

# Strive for a Better Future

Release of 2022 Annual Operating Results  
of China CITIC Bank

# Disclaimer

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# Overview of Main Indicators

Unit: RMB100 million

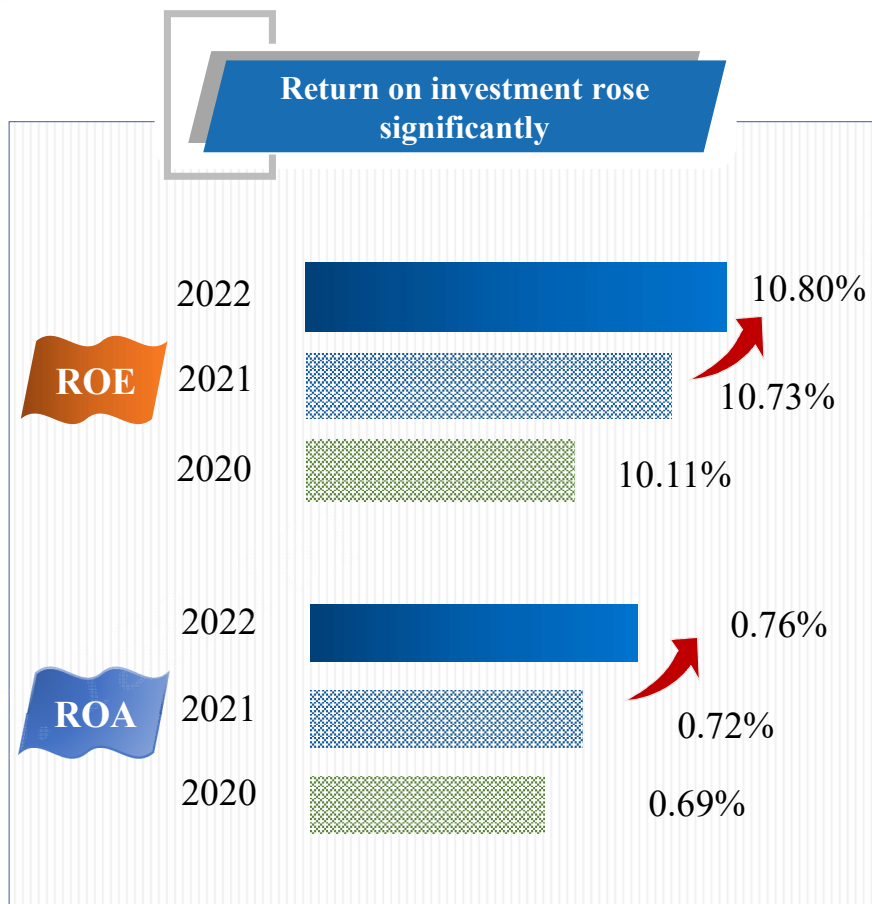
Profit indicators	2022	Increment/decrement over the previous year	Increase/decrease rate
I. Net profit attributable to shareholders	621.03	64.62	11.61%
II. Return on average total assets (ROA)	0.76%	Up by 0.04 percentage points	
III. Return on average equity (ROE)	10.80%	Up by 0.07 percentage points	
IV. Net operating income	2,113.92	68.35	3.34%
V. Net interest margin	1.97%	Down by 8 BPS	
VI. Net non-interest income	607.45	40.84	7.21%
Net non-interest income ratio	28.74%	Up by 1.04 percentage points	
VII. Cost-to-income ratio	30.53%	Up by 1.33 percentage points	
Scale indicators	End of 2022	Increment/decrement over the end of the previous year	Increase/decrease rate
I. Total assets	85,475	5,047	6.27%
II. Loans to customers	51,528	2,968	6.11%
III. Deposits from customers	50,993	3,628	7.66%
Quality indicators	End of 2022	Increment/decrement over the end of the previous year	Increase/decrease rate
I. Balance of non-performing loans (NPLs)	652.13	-22.46	-3.33%
II. NPL ratio	1.27%	Down by 0.12 percentage points	
III. Provision balance of the loan	1,312.02	97.31	8.01%
IV. Provisions coverage ratio	201.19%	Up by 21.12 percentage points	
V. Loan loss reserve to loan ratio	2.55%	Up by 0.05 percentage points	
Regulatory indicators	End of 2022	Over the end of the previous year	
I. Capital adequacy ratio	13.18%	Down by 0.35 percentage points	
II. Tier 1 capital adequacy ratio	10.63%	Down by 0.25 percentage points	
III. Core tier 1 capital adequacy ratio	8.74%	Down by 0.11 percentage points	

# I. Strong Profitability

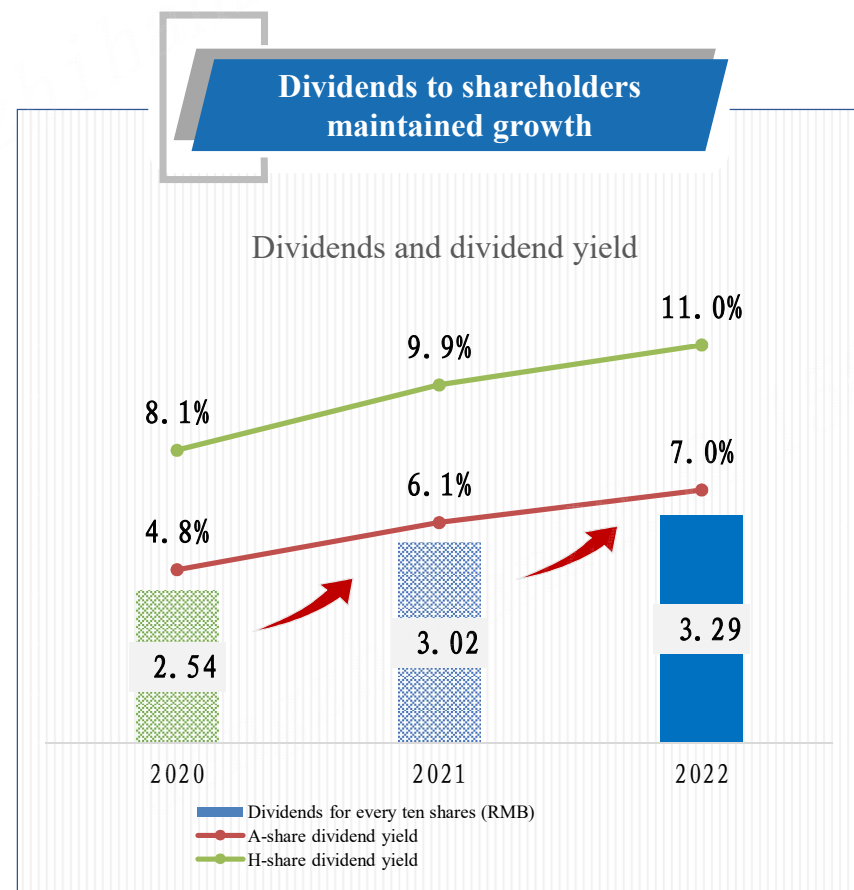


# I. Strong Profitability

Return on investment rose significantly



Dividends to shareholders maintained growth



Note: 1. The amount of dividend for 2022 has been approved by the Board of Directors, and the final amount is subject to approval at the general meeting of shareholders.

2. Dividend yield = Amount of dividends per share for the year / Annual average closing price

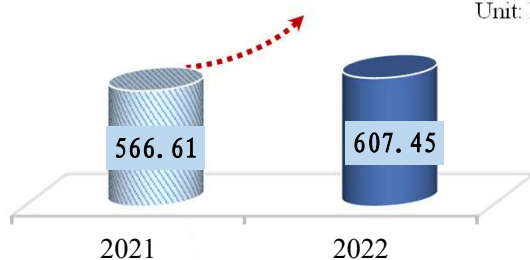
## II. Income Structure Continuously Improved

Net non-interest income **↑ 7.21%**

**RMB60,745 million**

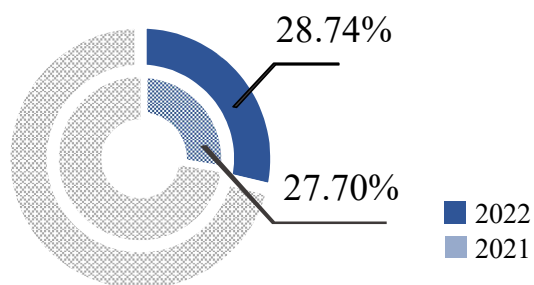
+RMB4,084 million

Unit: RMB100 million



Non-interest ratio increased

The light development strategy showed results

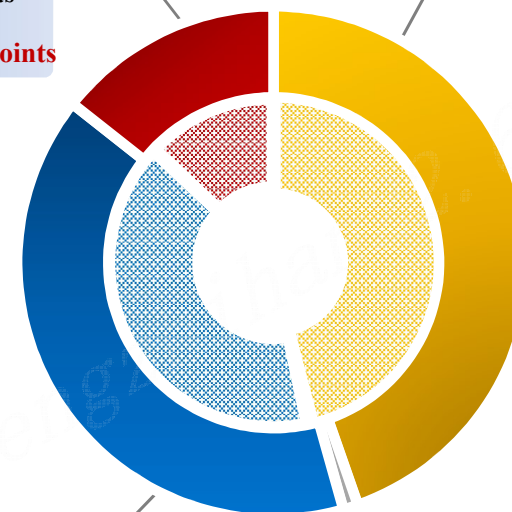


More balanced segment income contribution

**Financial markets**  
 Contribution to operating income was **14.35%**  
 Up by 1.38 percentage points

**Corporate banking**  
 Contribution to operating income was **44.67%**

**Retail banking**  
 Contribution to operating income was **40.05%**

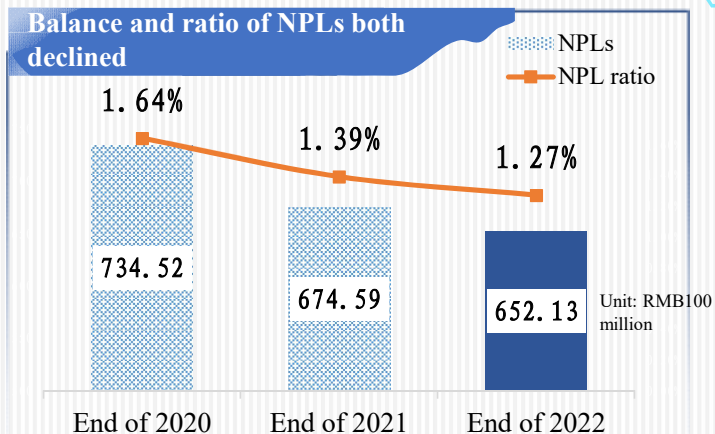


■ 2022  
 ■ 2021



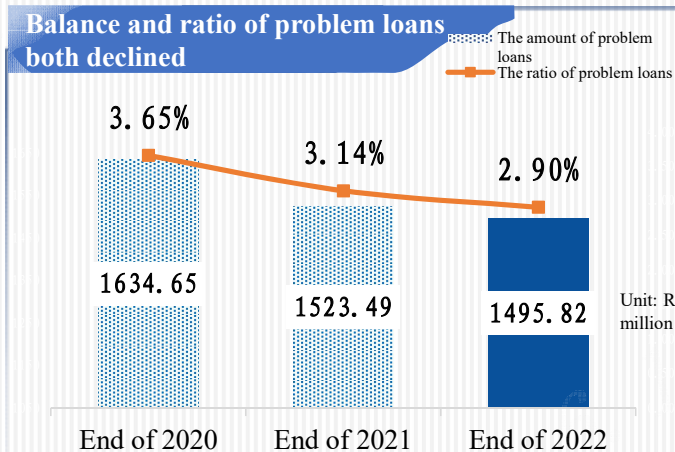
# III. Asset Quality Continued to Improve

Asset quality maintained stable

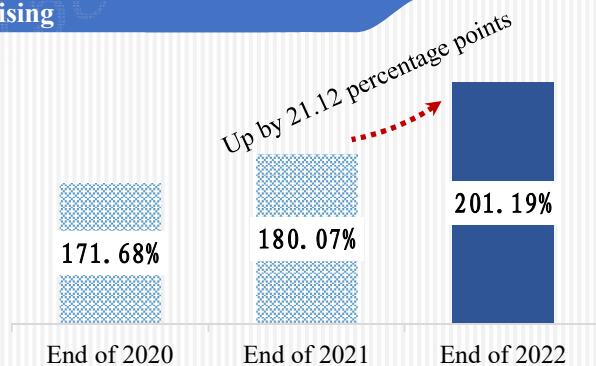


Overdue for more than 60 days / NPL ratio **80.49%**

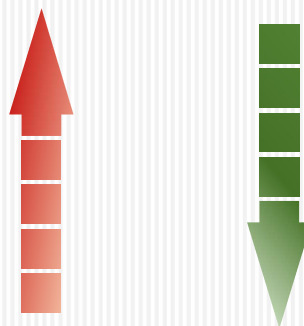
Overdue for more than 90 days / NPL ratio **73.99%**



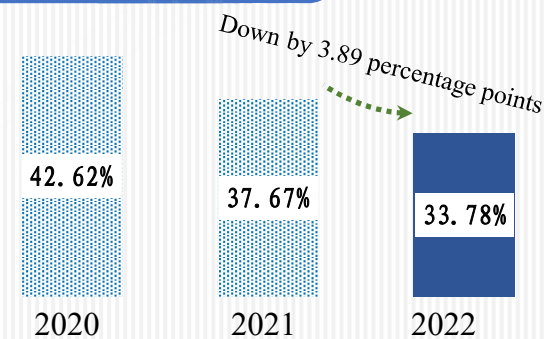
Provisions coverage ratio kept rising



Capacity to mitigate risks was enhanced



Risk costs further dropped





# IV. Served the Real Economy with Quality and Efficiency



## Focus on key fields

The Bank leveraged the role of financial precision support

### Green credit

**Balance** RMB334.1 billion  
**Over the end of the previous year** +RMB134 billion **↑ 67.0%**

### Medium and long-term manufacturing industry

**Balance** RMB202.3 billion  
**Over the end of the previous year** +RMB52.1 billion **↑ 34.7%**

### Strategic emerging industries

**Balance** RMB424.2 billion  
**Over the end of the previous year** +RMB113.6 billion **↑ 36.6%**

### Inclusive finance

**Balance** RMB446 billion  
**Over the end of the previous year** +RMB79.1 billion **↑ 21.6%**

### Agriculture-related loans

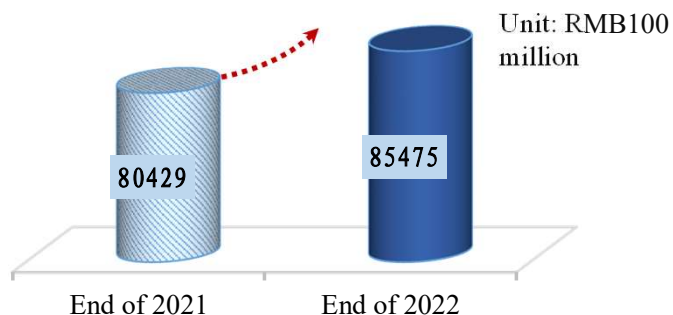
**Balance** RMB486.9 billion  
**Over the end of the previous year** +RMB90.3 billion **↑ 22.8%**

- ✓ Core indicators of inclusive finance remained at the forefront of joint-stock banks;
- ✓ Regulatory ratings of financial services for small- and micro-sized enterprises ranked second among joint-stock banks.
- ✓ Rural revitalization business was awarded the only excellent grade in regulatory assessment among joint-stock banks.

### Total assets

**RMB8.55** trillion **↑ 6.27%**

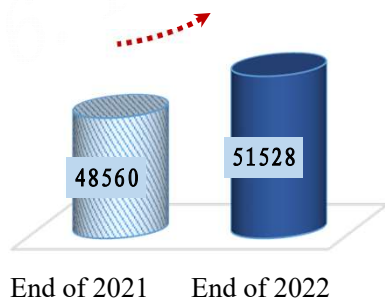
+RMB504.7 billion



### Total loans

**RMB5.15** trillion **↑ 6.11%**

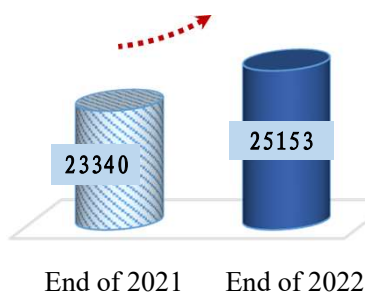
+RMB296.8 billion



### Financial investments

**RMB2.52** trillion **↑ 7.77%**

+RMB181.3 billion



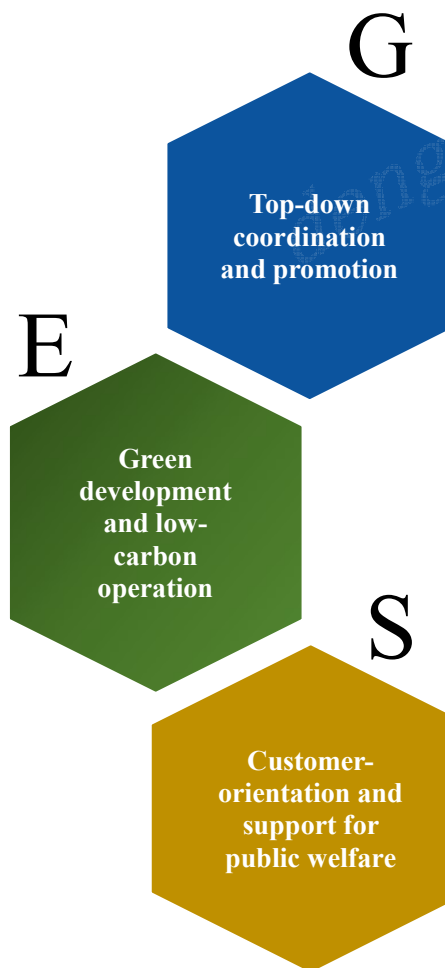
# V. ESG Performance Continued to Improve

## Green development

- We released the "CITIC Carbon Account", the industry's first personal carbon reduction account, which has accumulated more than **680,000 accounts** and more than **500 tons of emission reduction**.
- We issued green low-carbon theme debit card "**Low-carbon Wealth Card**".
- We created the first cross-market **ESG stock index** customized by the Bank's wealth management subsidiary in China.
- We implemented the first cross-border syndicated project of "**loan tied to ESG performance**" in China.
- **We have taken the lead and continued to carry out bilateral market making for green bonds.**

## Low-carbon operation


- We set targets for **energy conservation, emission reduction, waste reduction and water conservation**, and further strengthened the identification and management of carbon footprint.
- We continuously managed the environmental footprint in five aspects: **energy, carbon emissions, water consumption, paper consumption and waste.**





## Improve the quality and effectiveness of governance

We continued to improve the management system and mechanism of ESG. The "Strategic Development Committee" of the Board of Directors has been renamed "**Strategic and Sustainable Development Committee**" to strengthen the coordination and promotion of ESG task and implement the concept of sustainable development from top to bottom.

## Quality customer experience

- We optimized the outlet layout, and the outlet of **provincial administrative regions were fully covered**.
- We continued to care for special groups and provided services for **the blind, disabled and elderly**.
- We released the 5G man-machine collaboration system, which improved the efficiency of operators service by **11.87%**  after it was put into operation.

## Public welfare support practice

- Loans to precise financial assistance reached **6.43%** .
- Loans to poverty-stricken areas amounted to **10.62%** .
- We carried out **598** youth volunteer activities.
- The charity platform "Love, Trust and Convergence" has been donated by more than **1.3 million** people, benefiting **160,000** teachers and students every year.

# V. Distinctive Brand Image

中信银行  
让财富有温度

## The Banker

- **The Banker**
  - The 21st in the "Top 500 Banking Brands 2022", with a brand value of USD12.8 billion
  - The 19th in the "Top 1,000 World Banks" in terms of tier one capital, up by 5 places



THE ASIAN BANKER  
STRATEGIC BUSINESS INTELLIGENCE FOR ASIA'S FINANCIAL SERVICES COMMUNITY

- **The Asian Banker**
  - Award for the Best Regulatory Technology Implementation in Asia-Pacific
  - Best API and Open Banking Product, Application or Project in China
  - Best Joint Stock Custody Bank



上海票据交易所  
SHANGHAI COMMERCIAL PAPER EXCHANGE

- **Shanghai Commercial Paper Exchange:**
  - Excellent Market Institution
  - Excellent Accepting House
  - Excellent Custody and Settlement Institution
  - Excellent Provider of Bill Payment Services



上海清算所  
SHANGHAI CLEARING HOUSE

- **Shanghai Clearing House:**
  - Excellent Clearing Member
  - Excellent Underwriter
  - Excellent Settlement Member
  - Excellence Award for Proprietary Clearing of Standard Bond Forward

- [www.stockstar.com](http://www.stockstar.com)  
"Most Progressive Bank of the Year" and "Most Socially Responsible Bank of the Year"
- China Securities Journal "Golden Bull Award for Bank Wealth Management Sales"
- The Economic Observer "Outstanding Brand Bank of the Year"
- Caijing "Most Influential Wealth Management Bank"
- National Business Daily "Annual Wealth Management Award"
- 21st Century Business Herald "Best Bank for Auto Financial Services"
- Jiemian.com "Cross-border Financial Service Platform of the Year"
- Sina Institute for Financial Studies "Innovative Mobile Banking of the Year"



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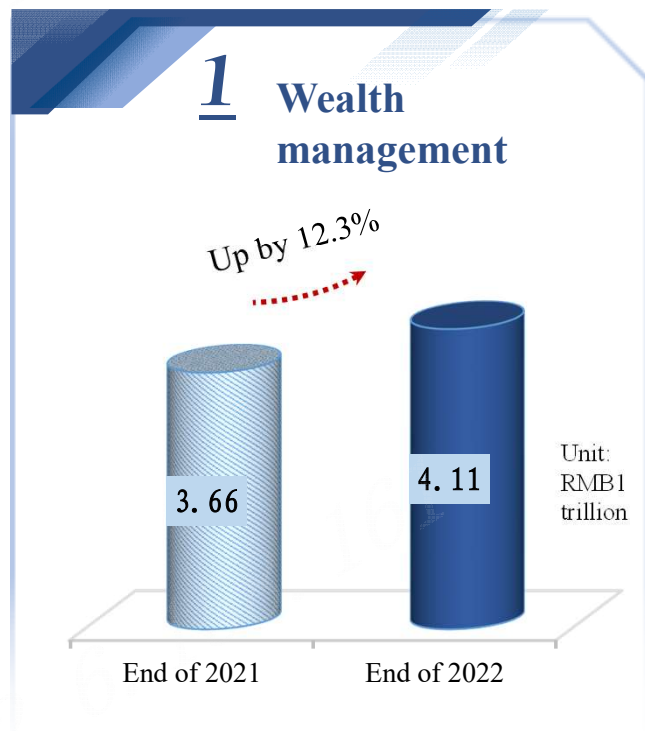
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- Transformation Progress

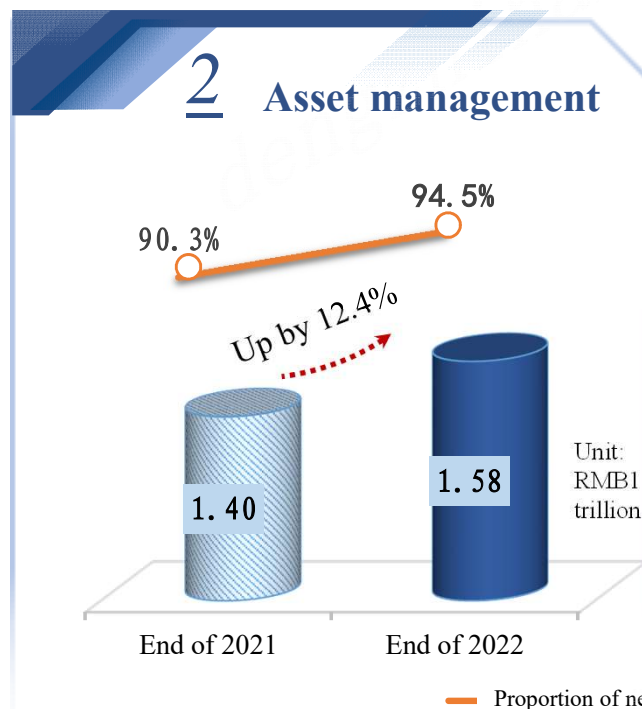
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- Outlook and Strategies

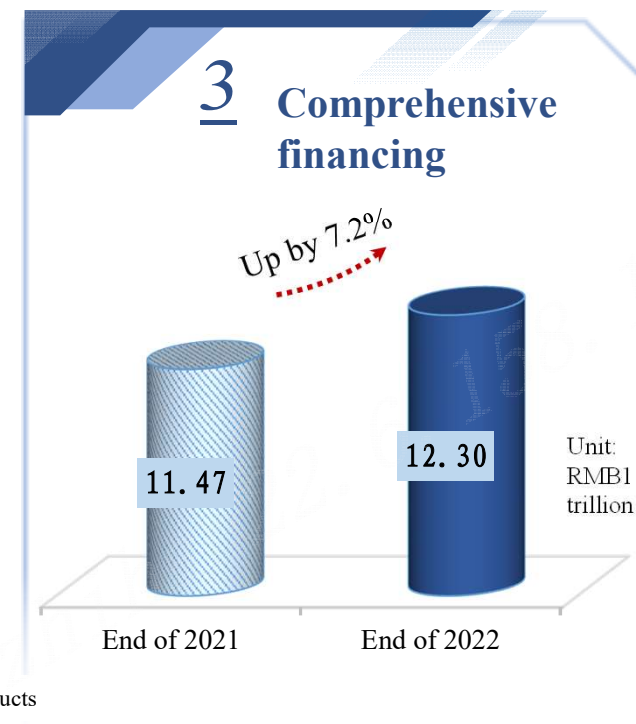
# I. Solid Progress in Core Capabilities



◆ Wealth under management reached **RMB4.11 trillion**, an increase of **RMB450 billion** over the end of the previous year, **up by 12.3%**.



◆ Assets under management reached **RMB1.58 trillion**, an increase of **RMB173.8 billion** over the end of the previous year, **up by 12.4%**, with new products accounting for **94.5%**, **up by 4.26 percentage points** over the end of the previous year.

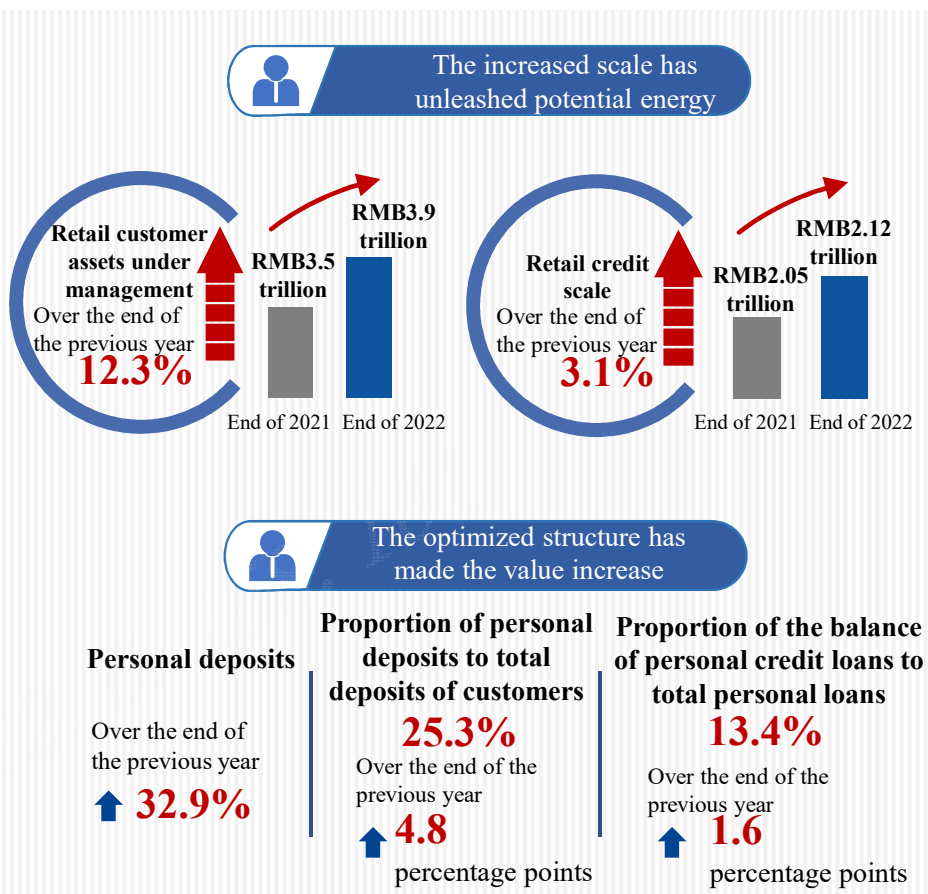


◆ Comprehensive financing reached **RMB12.3 trillion**, an increase of **RMB830 billion** over the end of the previous year, **up by 7.2%**.



## II. Three Major Business Segments Achieved Coordinated Development—Retail Banking

□ Taking wealth management as the driving force, retail banking practiced the development path of "three all, five expertise, four steps, two wings" and the "new retail" was systematically implemented.



### Deepened customer management and tightened customer relationships

- Customer operation of "five expertise" was implemented from concept to operation methodology and such customers were expanded, increasing by 2.7 million throughout the year.
- **Segment integration** promoted the conversion of personal loan customers to wealth management customers and new debit customers exceeded 600,000; the integration of debit cards and credit cards was enhanced, making the number of customers holding both cards keep rising, with more than 39 million accounts.
- **With synergies between corporate and personal banking business**, the Bank created the "Cloud Enterprise Association" brand. The Bank leveraged investment and loan linkage mechanism, technology and innovation linkage mechanism, and cross-border linkage mechanism to provide excellent entrepreneurs with "five expertise" services.

### Improved professional competence and enhanced digital capabilities

- **Improved professional capabilities of wealth management** Using the leverage of the investment and research capabilities of CITIC Financial Holdings, the Bank accelerated the construction of an investment advisory system driven by investment research, making it among the best in the industry in terms of investment research, strategy, product selection and investment advisory capabilities.
- **Created a pioneering digital system platform for product transactions and operation and management.** Built a one-stop wealth product sales platform and a new generation of personal lending system, and realized the operation integration of all customers, all products, and all channels at the segment level through the building of the retail M+ platform.

### Optimized the productive relations and unleashed productivity

- The Head Office and branches completed the adjustment of the organizational structure. With more coordinated and intensive management of talents, the Head Office made strategies more consistent and resource allocation more effective; the operation management system of all customers, all products, and all channels of branches was further streamlined, revitalizing organizational vitality.
- **More than 100** investment and financial advisors were allocated to branches and the number of front-line full-time private banking customer managers **exceeded 300**. The Bank established a **collaborative integration team** of credit card sub-centers and branches.

Note: "Three all" is "all customers, all products, and all channels" operation strategy; "five expertise" is "expertise in settlement, expertise in investment, expertise in financing, expertise in activities, and expertise in services" customer relationship; "four steps" includes segment integration, the Bank working together, the Group working together and external connection; "two wings" is the support of "digital and ecological" capabilities.

## II. Three Major Business Segments Achieved Coordinated Development—Corporate Banking

### □ Corporate banking took competitiveness reconstruction as the main line, continued to drive revolution and transformation, and achieved initial results.

#### System construction was deepened

##### It steadily promoted the project of the integration of three systems and enhanced the synergy serving the real economy

- The Bank steadily promoted the project of the integration of three systems including products, customers, and management. The Bank enhance the capability to organize on-balance-sheet, off-balance-sheet, off-balance-sheet business and matchmaking assets, realized the transformation from a "credit intermediary" to a "service intermediary", and met customers' demands for comprehensive financial services and one-stop platform services.
- The Bank strengthened segment coordination and deepened internal management empowerment mechanism. The Bank adjusted and formed a "1+3+3+1" organizational structure within the year, further improved the business model differentiation of customer segments, and further enhancing the synergy of "customer + product + technology".

##### The Bank reshaped through Group coordination and built a cross-market circle of friends, providing diversified financing channels for the real economy.

- The Bank focused on building an ecosystem of 300 institutions in ten categories, and created a diversified financing ecosystem system that is "more than bank", creating values that exceeded customers' expectations.
- Joint financing for the first exceeded RMB2 trillion, up by 28% from the end of last year.

#### Key businesses highlighted frequently

##### Capital market business

- Inclusive finance technological innovation e-loan was extended to more than 3,100 "specialized, refined, featured and innovative" enterprises with the volume of **RMB20.8 billion**;
- The underwriting volume of debt financing instruments **ranked first** in the market for two consecutive years;
- The Bank implemented the innovation-driven development strategy and the "**double first batch**" of entity and use-based technological innovation notes.

##### Government and institutional business

- Approximately 500 accounts were added, reaching a **record high**;
- Local debt financing exceeded **RMB290 billion**, which doubled the number of the previous year.

##### Transaction banking business

- The Bank launched "transaction +2.0" ecosystem to provide financing for more than 30,000 enterprises with **RMB1.2 trillion**.
- The Bank was **the first financial institution** to launch treasury management system, and signed treasury consulting agreements with 19 central enterprises, leading the industry;
- Auto finance extension reached **RMB609 billion, up by 38.4%** year on year, which out-performed the market.

##### International business


- Foreign exchange receipts exceeded USD400 billion, and foreign exchange purchase and sale exceeded **USD200 billion**, both reaching a record high and **ranking first among stock banks**.




# III. Three Major Business Segments Achieved Coordinated Development—Financial Market

□ The financial market took initiative to optimize capital and liability structure, vigorously prompted transaction flows, and continued to deepen integrated management of customers and improve operating results.

 The Bank deepened the integrated operation with interbank customers

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

 Contribution to operating income increased

Amount Over the previous year

RMB30,326 million


↑ 14.3%

Proportion

Over the previous year

14.35%

↑ 1.4 percentage points

 Non-interest income increased sharply

Amount Over the previous year

RMB22,337 million

↑ 25.4%

Proportion

Over the previous year

36.77%

↑ 5.3 percentage points

## Improved management system

- ✓ On the basis of layered management of customers classified by region, the Bank explored the construction of product center, customer team and matrix sales model of the Head Office and branches, to upgrade the system of integrated deep management of interbank customers.

## Strengthened synergistic advantages

- ✓ The Bank strengthened its synergistic advantages, output the professional ability for investment trading of the gold market sector, and built a (3A) branch marketing system of "branches in all regions, customers across the market, and services for all products", to form differentiated competitive advantages in financial markets.

## Updated products and services

- ✓ The Bank launched CITIC Custody and CITIC Bill Express and continued to build CITIC Bond Connect and CITIC Interbank + platform. The annual online business volume of CITIC Interbank+ platform exceeded RMB1 trillion, an increase of more than RMB400 billion over the previous year, up by 60%.

## Foreign exchange market making business held the lead

- ✓ The market making volume recorded more than USD2.2 trillion, up by 6% over the previous year, maintaining at the forefront of the market. It realized the first customer-driven American and Asian RMB foreign exchange options in China.

## Bond market making business maintained at the forefront of the market

- ✓ The market making volume of bonds and derivatives totaled about RMB5.4 trillion, up by 4% on year. The Bank stayed ahead on the comprehensive list by market making volume of interest rate derivatives.

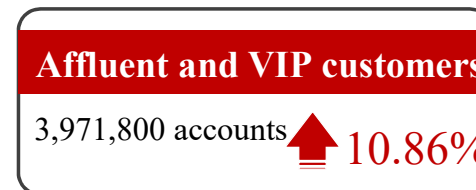
## The position as a core trader in the money market was further consolidated

- ✓ The trading volume in the money market exceeded RMB28 trillion, up by 13% year on year. The Bank expanded diversified capital financing channels and realized liquidity management goals.

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

- ✓ Bill discounting business reached RMB1.4 trillion (ranking 2nd in the market), up by 30% year on year; the service was provided to 14,000 corporate customers, a year-on-year increase of more than 2,000.

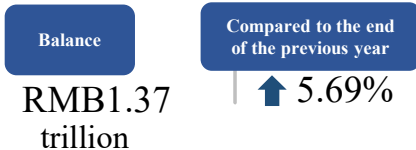
# III. Customer Foundation Was Enhanced



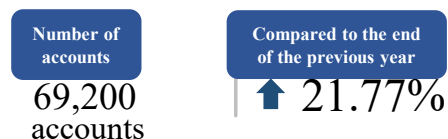
## Strategic customers



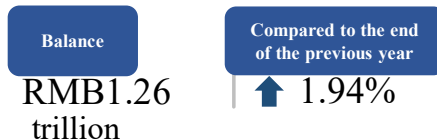
## Daily average deposits of strategic customers



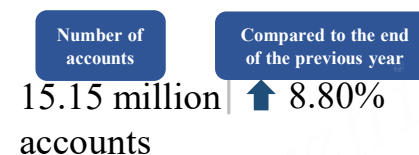
## Government and institutional customers



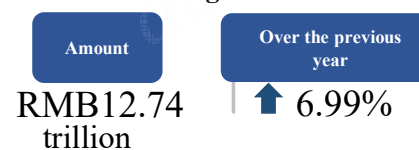
## Daily average deposits of government and institutional customers



## MAUs of mobile banking



## Transaction amount of mobile banking



## Cumulative number of credit cards issued



## Transaction volume of credit cards



## IV. Risk Control Continued to Improve



Improved the risk management system and enhanced quality and effectiveness of risk control

### ■ Reformed the organizational structure of risk management

The Bank promoted the integration of "review, management and inspection" and the integration of problem asset management, collection and disposal to effectively improve the quality and effectiveness of risk control during the whole procedure.

### ■ Improved the credit management mechanism

The Bank fully implemented the dedicated approver system, optimized credit approval procedures, strengthened post-lending and post-investment management, and actively withdrew of low-quality and inefficient customers.

### ■ Implemented the "five strategies in one" strategy

The Bank intensified industry research, consolidated the list-based marketing, and instructed to optimize the credit structure.

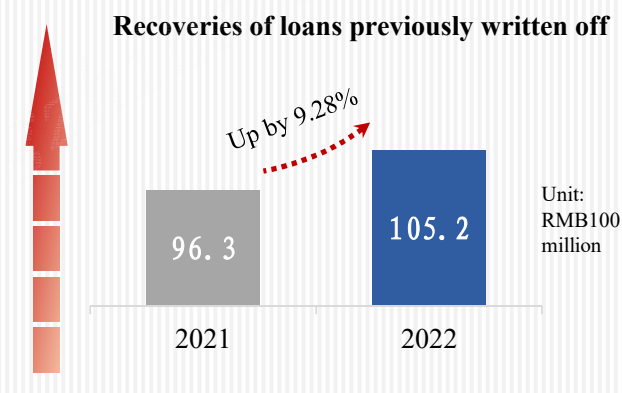
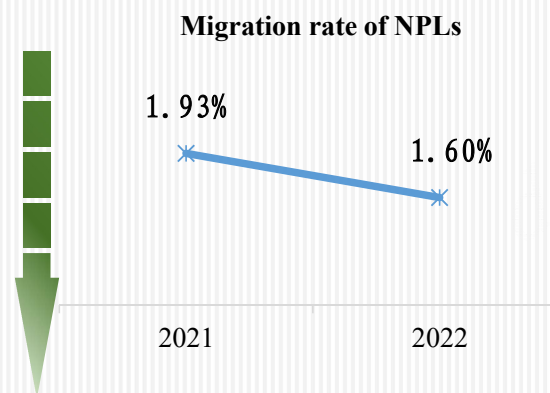
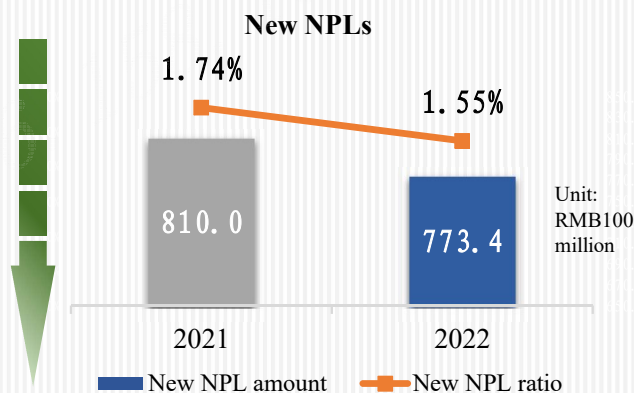
### ■ Accelerated the building of the digital risk control system

The Bank provided differentiated risk control solutions for online business types and expanded volume and improved the quality of scenario-based loans such as retail, inclusive, and auto finance.

### ■ Comprehensive risk management of subsidiaries was strengthened



Controlled increased risks and cleared existing risks at the same time and consolidated asset quality



# V. Group Coordination Empowered Business Development



# VI. Digital Transformation Accelerated



Maintained high investment in technological resources

Annual technology investment

RMB8,749 million

Proportion against operating income exceeded 4%

Over the previous year  
↑ 16.1%

IT personnel across the Bank

4,762

Proportion was 8.4%

Compared to the end of the previous year  
+ 476



Strengthened key core capabilities of technology

- The Bank built and promoted its enterprise-level public capabilities and basically formed a cloud-native technology base and service-based architecture, increasing production efficiency by **more than 4 times**.
- The Bank formulated the "four clouds" layout in the information technology application innovation industry for the financial sector. The scale of the information technology application innovation resource pool was at the forefront of the joint-stock interbank, with a **2 times increase** in computing power.
- The underlying platform of CITIC blockchain was fully localized, with a processing capability **exceeding 130,000 transactions** per second and maturity of technology leading the industry.
- The Bank was the first to realize the autonomous control of the financial market application system group, contributing the "CITIC solutions" for the localization of banking software, which won the second prize in the Central Bank's Financial Technology Development Award.



Developed enterprise-level data capabilities

- The Bank established the Level 1 Big Data Center, formulated and released the data strategic planning of the Bank, and built the bank-level digital capability center.
- Data governance and standard implementation were strengthened. The data dictionary items covered all basic business areas.
- A bank-level real-time data service center was established, and the average number of data access efficiency **increased by 50% year on year**.
- Relying on the "CITIC Brain", the Bank launched a "digital workforce". With the comprehensive integration of cutting-edge technologies such as OCR and RPA, the operation and management efficiency improved by **more than 20%**.



Promoted greater release of digital value

- The Bank launched the first systematic Treasury management platform that is independently developed by banks in the industry, namely, **Tianyuan Treasury**, and integrated the Bank's leading ecological product system of transaction banks.
- The new generation of **personal lending system group (Kunpeng)** fully applied cloud-native technologies. After its launch, the average daily transaction volume can be approximately **30 million**.
- **Retail M+ (phase II)** completed the delivery of key functions such as "five expertise" portraits, helping the rapid expansion of the annual increment of retail AUM.
- **The centralized trading platform** of the financial market covered major overseas counterparties for the first time, realizing ex-ante risk control in all aspects.

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- Outlook and Strategies



# I. Outlook

- In 2023, the domestic economy shows a positive trend in general. However, the international environment keeps volatile. With the increasing uncertainties and insecurities, the operation of the Bank faces both opportunities and challenges.



**Focus on external  
political, economic,  
and financial  
situations**



**Focus on national  
macroeconomic  
policy orientation**



**Focus on the latest  
regulatory reform  
requirements**



**Focus on the risk  
evolution trend**



## II. Outlook and Strategies

- The Bank will adhere to the general principle of "pursuing progress while ensuring stability", focus on serving the real economy, high-quality development, development momentum, and safe CITIC, and continuously implement four business themes of "stabilizing interest margin, increasing fee-based business income, reducing NPLs and attracting more customers", walking firmly on the road of development with CITIC characteristics.



### Strategies

#### Improve operation capacity

- Fully unleash the potential of "new retail" and increase the value contribution of retail business
- Motivate the potential of the new architecture of corporate banking and continuously improve the comprehensive competitiveness
- Promote the organization and business transformation, and boost greater efficiency of the financial markets

#### Enhance its management capability

- Promote system and mechanism reform in an orderly manner and motivate the self-drive and vitality of business development
- Consolidate and improve the fundamentals of risk management by focusing on the theme of "stabilizing quality"
- Highlight goal orientation and intensify technological and digital empowerment



Comprehensively improve core competitiveness



### Outlook

- ✓ Operating profits increase steadily
- ✓ Achieve remarkable results from light capital development
- ✓ Further consolidate the positive trend of asset quality
- ✓ Fully unleash the digital value
- ✓ Continuously improve brand value

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**Thank you!**