

Strive for a Better Future

Release of 2023 Interim Results of CITIC Bank



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Overview of main indicators

Unit: RMB100 million

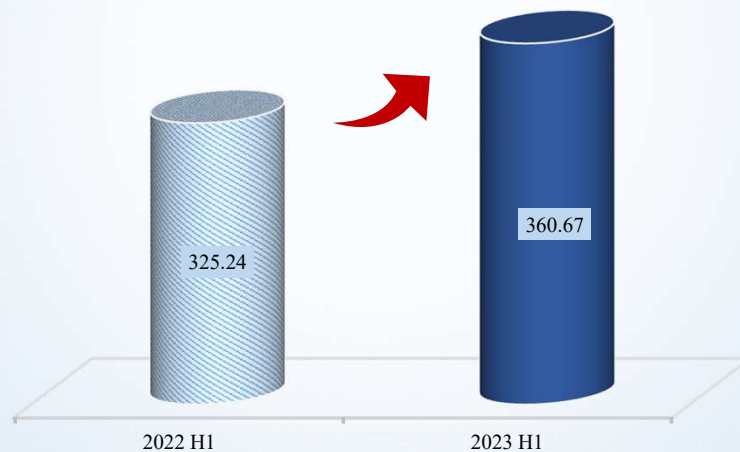
Operating Performance	Six Months Ended 30 June 2023	Year-on-year Increment	Growth Rate
I. Net profit attributable to the equity holders	360.67	35.43	10.89%
II. Return on average assets (ROA)	0.85%	Up 0.04 percentage point	
III. Return on average equity	12.15%	Up 0.33 percentage point	
IV. Net operating income	1,061.74	-22.20	-2.05%
V. Net interest margin	1.85%	Down 14 bps	
VI. Non-interest net income	329.68	-15.78	-4.57%
Non-interest net income ratio	31.05%	Down 0.82 percentage point	
VII. Cost-to-income ratio	26.43%	Up 2.22 percentage points	
Scale Indicators	End of June 2023	Increment Over the End of the Previous Year	Growth Rate
I. Total assets	88,333	2,858	3.34%
II. Loans to customers	53,801	2,273	4.41%
III. Deposits from customers	55,347	4,353	8.54%
Quality Indicators	End of June 2023	Increment Over the End of the Previous Year	Growth Rate
I. Balance of non-performing loans (NPLs)	648.50	-3.63	-0.56%
II. NPL ratio	1.21%	Down 0.06 percentage point	
III. Balance of allowance on loans	1,350.72	38.70	2.95%
IV. Allowance coverage ratio	208.28%	Up 7.09 percentage points	
Regulatory Indicators	End of June 2023	Increment Over the End of the Previous Year	
I. Capital adequacy ratio	13.22%	Up 0.04 percentage point	
II. Tier-one capital adequacy ratio	10.68%	Up 0.05 percentage point	
III. Core tier-one capital adequacy ratio	8.85%	Up 0.11 percentage point	

I. Net profit grew rapidly and return to shareholders continued to increase

Net profit attributable to shareholders of the Bank maintained double-digit growth

RMB**36,067** million

+RMB3,543 million  **10.89%**

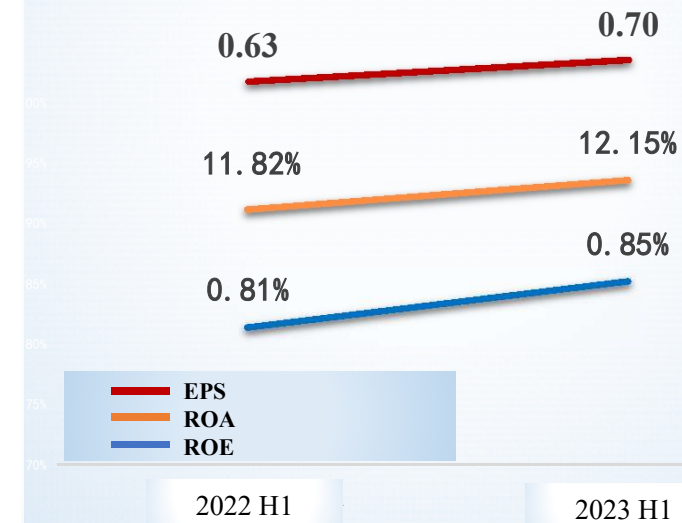


Return on investments and return to shareholders increased steadily

ROAE: **12.15%**  **0.33** percentage point

ROAA: **0.85%**  **0.04** percentage point

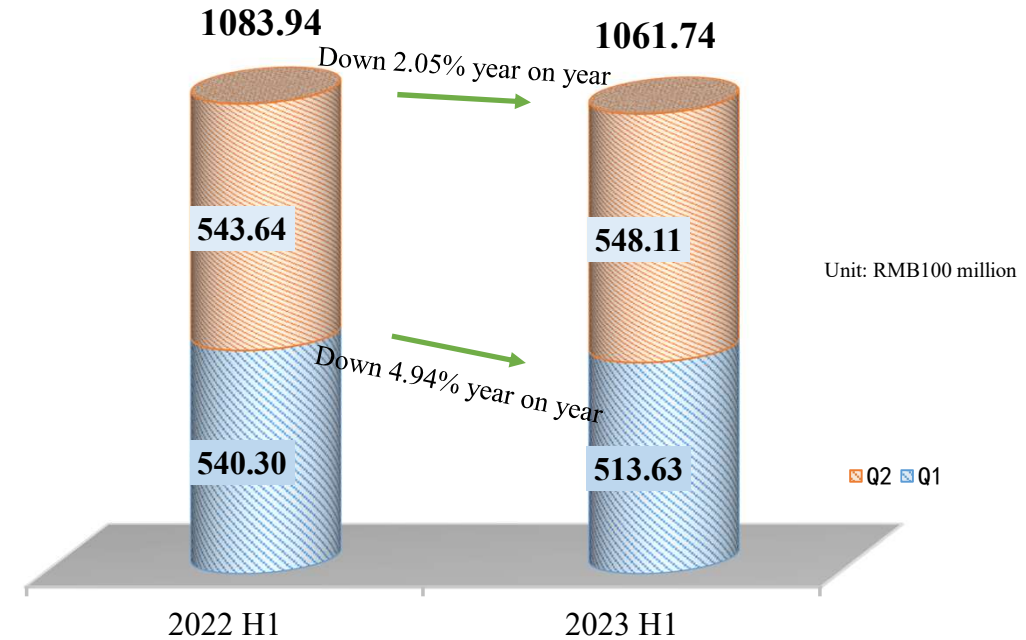
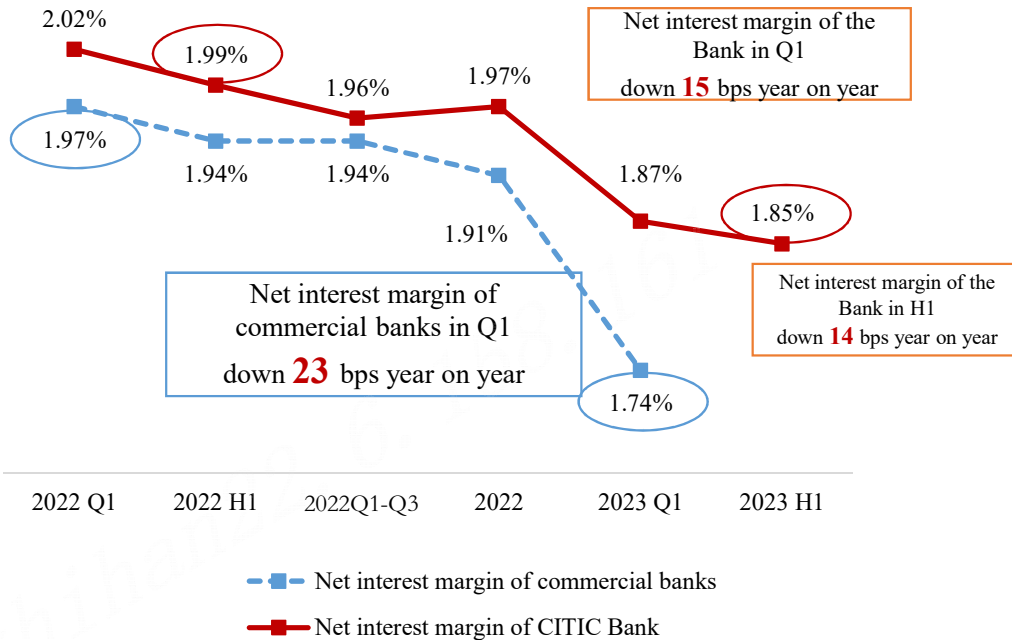
EPS: RMB**0.70**  **11.11%**



II. Net interest margin went down but outperformed the market, and decline in operating income gradually narrowed

Net interest margin went down and its changes outperformed the market

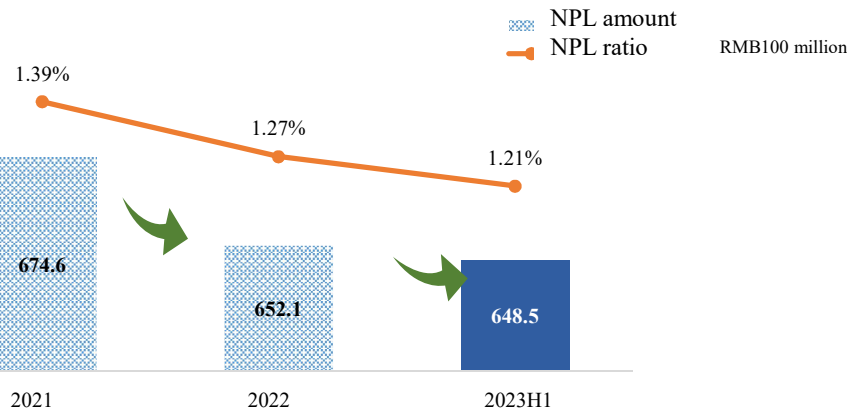
Operating income slightly decreased year on year but the decline narrowed



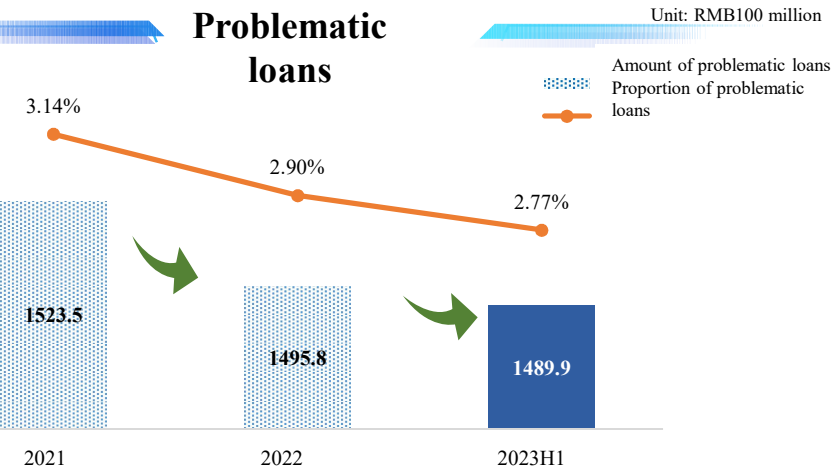
Note: The data of net interest margin of commercial banks are from the website of the National Administration of Financial Regulation.

III. Asset quality continued to improve and risk resistance capacity was enhanced

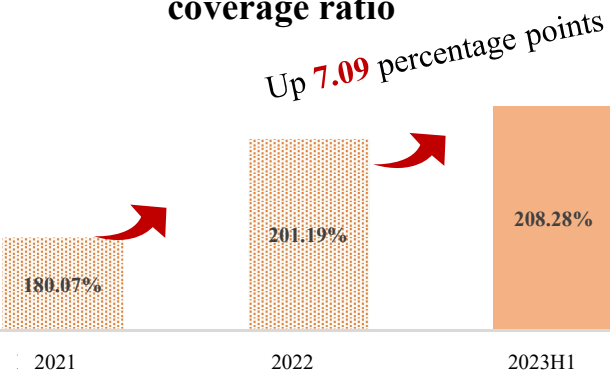
NPLs



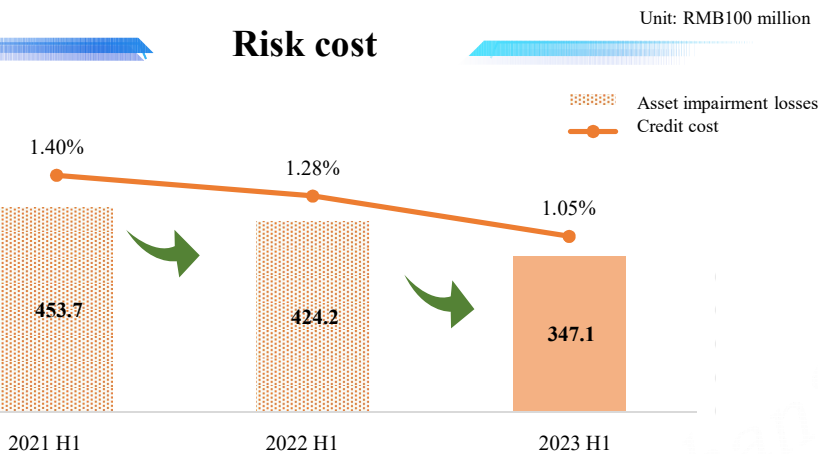
Problematic loans



Allowance coverage ratio

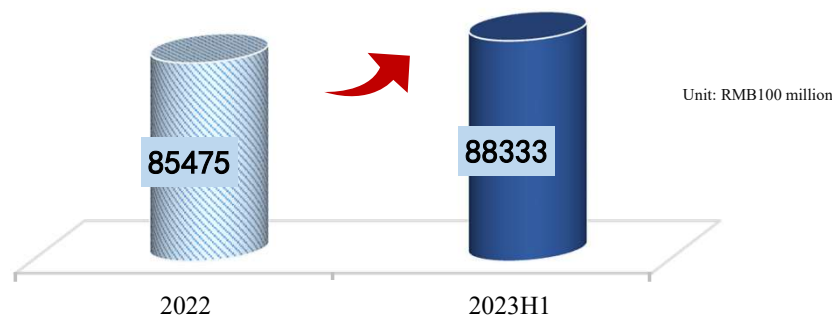


Risk cost

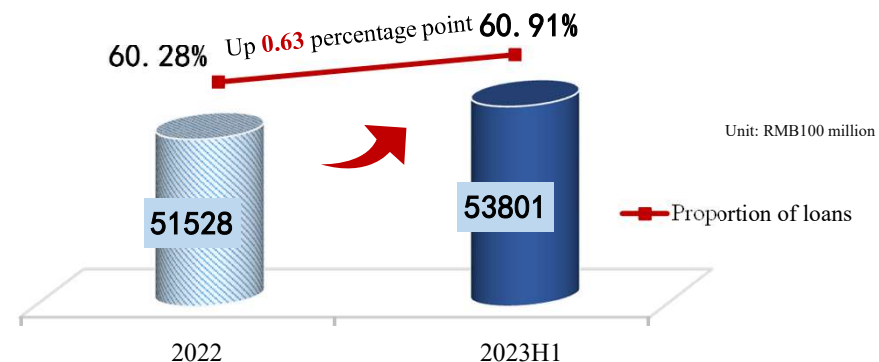


IV. Assets grew steadily and services for the real economy were solid and effective

Total assets RMB8.83 trillion
+RMB285.8 billion ↑ 3.34%



Loans to customers RMB5.38 trillion
+RMB227.3 billion ↑ 4.41%



Injection of loans into key areas further increased

Green credit

19.9% ↑

2023
 End of
 June **RMB400.7 billion**

Medium and long-term manufacturing loans

15.4% ↑

2023
 End of
 June **RMB233.4 billion**

Loans to emerging strategic industries

11.5% ↑

2023
 End of
 June **RMB473 billion**

Inclusive finance loans

13.9% ↑

2023
 End of
 June **RMB507.9 billion**

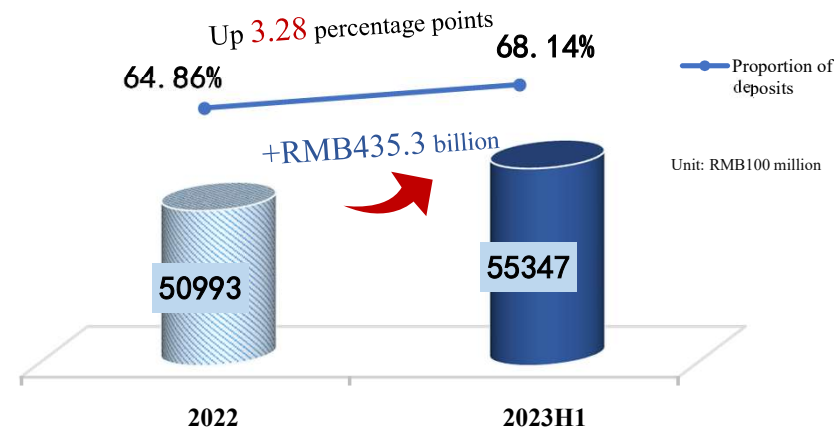
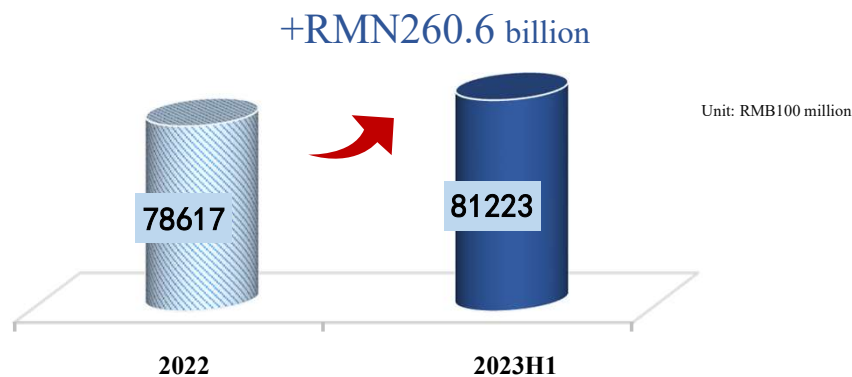
The data of green credit were calculated according to the standards of the People's Bank of China, and other data according to the standards of the China Banking and Insurance Regulatory Commission.

V. Deposits increased with balanced development of quantity and pricing and liability structure was further optimized

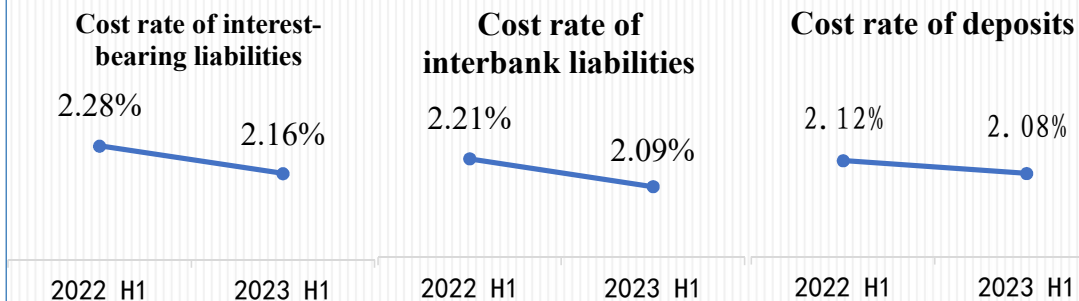
Total liabilities 8.12 trillion ↑3.31%



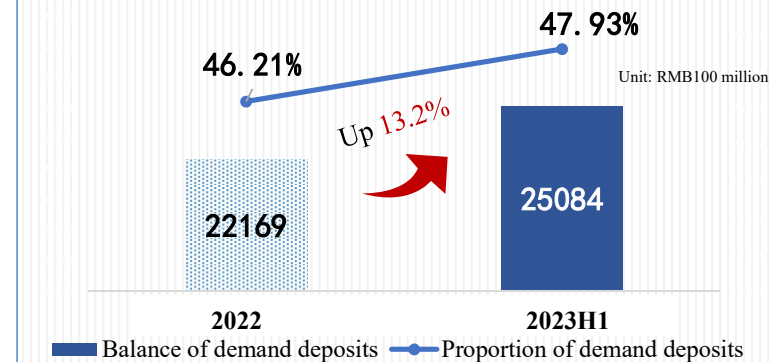
Deposits from customers 5.53 trillion ↑8.54%



Cost rate decreased (the Bank)



Proportion of demand deposits increased (the Bank)



VI. Brand image was enhanced and market capitalization maintained stable growth

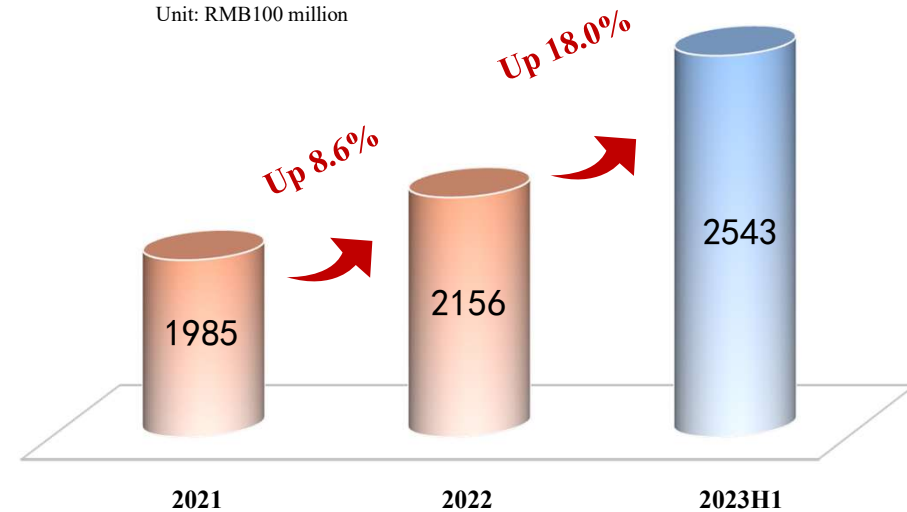
✓ The Bank ranked **20th** on the list of the “Top 500 Banking Brands 2023”, up **1** position from the previous year, and among the 48 Chinese banking institutions on the list, the Bank ranked 8th, up **1** position from the previous year.

- *The Banker*

Market capitalization

up **18%** over the beginning of the year

Unit: RMB100 million



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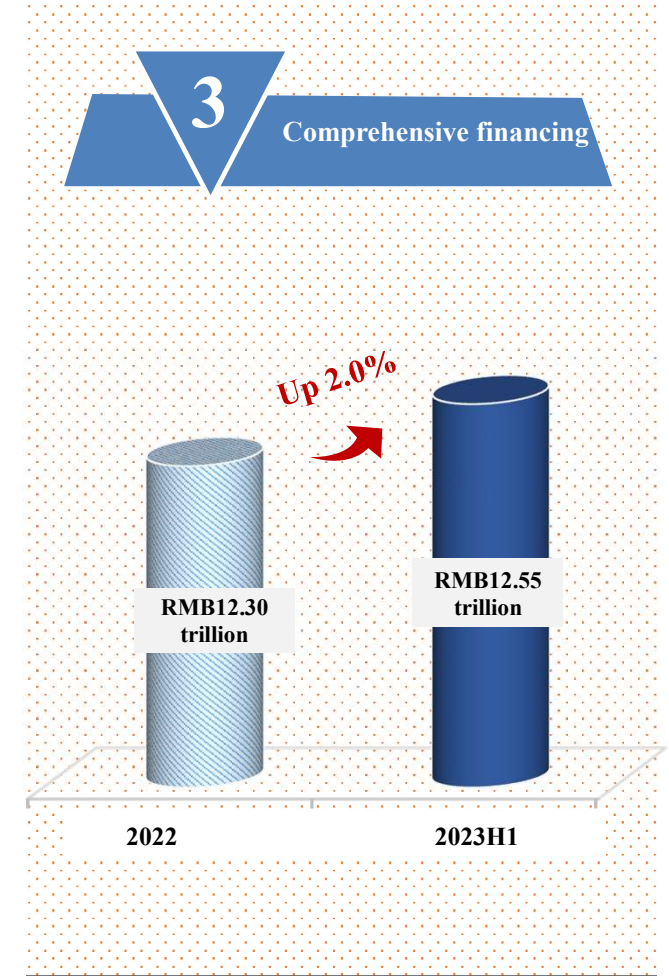
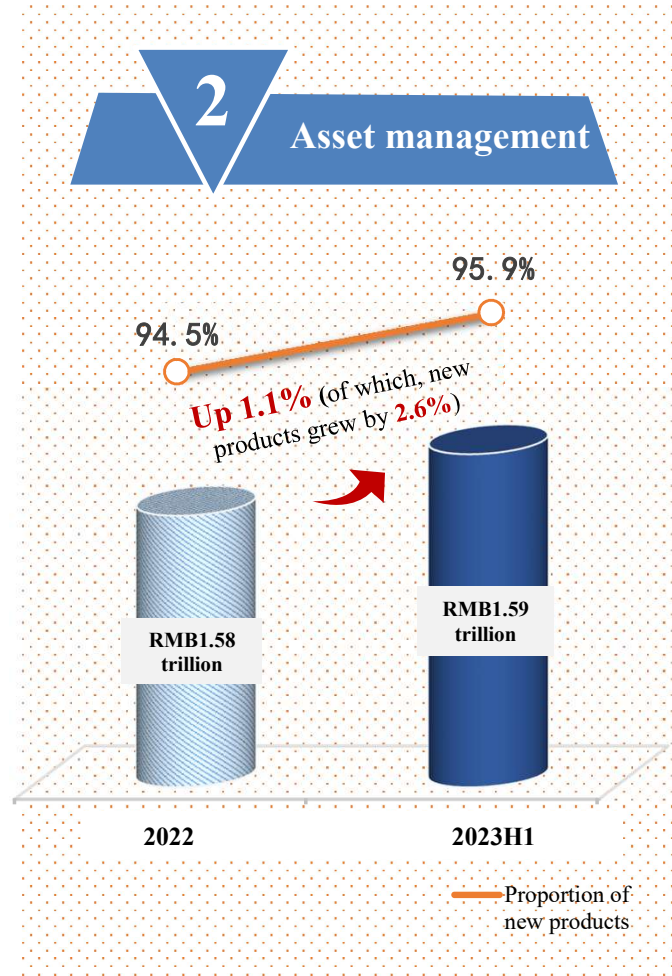
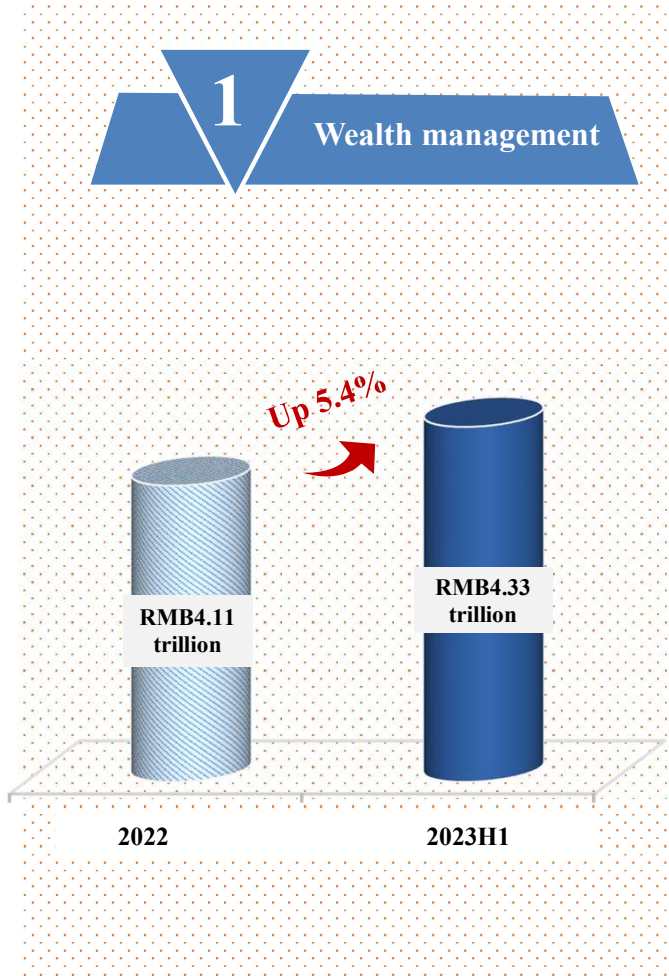
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- Transformation and Development

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I. The Bank took solid steps to advance the action plan for building core business capabilities in three areas

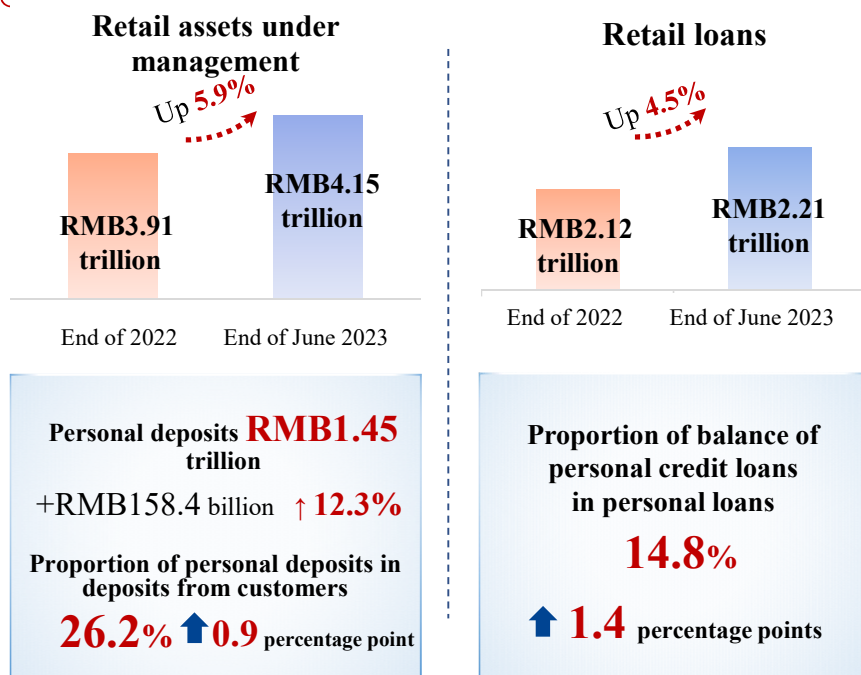


II. The Bank deepened transformation, and the competitiveness of the three major business segments was further enhanced

- Led by wealth management, the retail banking business practiced the development strategy featuring “three alls, five expertise, four links and two wings” and strengthened the implementation of “new retail”.



Operating income from retail banking accounted for **41.44%** ↑**2.68** percentage points



Strengthened customer base and deepened the relationship in “five expertise”

- **Improved customer acquisition quality through “four links”.** The number of customers who activated a debit account of the Bank for the first time increased by **38%** year on year and the numbers of customers who opened mobile banking and those who opened quick pay both rose by **64%** year on year.
- **Improved operating value by deepening the relationship in “five expertise”.** The Bank strengthened comprehensive management of personal loan customers and developed more than **400,000** new debit accounts from those customers, representing an increase of **52%** year on year. Through product innovation and channel efficiency improvement, the size of credit card payment by installment increased by **13%** year on year. The per account income of customers of “five expertise” rose by about **13%** year on year.



Improved professional capabilities and strengthened digital empowerment

- **Improved wealth management capability and created more value for customers.** The Bank offered the selected “Golden Seed” fund product. **80%** of the Bank’s products ranked at the **forefront** of the market in terms of annualized return over the same period and the average return on the major private wealth management products recommended by the Bank was about **2.4%** higher than the **Wind Total Fund Index**. The Bank continued to innovate in and upgrade family trust business. The size of the business recorded a compound annual growth rate over the past three years of more than **30%**.
- **Improved the scope, quality and efficiency of customer services through digital empowerment.** The Bank established an online channel operation system with APP at the core, which provides customers with suitable wealth products and differentiated asset allocation plans based on insight into customers. In the first half of the year, the Bank reached **270 million** customers and the AUM of those customers increased by **nearly RMB100 billion**.



Optimized organizations and teams and unleashed frontline production capacity

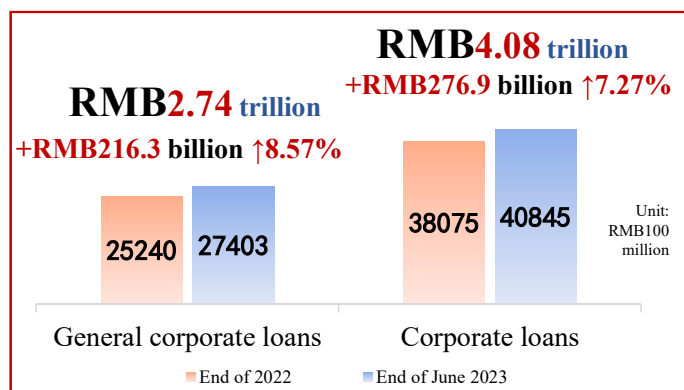
- The Bank increased retail personnel at branches and sub-branches, added wealth advisors and investment advisors, strengthened branches’ middle-office capability, appointed retail market managers at sub-branches, and strengthened the capability of frontline workers to serve customers.
- The Bank strengthened collaboration and integration of the Credit Card Center and branches. The number of new credit card customers increased by **34.5%** year on year and the proportion of credit cards issued via branches rose from 4.5% in 2019 to **30%** as at the end of the first half of the year.

Note: “Three alls” refers to the “all customers, all products and all channels” operation strategy. “Five expertise” refers to deepening the customer relationship become customers’ first choice of wealth management bank as an expert at “settlement, investment, financing, activities and services. “Four links” refers to the development path of “sector integration, bank-wide collaboration, intra-Group coordination and external connection”. “Two wings” refers to the capability support of “digitalization and ecologicalization”.

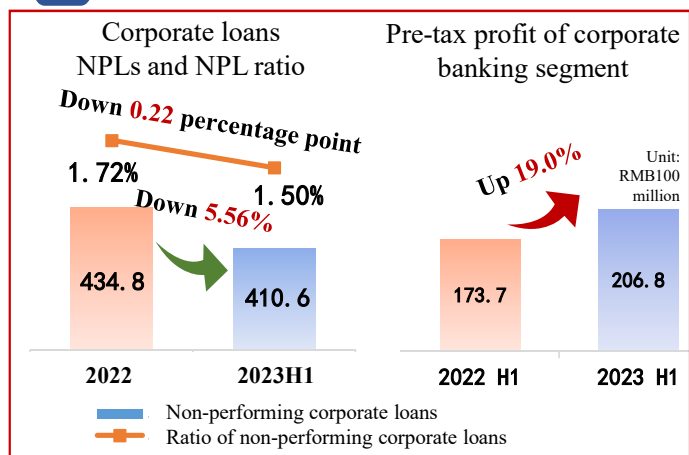
II. The Bank deepened transformation, and the competitiveness of the three major business segments was further enhanced

With rebuilding competitiveness as its main task, the corporate banking business segment continued to promote reform and transformation and achieved phased results.

 Scale grew steadily and increment in loans set a record



 Asset quality was sound and drove profit growth



1. Accelerated system building

- Implemented the “1+3+3+1” reform of organizational structure, promoted business collaboration and resource integration, and pushed for stratification & classification and integrated management of customers.
- Deepened the building of the management system of small and medium-sized corporate customers and the transaction banking system, enriched the product system, and strengthened platform support.

2. Made a breakthrough in business expansion in new economic areas

- The numbers of accounts of “little giants” producing new and unique products using special and sophisticated technologies and provincial-level specialized and sophisticated enterprises that produce new and unique products recorded **4,653** and **12,414** respectively, up **411** and **1,634** over the prior year-end respectively.
- The number of pre-IPO company customers was **1,700**, with an account opening rate of **52%**, an increase of **188** over the prior year-end.
- The number of sci-tech innovation finance customers posted **16,000**, an increase of **1,449** over the prior year-end. The number of credit customers was **10,900**, an increase of **1,000** over the prior year-end.

3. Steadily advanced the transaction banking strategy

- “Tianyuan Treasurer” added **170** enterprises. The treasury project obtained **10** new accounts of headquarters of central state-owned enterprises (SOEs), bringing the total to **87**, and it directly connected to 24 new enterprises, raising the total to 78.
- The financing of transaction banking reached RMB**898.2** billion, up **13.2%** year on year.
- Auto finance maintained double-digit growth and its key indicators such as cumulative financing, deposits and number of customers **led the industry**.

4. Consolidated the position of traditional advantaged businesses

- Major customers: the Bank established “head-to-head” comprehensive cooperation with more than **40** new group customers and set up **405** new supply chain networks.
- Institutional banking business: the Bank added **309** major eligible account items, up **40.45%** year on year.
- International business: the Bank **maintained the lead** in terms of receipts and payments for international balance of payments and forex contract trading amounts for customers.
- Custody business: its scale exceeded **RMB14 trillion** and income bucked up. The Bank won the qualification as the custodian bank of occupational annuities for central agencies and provincial-level regions.

II. The Bank deepened transformation, and the competitiveness of the three major business segments was further enhanced

- The financial markets business segment optimized asset allocation, increased transaction traffic, served a larger customer base, and sought benefits from the market.

Deepened integrated and in-depth management system for interbank customers

The “Interbank+” platform empowered integrated operation

- The platform recorded a total trading amount of RMB**867.4** billion, up **118.9%** year on year, of which agency sales registered RMB**227.6** billion, up **71.1%** year on year.

Business transformation promoted integrated operation

- The Bank moved forward management in multiple dimensions with a focus on areas like products, coordination, management, marketing and technology, and leveraging its specialized advantages in the financial market, it continuously optimized customer services and enriched the touch points for customer cooperation.

System building supported integrated operation

- The Bank established the Head Office-branch multi-dimensional circulation platform, refined the product sales system, and strengthened the building of the sales team with a focus on revenue-generating businesses such as bond lending, sale of certificates of deposit and structural closing and established the multi-level asset sale mechanism.
- The Bank established the product-branch-customer-evaluation full-process digital sales system and continued to upgrade the functions of the CITIC “Interbank+” platform.

Competitiveness of advantaged businesses continued to improve

Forex market making stayed ahead in the market

- ✓ Forex market making volume exceeded USD**1.47** trillion, up **72.9%** year on year. Spot integrated market making ranked 1st among joint-stock banks.

Bond market making maintained at the forefront in the market

- ✓ Bond and derivative market making volume recorded RMB**3.58 trillion**, up nearly **15%** year on year;
- ✓ The Bank ranked 1st among joint-stock banks in terms of coverage of Bond Connect transaction counterparties;
- ✓ The Bank developed innovative bond basket products and became **one of the first** indicative quoting banks of trading and interest rate options of “Northbound Trading of Swap Connect”.

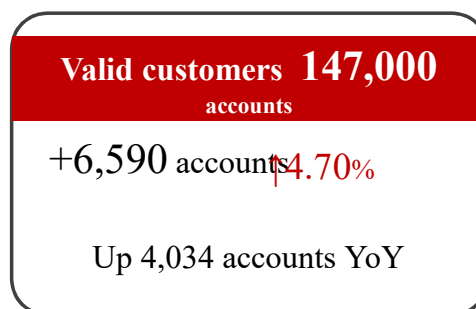
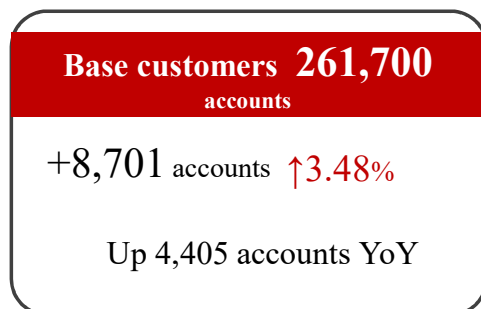
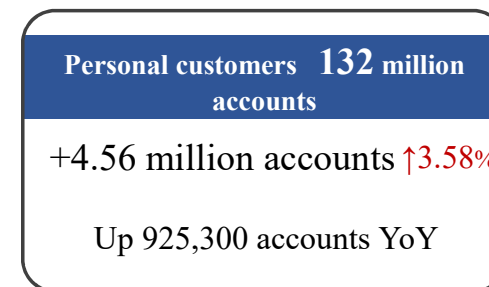
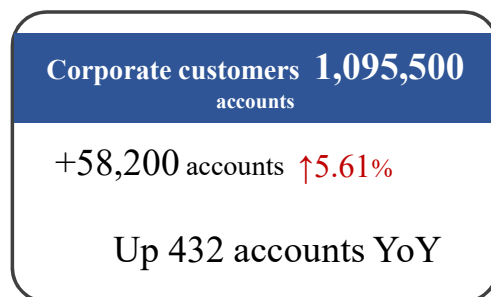
Precious metals market making continued to rise in rankings

- ✓ Gold inquiry market making volume recorded RMB**0.22 trillion**, up **18.5%** year on year, ranking 1st among joint-stock banks and 3rd in the market.

The capability of the bill business to serve the real economy was strengthened

- ✓ Volume of bill discounting business reached RMB**621.2** billion, and the business served **9,686** corporate banking customers, an increase of **311** year on year. of which, **6,684** or **69.0%** were micro and small enterprises.
- ✓ Daily average balance of bill rediscounting reached RMB**67.9** billion, representing an increase of **31.8%** year on year.

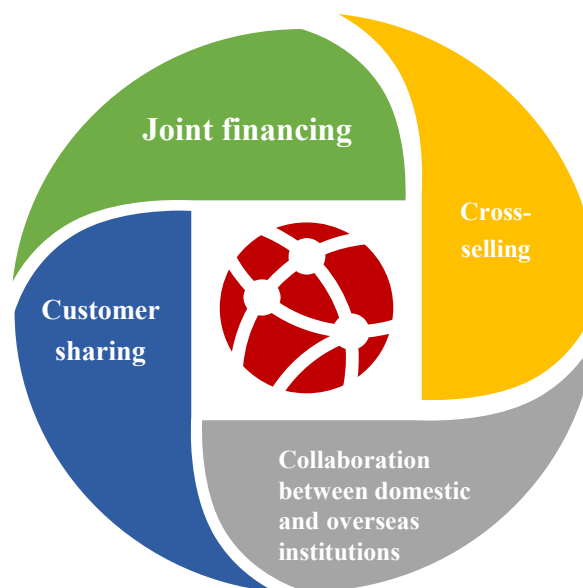
III. The Bank strengthened the foundation, and the customer base was consolidated



- ✓ The number of transaction banking customers reached **1,024,000**, up **6.54%** over the prior year-end.

- ✓ The number of mobile banking customers recorded **65.58 million**, an increase of **3.02 million** over the prior year-end. MAUs posted **15.895 million**, an increase of **464,000** over the prior year-end.

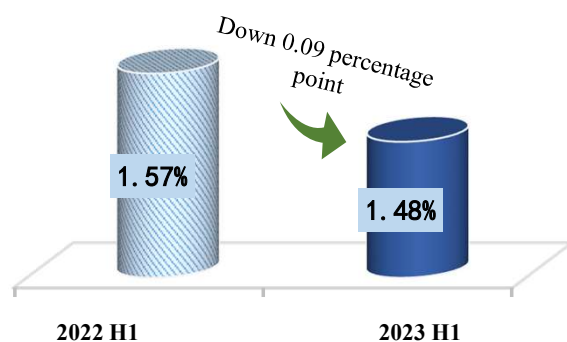
IV. The Bank promoted synergy and integration, and the advantage in collaboration was fully unleashed



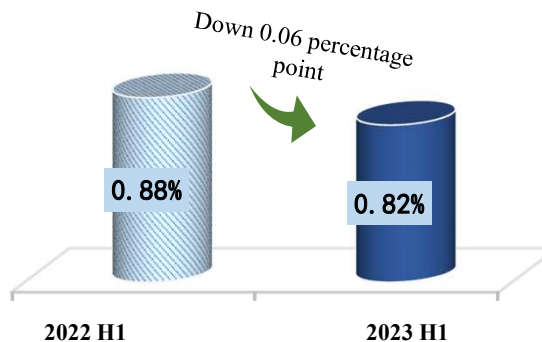
V. The Bank pursued stable development, and risk management efficiency was further improved

- Centering around the goal of “effectively putting risks under control and boosting development”, the Bank deepened the building of the risk management system and strengthened risk management capability.

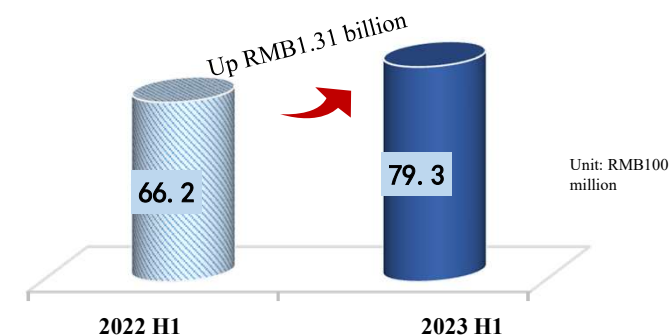
NPL GENERATION RATE



NPL MIGRATION RATE



CASH RECOVERY OF WRITTEN-OFF ASSETS



Optimized the risk system holistically

- Optimized the risk appetite system
- Strengthened concentration control
- Enhanced the subsidiary risk management system
- Accelerated the implementation of Basel III

Deepened the combination of Five Policies

- Deepened the combination of Five Policies and improved industry research capability
- Promoted the transformation of the results of Five Policies and improved region, industry, customer and product structures

Strengthened credit granting process management

- Refined the “review, management and inspection” integrated mechanism
- Strengthened post-lending management and optimized layered and classified risk monitoring management

Accelerated the building of digital risk control

- Improved the risk control capabilities of online businesses such as personal loans, auto finance and transaction banking
- Promoted big data-based risk early-warning and improved the smart platform for comprehensive risk

VI. With technology as the drive, the Bank accelerated digital transformation



The Bank had **4,847** technology employees, representing a year-on-year growth of **16%** and accounting for **8.5%** of total staff, up **0.9** percentage point year on year.

Empowered business development through business-technology-data integration

Agilely responded to frontline businesses

- The Bank expanded its domain-based transformation comprehensively and established over **340** agile integration teams. The agile business-technology-data integration efficiently empowered business development.
- The enterprise-level wealth management sales platform (Benteng) launched elderly pension investment products and the “Flexible Money+” flagship wealth product, with **an increase of 30%** in contracted customers year on year.
- The Tianyuan treasury system built **14** business centers and developed a customer base management and service system that empowered branches and sub-branches in customer acquisition, service and product promotion.
- The Bank launched the Interbank+ platform transformation and maintained **industry-leading** scale and transaction volume on agency trading platforms.

Built enterprise-level data capability

Supported leapfrog improvement in digitalization capability

- The Bank made solid progress in data governance and published a total of **over 25,000 items** in the enterprise data dictionary.
- The bankwide real-time data service center saw **a year-on-year increase of 165%** in data demands accepted, and the average delivery efficiency **improved by 60%**.

Strengthened key capabilities in science and technology

Built a solid foundation for the high-quality development of the Bank

- The Bank built enterprise-wide shared capabilities and promoted their scaled adoption. The Bank holds a leading position in business middle-office service-oriented architecture, which provides shared capabilities for **over 130** application systems.
- The Bank rapidly promoted the capabilities of the technology middle office and accelerated the migration of applications to cloud, with **over 60%** containerized applications, **leading peers**.

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I. Situation forecasts



International
political and
economic
situations



Domestic
macroeconomic
trend



Policy orientation
and market
opportunities



Changes in risk
management
situation

II. Strategy and Outlook

The Bank will maintain strategic focus, continue to focus on the four operation themes of “stabilizing net interest margin, maintaining stable quality, increasing fee-based business income and expanding customers”, promote transformation and development, strive to achieve even better performance, conclude the 2021-2023 three-year plan with a complete success, develop a new three-year plan, and realize high-quality development.



i. Adhere to the orientation of a bank of value and improve development quality and efficiency

ii. Adhere to capital-light development and strengthen building of core capabilities

iii. Adhere to being customer-centric and strengthen customer expansion and management capabilities

iv. Adhere to collaboration to empower business development

v. Adhere to prudent operation and consolidate the fundamentals of risk management

vi. Adhere to developing the Bank through science and technology and unleash the value of digitalization at a faster pace

Thank you!