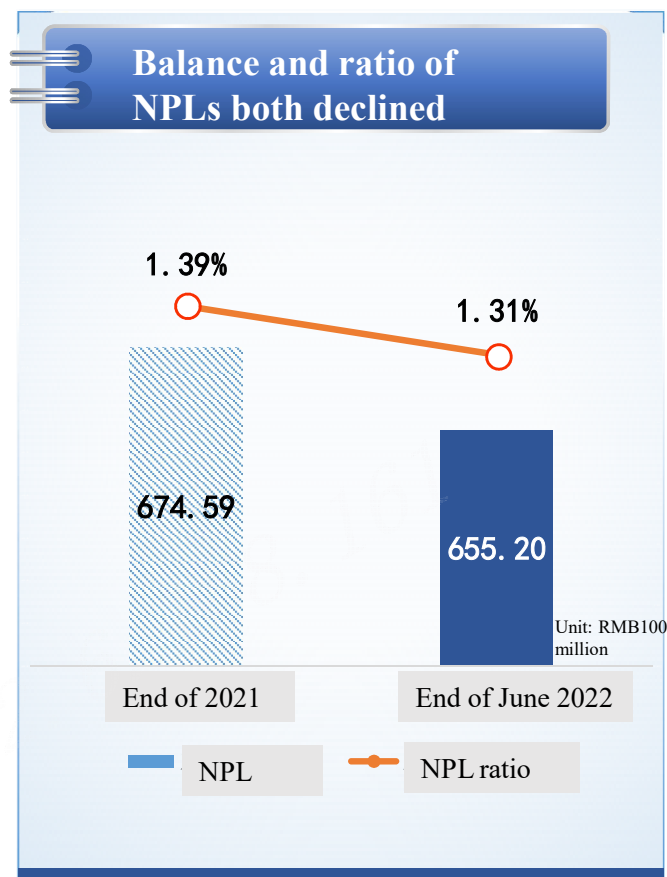
Net interest margin went down, going
in the same trend as the market



Yield of loans decreased, as the Bank
provided support to the real economy



II. Asset quality kept improving risk resistance improved

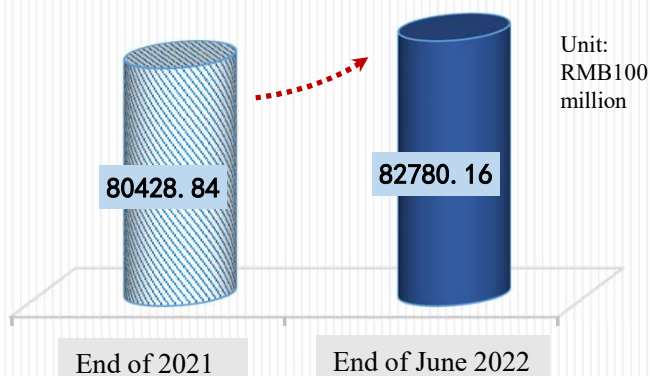


III. Business scale increased steadily and the quality and efficiency of services for the real economy improved



Total assets reached RMB8.28 trillion

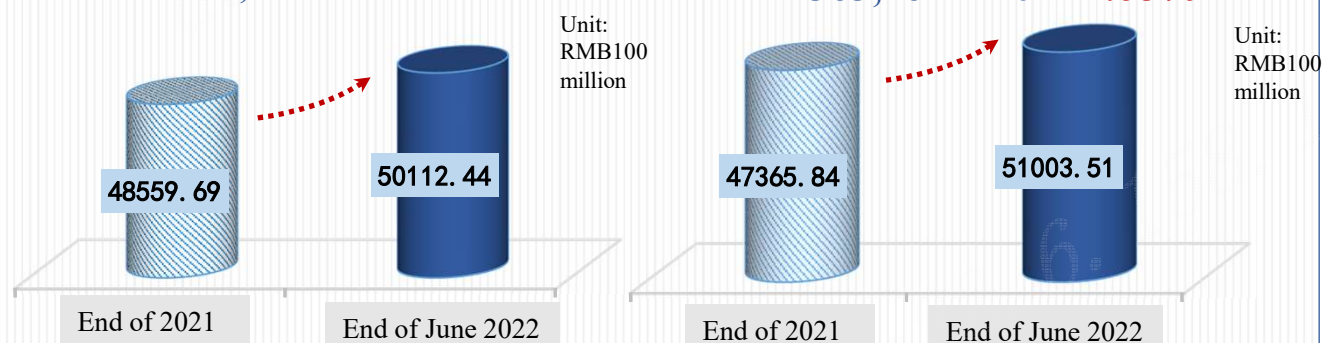
+RMB235,132 million **↑2.92%**



Balances of deposits and loans both exceeded RMB5 trillion

Total loans reached RMB**5.01** trillion
+RMB155,275 million **↑3.20%**

Total deposits reached RMB**5.10** trillion
+RMB363,767 million **↑7.68%**



RMB281.2 billion
compared to the end of 2021
↑41%



RMB366.9 billion
compared to the end of 2021
↑18%



RMB154.2 billion
compared to the end of 2021
↑16%



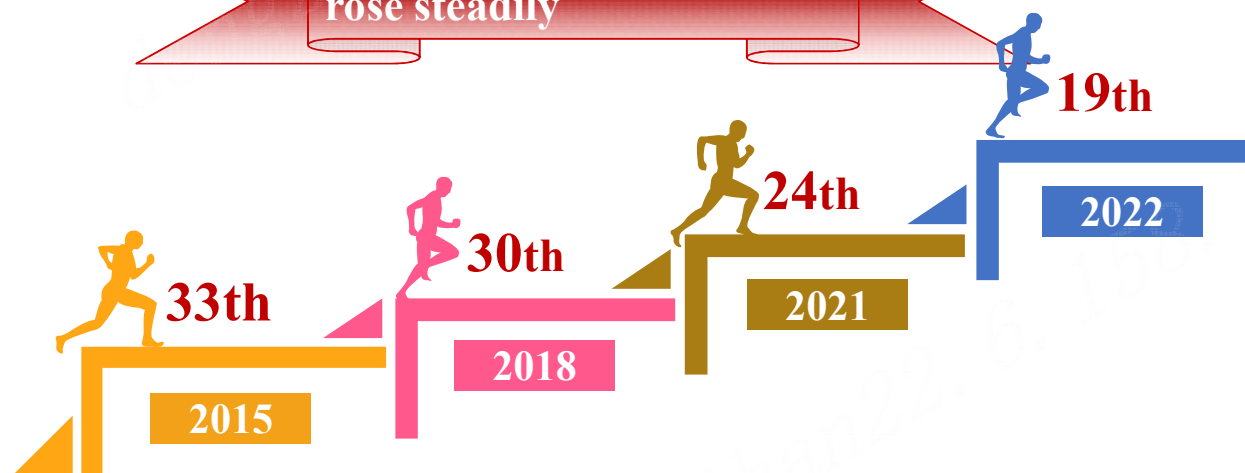
RMB414.3 billion
compared to the end of 2021
↑13%

IV. Brand image was distinctive and market position was consolidated

- ✓ The Bank ranked **21st** on the list of “Top 500 Banking Brands”, with a brand value of **USD12.8 billion**.
- ✓ Among “Top 1000 World Banks”, the Bank ranked **19th** in terms of tier-one capital, **up 5** positions from the previous year, entering the top 20 club for the first time.
- ✓ Among the top 10 Chinese banks on the list of “Top 1000 World Banks”, the Bank **was among the top 3** in terms of comprehensive performance.

The Banker

Ranking in tier-one capital
rose steadily



◆ Investment recognition clearly improved

✓ Included into the **constituent stocks of the FTSE China A50 Index**

✓ Won the Investor Relations **Gold Award of the Year** for A-share listed companies





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02 Transformation and Development

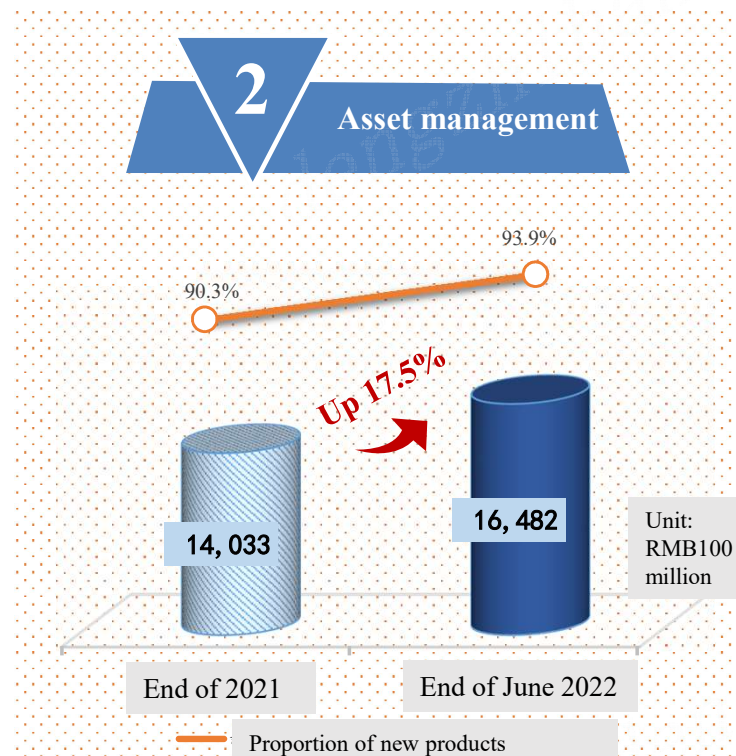


03 Priorities of Work for Next Phase

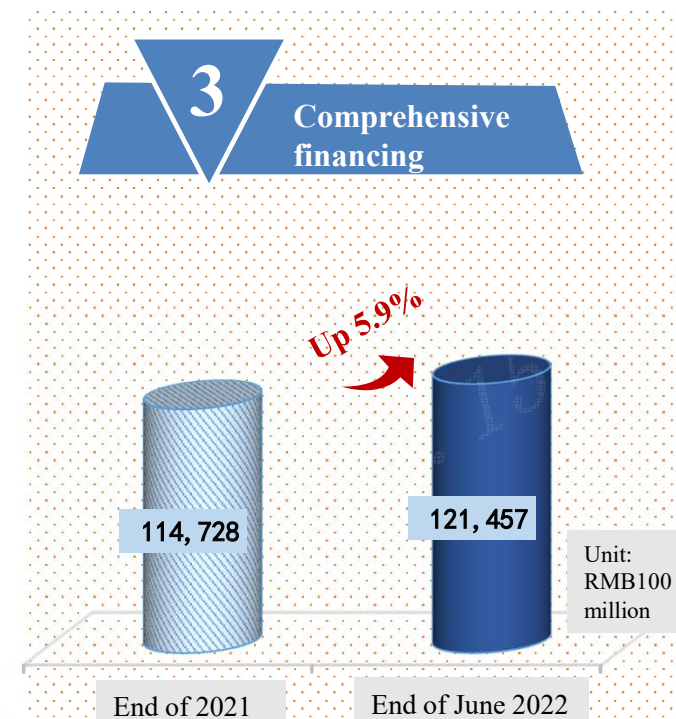
I. Strategies as guidance: core capabilities made solid progress



◆ At the end of June, the Bank's wealth assets under management reached **RMB3.91 trillion**, an increase of nearly **RMB250 billion or 6.8%** over the end of the previous year.



◆ Assets under management recorded **RMB1.65 trillion**, an increase of RMB244.9 billion or **17.5%** over the end of the previous year, of which new products accounted for **93.9%**, **up 3.6 percentage points** over the end of the previous year.

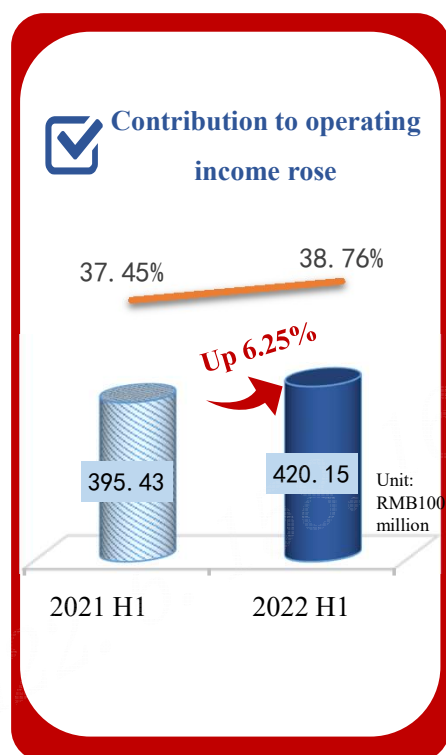


◆ At the end of June, comprehensive financing reached **RMB12.15 trillion**, an increase of RMB672.9 billion or **5.9%** over the end of the previous year.

II. Transformation and development: three major business segments achieved impressive results (retail banking)



□ With the further “new retail” transformation, the contribution of the retail business segment to operating income rose steadily.



Led the industry in overall scale

Retail customers' assets under management

Balance	Compared to the end of 2021
RMB3.70 trillion	↑ 6.5%

Retail credit

Balance	Compared to the end of 2021
RMB2.09 trillion	↑ 2.0%

Business structure further optimized

Proportion of investment and wealth management size in AUM

Proportion	Year on year
62.9%	↑ 0.3 percentage point

Proportion of retail deposits in total deposits

Proportion	Compared to the end of 2021
21.7%	↑ 1.2 percentage points



- **Conducted “five expertise” account marketing:** Balance of settlement deposits increased by **RMB36.3 billion** from the end of the previous year.
- **Made breakthroughs in integrated management of personal loan customers and credit card customers:** New personal loan customers increased by **22%** year on year. Credit card customers acquired by branches increased by **53%** year on year.
- **Enriched the “private banking + investment banking” customer marketing model:** The Bank expanded the entrepreneur customer group and increased high-net-worth customer channels.



- **The whole Bank worked together to improve the three core capabilities:** The Bank continued to provide quality assets and wealth management products. In 2022 H1, **RMB2.4 trillion** personal wealth management products were sold.
- **The Group worked together to enhance investment research and consulting ability building:** The Bank launched the strategy for allocation of major asset categories on the Group level. The Bank was among the best in the industry in terms of investment research capability and product selection capability. Since the establishment of the Selected Publicly Offered Fund Index, its total return has reached **67%**, outperforming the CSI 300 Index by **58 percentage points**.



- **The Head Office's leading ability improved:** The customer-oriented strategic deployment was more consistent.
- **Branches' organizational ability improved:** The Bank optimized the organizational structure for retail banking business at branches and streamlined the “all customers – all products – all channels” operation management system of branches.
- **Sub-branches' self-drive capacity improved:** Sub-branches built the front-desk “triangle” operation model comprising financial advisor, remote assistant and wealth manager, to further improve capacity and professional competence.

Note: The investment and wealth management business includes personal wealth management, agency fund sale, agency insurance sale, agency trust sale, asset management plan, etc., subject to the Bank's standards.

II. Transformation and development: three major business segments achieved impressive results (corporate banking)

□ The corporate banking business segment rebuilt market competitiveness, accelerated business transformation and made new breakthroughs.



Capital market business developed faster

- The Bank underwrote 706 debt financing instruments, with a scale of RMB379.8 billion, both **ranking 1st in the whole market**;
- The Bank issued the first entity technological innovation notes, the first use-based technological innovation notes and the first transformation bonds in the interbank market. A total of **11** technological innovation notes were issued, with an underwriting amount of **RMB5.82 billion**. Both the quantity and amount **led the market**;
- **2,032** accounts of “little giants” of enterprises with specialized, sophisticated techniques that produce new and unique products were opened, an increase of 542 over the end of the previous year; and **4,060** accounts of listed companies and pre-IPO companies were opened, an increase of 178 over the end of the previous year.



Custody business achieved breakthroughs

- AUM exceeded **RMB12 trillion** **↑12.8%**
- Ranking **2nd** among joint-stock banks in terms of custody amount of enterprise annuities
- Amount of bonds under custody in the southbound trading under the Bond Connect program **Leading the industry**



International business ranked at the forefront of the industry

- Forex purchase and sale **USD101.6 billion**
- Forex receipts and payments for international balance of payments **USD197.1 billion** **↑14.15%** **↑13.05%**



Transaction banking business developed with vigor

- Trade finance **RMB542.7 billion** **↑36.95%**
- Customers **900,600** **↑7.65%**



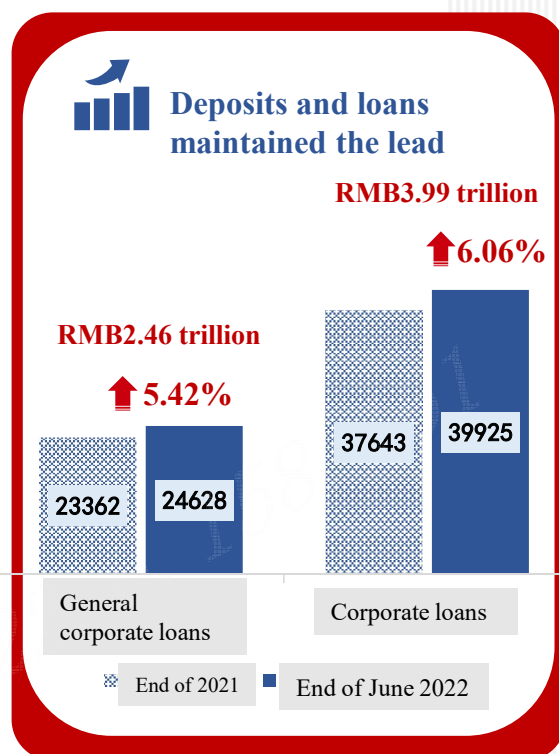
Supply chain finance developed rapidly

- Cumulative financing **RMB382.6 billion** **↑53.53%**
- Financing customers **15,800** **↑60.92%**



Auto finance stayed ahead

- Partners totaled **6,566**
- Cumulative financing amount **RMB252.3 billion** **↑32.70%**



II. Transformation and development: three major business segments achieved impressive results (financial market)



- With integrated deep management of interbank customers as the engine, the financial market business segment strengthened business competitiveness and expanded contribution to operating income.



Integrated management accelerated coordination

Improved management system

- ✓ Improved the management system featuring level-to-level management of branches, classified management of industries and layered management of customers, made 550 sets of customer marketing ledgers, and embedded them into the interbank CRM system to provide precision business guidance to institutions across the Bank through a digitalization roadmap.

Strengthened synergy

- ✓ Further strengthened the synergy between the Group and the Bank and gradually formed differentiation advantage. The cross marketing of key businesses such as financial bond investment, ABS investment and fund investment successfully enhanced businesses like custody and deposits by **RMB183.2 billion**.

Upgraded products and services

- ✓ Launched CITIC Custody and CITIC Bill Express and continued to build CITIC Bond Connect and CITIC Interbank + platforms. Its service capability improved substantially.



The competitiveness of the segment's advantaged services continued to improve

Forex market making business held the lead

- ✓ The Bank actively fulfilled market makers' duties to help enterprises prevent exchange rate risk. Its market making volume recorded **USD853.2 billion**, maintaining at the forefront of the market.

The position as a core trader in the money market was further consolidated

- ✓ The trading volume in the money market registered **RMB14.37 trillion**, up **45.8%** year on year. The Bank realized liquidity management goals and improved the operating efficiency of short-term funds.

Bond market making business maintained at the forefront of the market

- ✓ The market making volume of bonds and derivatives totaled about **RMB3.12 trillion**, up **90%** year on year. The Bank stayed ahead on the comprehensive list by market making volume of interest rate derivatives

The ability of the bill business to serve the real economy improved

- ✓ Bill discounting business reached **RMB807.4 billion** (ranking 3rd in the market), up **31.2%** year on year; the service was provided to **9,375** corporate customers, a year-on-year increase of **1,942**.

Contribution to operating income increased

Amount Year-on-year
RMB17,441 million ↑ **24.74%**

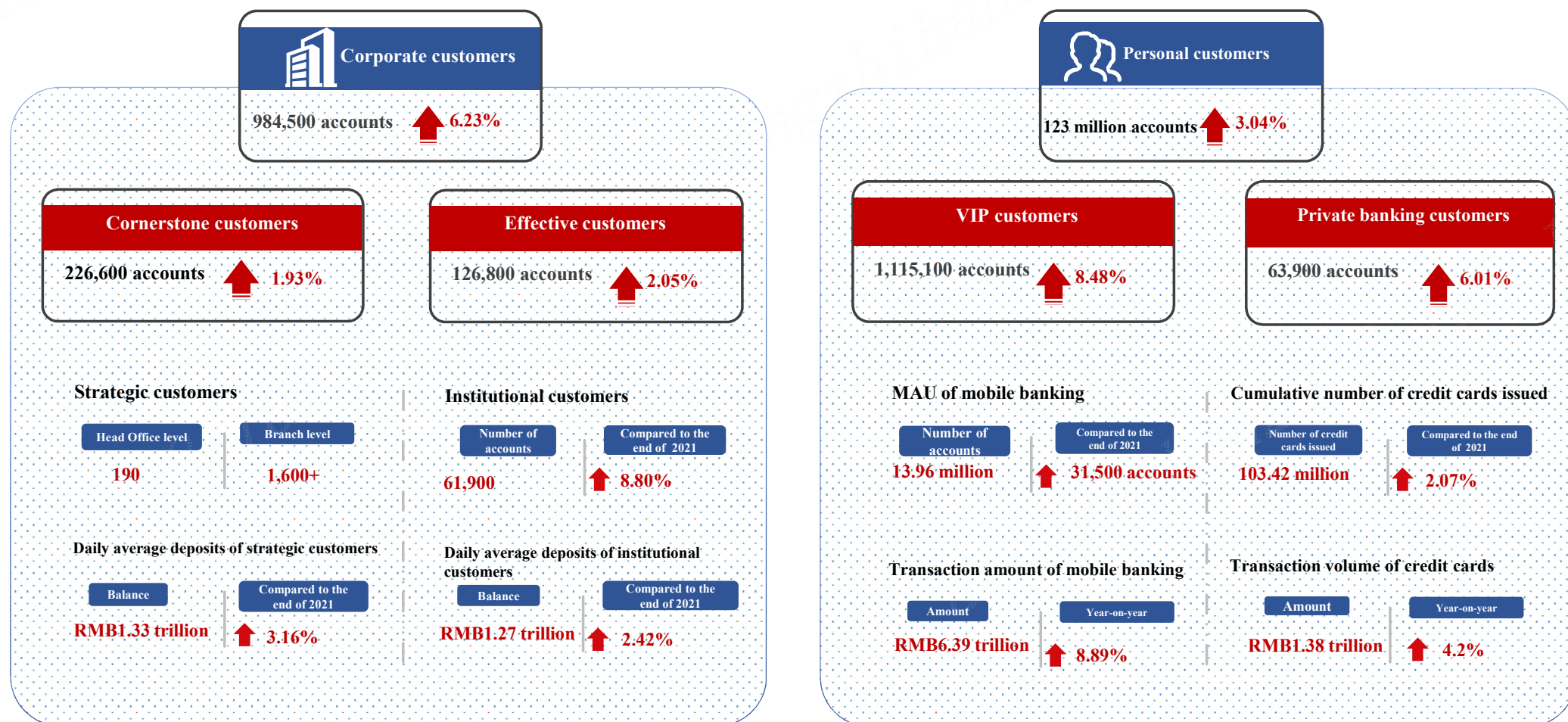
Proportion Year-on-year
16.09% ↑ **2.85 percentage points**

Non-interest income increased sharply

Amount Year-on-year
RMB14,061 million ↑ **41.12%**

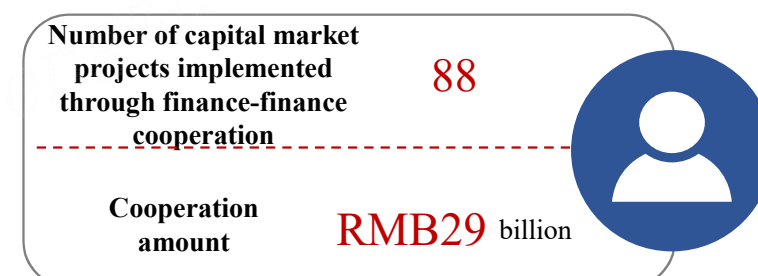
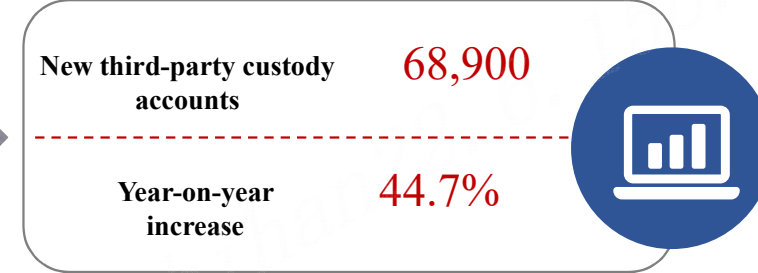
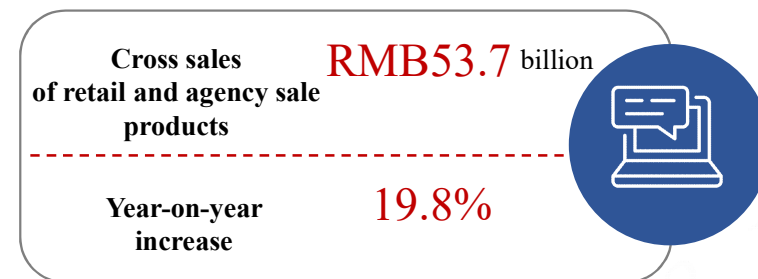
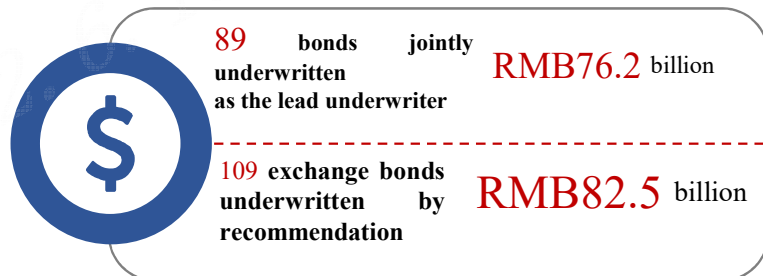
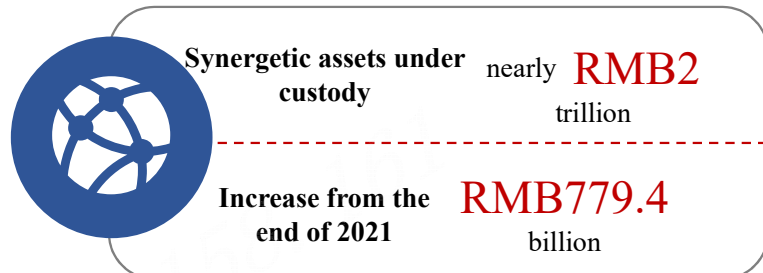
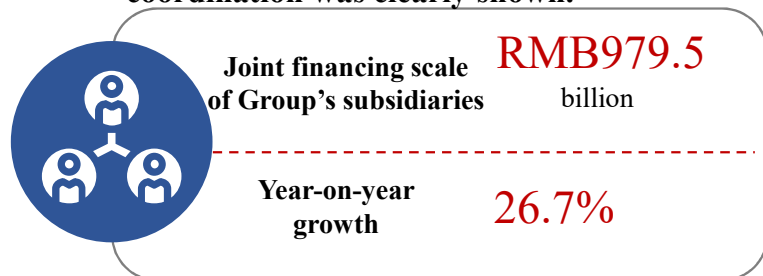
Proportion Year-on-year
40.70% ↑ **9.08 percentage points**

III. Strengthening foundations: customer management foundation was further enhanced



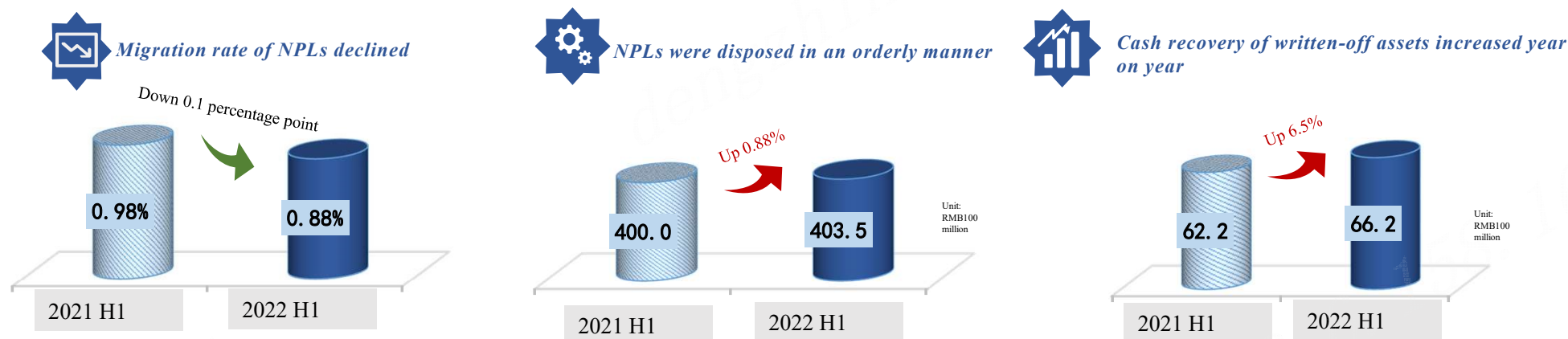
IV. Stepping up coordination efforts: Group coordination and integration ascended to a new level

□ The Bank leveraged the Group's strengths, deepened coordination, and further unleashed interconnection advantages. The value of coordination was clearly shown.



V. Adopting a combination of measures: risk management capability improved

- The Bank controlled increased risks and cleared existing risks at the same time and strengthened risk resolution, which produced significant effect.



- Centering on the goal of “putting risks under control and boosting development”, the Bank deepened the building of the risk system, strengthened the foundation, and improved areas of weakness, to enhance risk management capability.

Optimized organizational structure

Promoted the integration of “review, management and inspection” and continued to deepen the reform of the approval system.

Promoted combination of five policies

Established the “top-down” + “bottom-up” industry research system and list management to facilitate asset input.

Improved approval efficiency

Implemented the “Level 1 review and Level 1 approval” policy for Head Office-level quality strategic customers on the list, and piloted scorecard approval for tech and innovation-oriented enterprises.

Implemented industry-specific policies and management

Implemented top-down classified management and classified monitoring on customers in key areas of real estate and municipal public services.

VI. Digital transformation: technology empowerment drove business development



01 Strengthened technology foundation

- ✓ With **4,180** IT personnel across the Bank, accounting for **7.6%**.
- ✓ Promoted cloud-based transformation of infrastructure in all respects. The cloud-based ratio reached **99.7%**. The layout of four clouds (production cloud, development and testing cloud, ecological cloud and subsidiary cloud) basically took shape.

02

Supported precision marketing at front office

- ✓ Relying on CITIC Brain - corporate intelligent product recommendation model system, supported frontline precision marketing and deposits effectively grew by over **RMB40 billion**.
- ✓ Successfully put into service the enterprise-level integrated wealth management sale platform Benteng. The overall performance of the platform improved by over five times, covered a variety of product types, and connected to over 180 trust companies, fund companies, etc. The balance of products was about **RMB1.75 trillion**, and the transaction amount over **RMB10.4 trillion**.
- ✓ The M+precision marketing covered **3.5 million** customers and effectively contacted customers. Annual average daily increment of AUM was **RMB121.09 billion**.

03

Empowered middle and back offices to improve quality and efficiency

- ✓ Developed an option quotation robot, whose quotation is as accurate as that of mature foreign products. The efficiency of quotation was increased by **20 times**, effectively breaking the long-term technological monopoly of foreign countries.
- ✓ Won “**Full Glory Award**” of the 5th (2022) Digital Financial Innovation Competition sponsored by China Financial Certification Authority, **ranking first** among all participating banks and technology companies in the field of digital risk control.
- ✓ Improved the data governance system, re-examined and improved more than **11,000** basic data standards, and released **13,000** enterprise-level data items on a cumulative basis.
- ✓ Put into service the new generation anti-money laundering list monitoring system, which comprehensively improved the accuracy of early warning and significantly reduced ineffective early warning from 2 million to about 3,000.



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I. Situation forecasts



Currently, with complex and ever-changing internal and external situations, the banking business management environment is faced with multiple uncertainties. Attention should be paid to the following aspects:

- 1 Impact of the pandemic on subsequent economic operation
- 2 Impact of monetary policy that produces effects early on and is oriented by support for the real economy
- 3 Impact of fiscal policy that expands investment and implements category-based measures
- 4 Impact of the expansion and acceleration of the capital market
- 5 Impact of market changes on banking risk control

II. Priorities of work for next phase

- The Bank will follow the new three-year development plan, pursue high-quality and sustainable development as the main task, and place equal stress on quality, speed and long-term goals. In addition, the Bank will adhere to the four business themes of “stabilizing interest margin, increasing fee-based business income, reducing NPLs and attracting more customers”, and strive to achieve even better performance in the year.



- Increase credit supply to support stable economic growth
- Dig into key business areas such as wealth management and capital market business
- Step efforts in management of small and medium customer groups and promote sustainable growth in settlement deposits
- Strengthen deposit and loan pricing management to stabilize interest margin
- Enhance risk control and resolution in key areas to stabilize the fundamentals of asset quality
- Further facilitate the reform and transformation of the management mechanism to improve operation management efficiency
- Leverage the establishment of CITIC Financial Holdings as an opportunity to upgrade coordination and integration
- Ensure compliance and that no systemic risks arise



Thank You!