

新征程 信未来



# China CITIC Bank

## 2024 Interim Results Release

August 2024, Beijing

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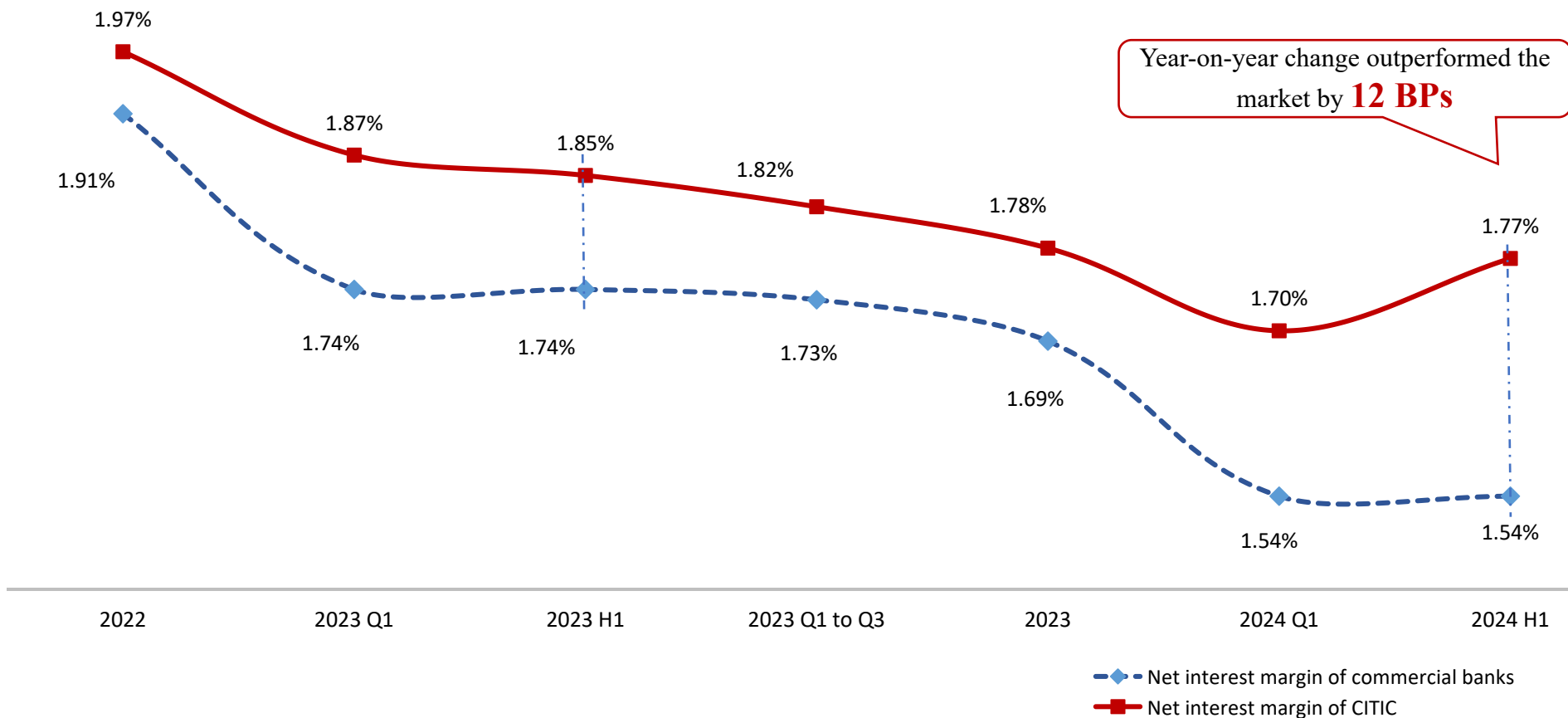
# Overview of Indicators

Performance indicators	Six months ended 30 June 2024	Year-on-year increment/decrement	Increase/decrease
I. Net profit attributable to the equity holders of the Bank	354.90	-5.77	-1.60%
II. Return on average assets (ROAA)	0.79%	Down by 0.06 percentage points	
III. Weighted return on average equity	10.69%	Down by 1.46 percentage points	
IV. Net operating income	1,090.19	28.45	2.68%
V. Net interest margin	1.77%	Down by 8 BPs year on year	
VI. Net non-interest income	364.11	34.43	10.44%
Proportion of net non-interest income	33.40%	Up by 2.35 percentage points	
VII. Cost-to-income ratio	27.33%	Up by 0.90 percentage points	
Scale indicators	End of June 2024	Increment/decrement over the end of the previous year	Increase/decrease
I. Total assets	91,046	521	0.58%
II. Loans to customers	55,937	953	1.73%
III. Deposits from customers	55,149	1,167	2.16%
Quality indicators	End of June 2024	Increment/decrement over the end of the previous year	Increase/decrease
I. NPL balance	665.80	17.80	2.75%
II. NPL ratio	1.19%	Up by 0.01 percentage points	
III. Balance of allowance for loan impairment losses	1,376.58	31.41	2.34%
IV. Allowance coverage ratio	206.76%	Down by 0.83 percentage points	
Regulatory indicators	End of June 2024	Increase/decrease over the end of the previous year	
I. Capital adequacy ratio	13.69%	Up by 0.76 percentage points	
II. Tier-one capital adequacy ratio	11.57%	Up by 0.82 percentage points	
III. Core tier-one capital adequacy ratio	9.43%	Up by 0.44 percentage points	

Unit:  
RMB100  
million

# I. The Bank Recorded Significant Results in Stabilizing Net Interest Margin and Operating Income Remained Stable

## Interest margin continued to outperform the market

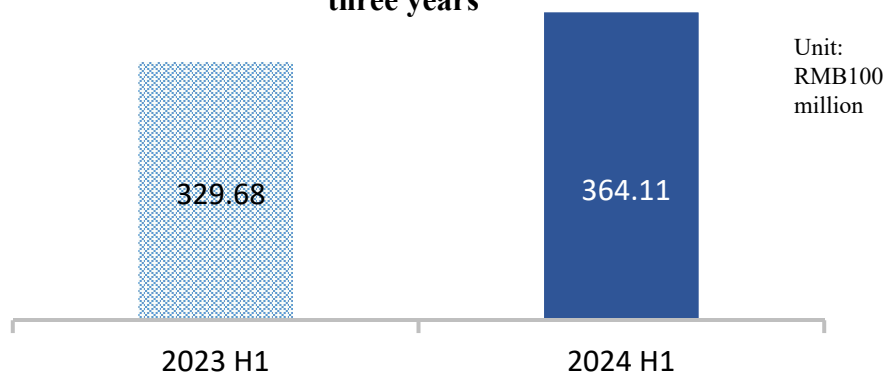


Note: Net interest margins of commercial banks are from the NFRA.

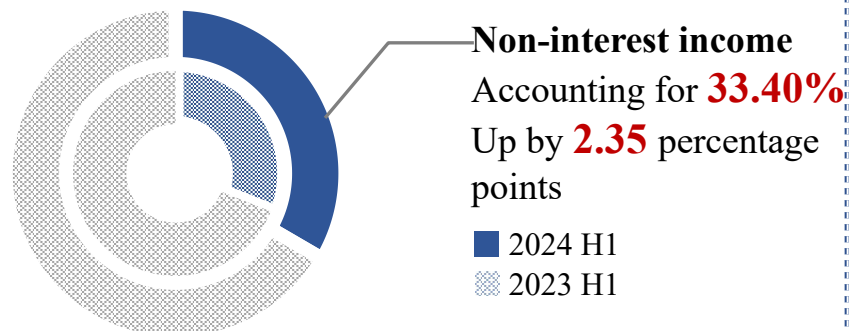
# I. The Bank Recorded Significant Results in Stabilizing Net Interest Margin and Operating Income Remained Stable

Net non-interest income **continued to grow rapidly**

**RMB36,411 million**  
**+RMB3,443 million Up by 10.44% in H1**  
Compound growth rate of **12.14%** in the past three years

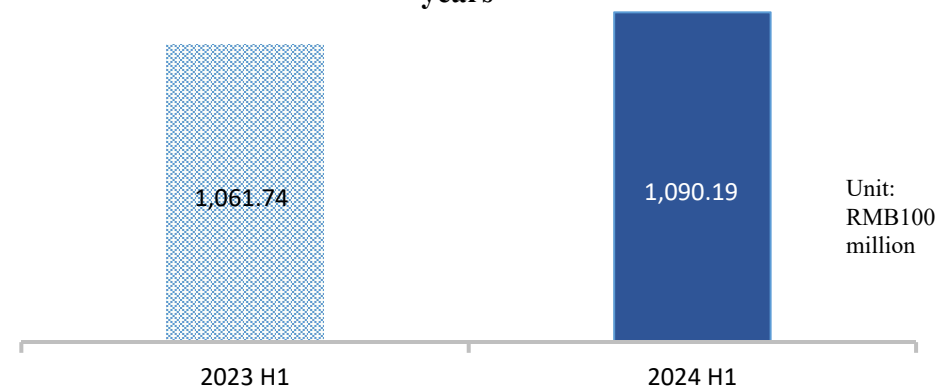


Non-interest ratio **continued to rise**

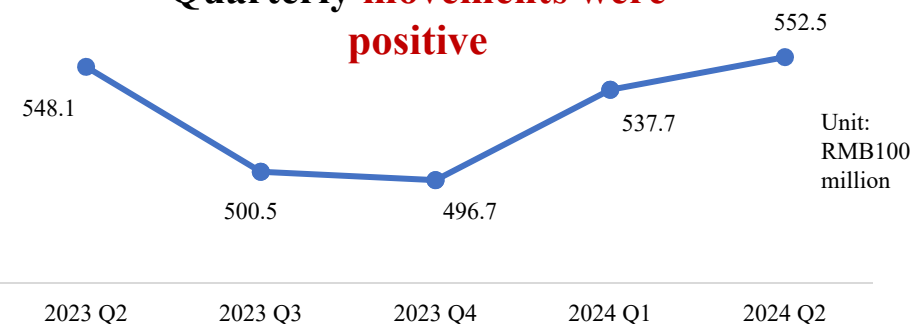


Net operating income **grew year on year**

**RMB109,019 million**  
**+RMB2,845 million Up by 2.68% in H1**  
Compound growth rate of **1.88%** in the past three years

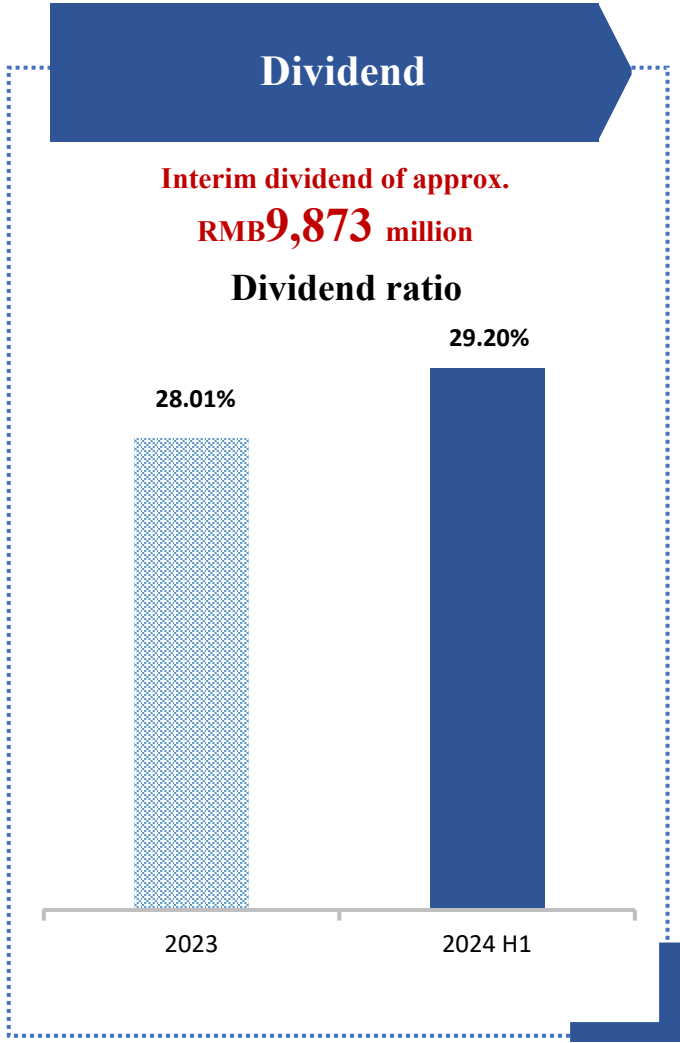
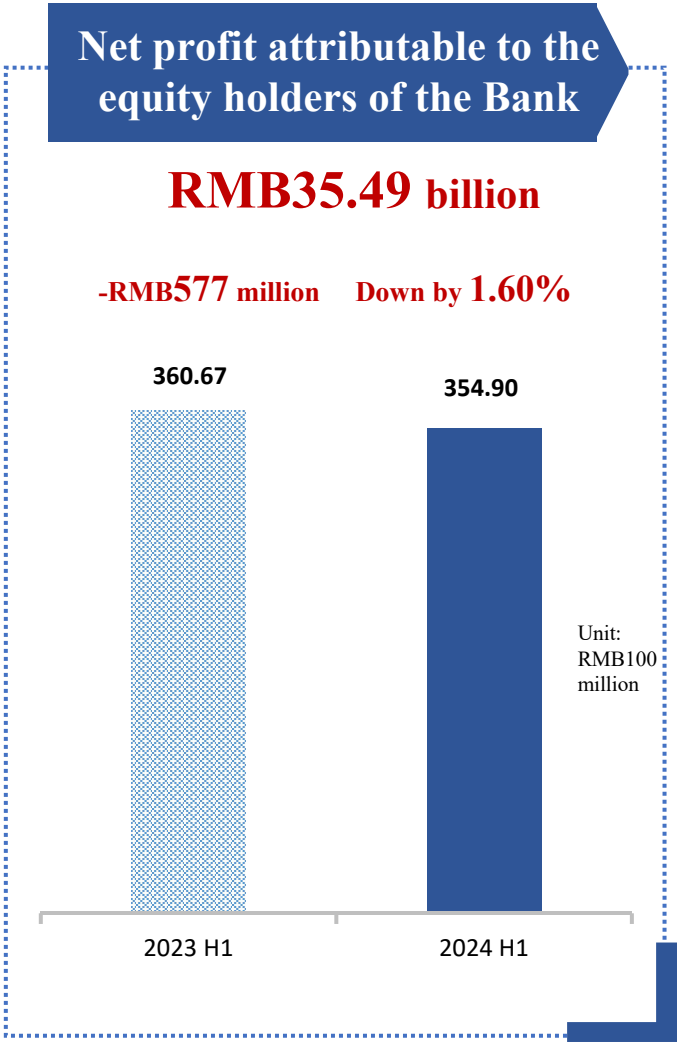
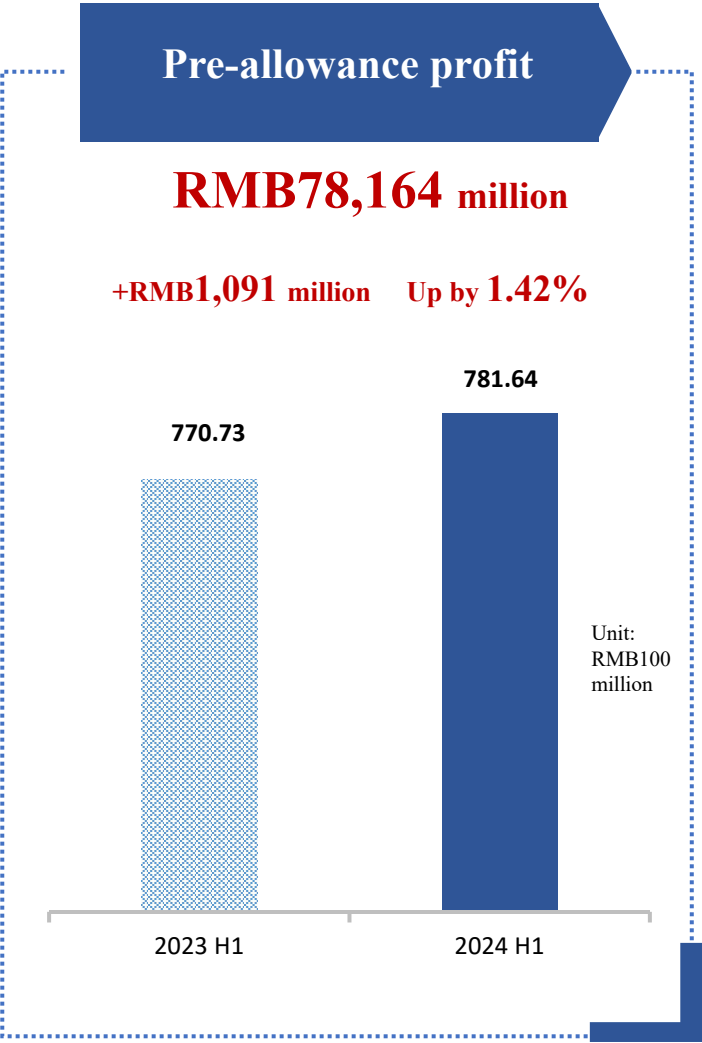


Quarterly movements were **positive**



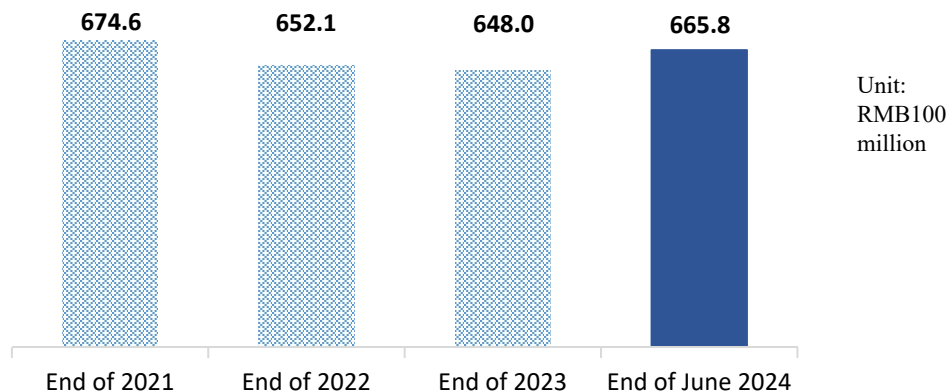
# I. The Bank Recorded Significant Results in Stabilizing Net Interest Margin and Operating Income Remained Stable

Amid sound growth of operating income, the Bank adhered to the strategy of “increasing income, increasing allowance and increasing core tier-one capital” and took early and further risk mitigation measures to consolidate the foundation for sustainable development.

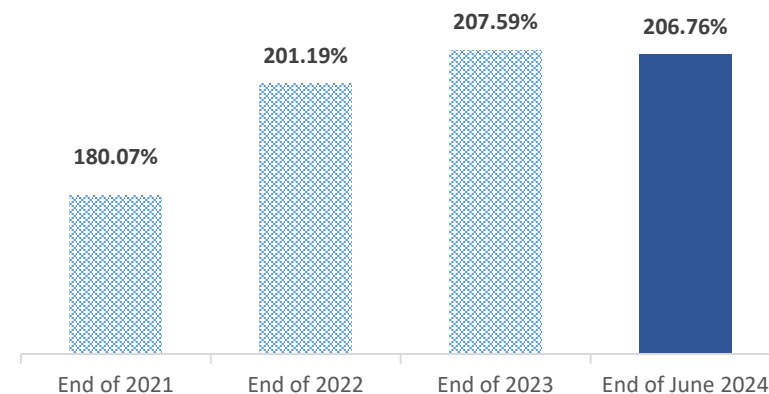


## II. The Bank Practically and Effectively Maintained High Quality and the Risk Offset Level Stayed Steady

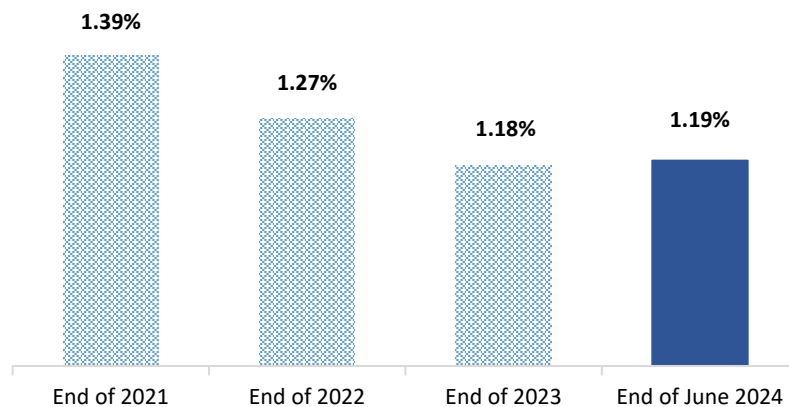
### NPL amount



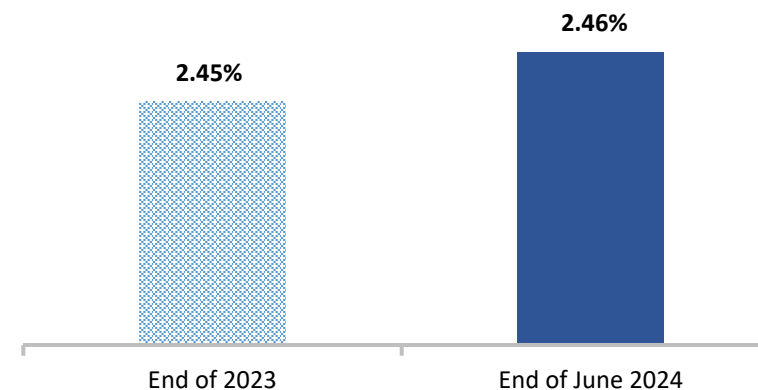
### Allowance coverage ratio



### NPL ratio



### Ratio of allowance for loan impairment losses to total loans

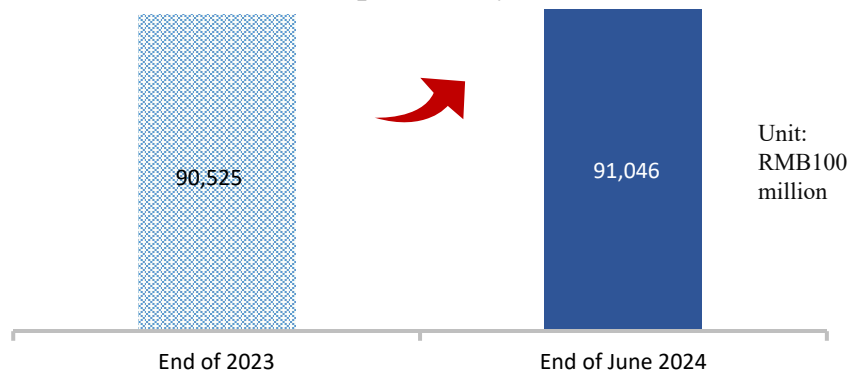




### III. The Bank Continued to Advance Structural Optimization and its Business was Further Expanded with Steady Progress

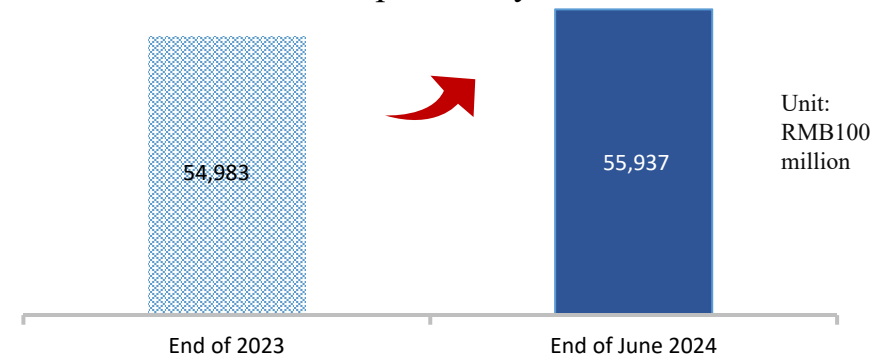
#### Total assets of **RMB9.1 trillion**

Up by **RMB52.1 billion** or **0.58%** over the end of the previous year



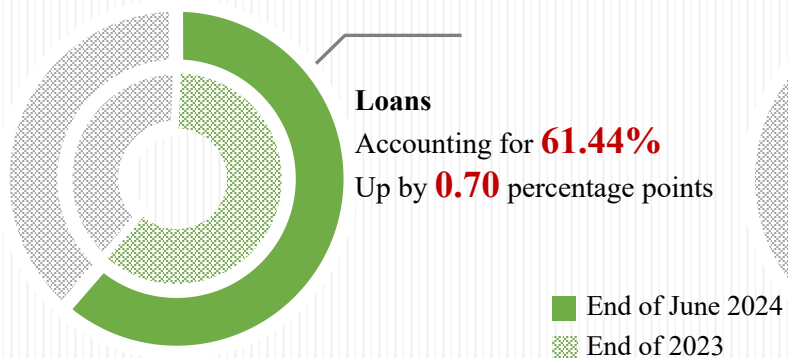
#### Total loans of **RMB5.59 trillion**

Up by **RMB95.3 billion** or **1.73%** over the end of the previous year

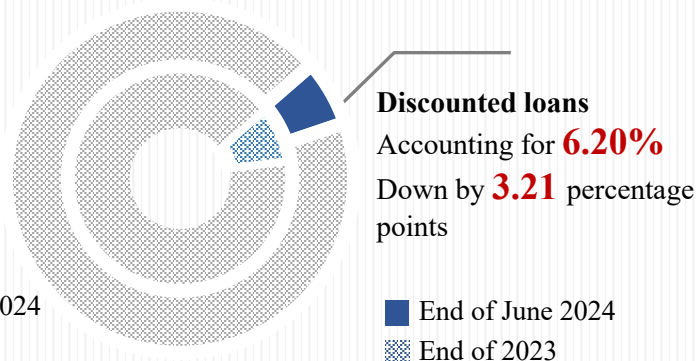


#### Asset structure was further optimized

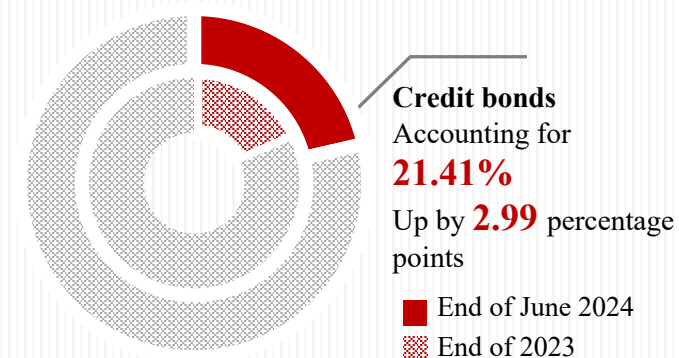
##### Proportion of loans went up



##### Proportion of discounted loans dropped



##### Proportion of credit bonds rose



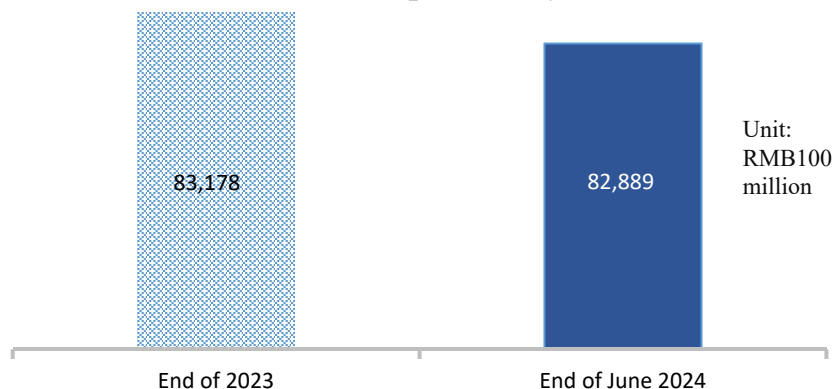
Note: The proportion of discounted loans is the proportion of discounted loans to loans to customers.

Note: The proportion of credit bonds is the proportion of unsecured bonds to bond investment.

### III. The Bank Continued to Advance Structural Optimization and its Business was Further Expanded with Steady Progress

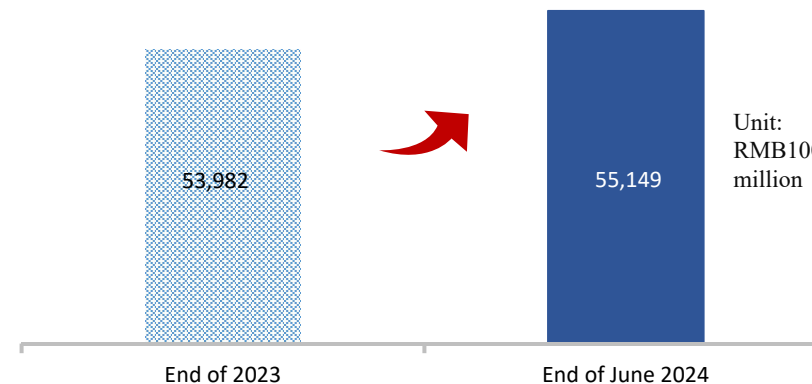
Total liabilities of **RMB8.29 trillion**

Down by RMB**28.9** billion or **0.35%**  
over the end of the previous year



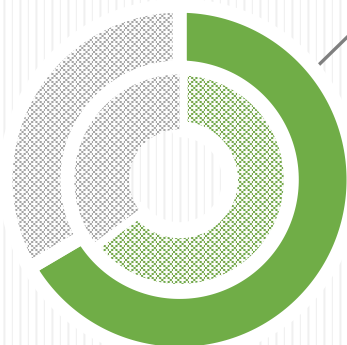
Total deposits of **RMB5.51 trillion**

Up by RMB**116.7** billion or **2.16%** over the  
end of the previous year



#### Liability structure was further optimized

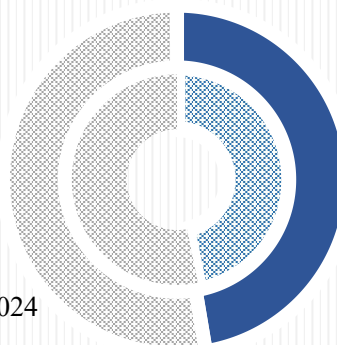
Proportion of proprietary  
deposits rose



Proprietary deposits  
Accounting for **66.53%**  
Up by **1.63** percentage points

■ End of June 2024  
■ End of 2023

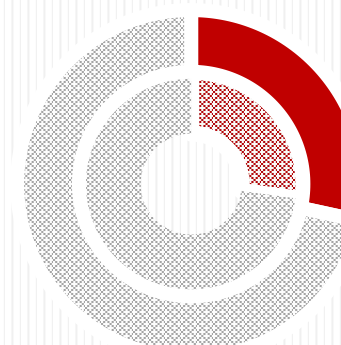
Proportion of demand deposits  
rose



Demand deposits  
Accounting for **47.36%**  
Up by **0.53** percentage points

■ End of June 2024  
■ End of 2023

Proportion of personal deposits  
rose

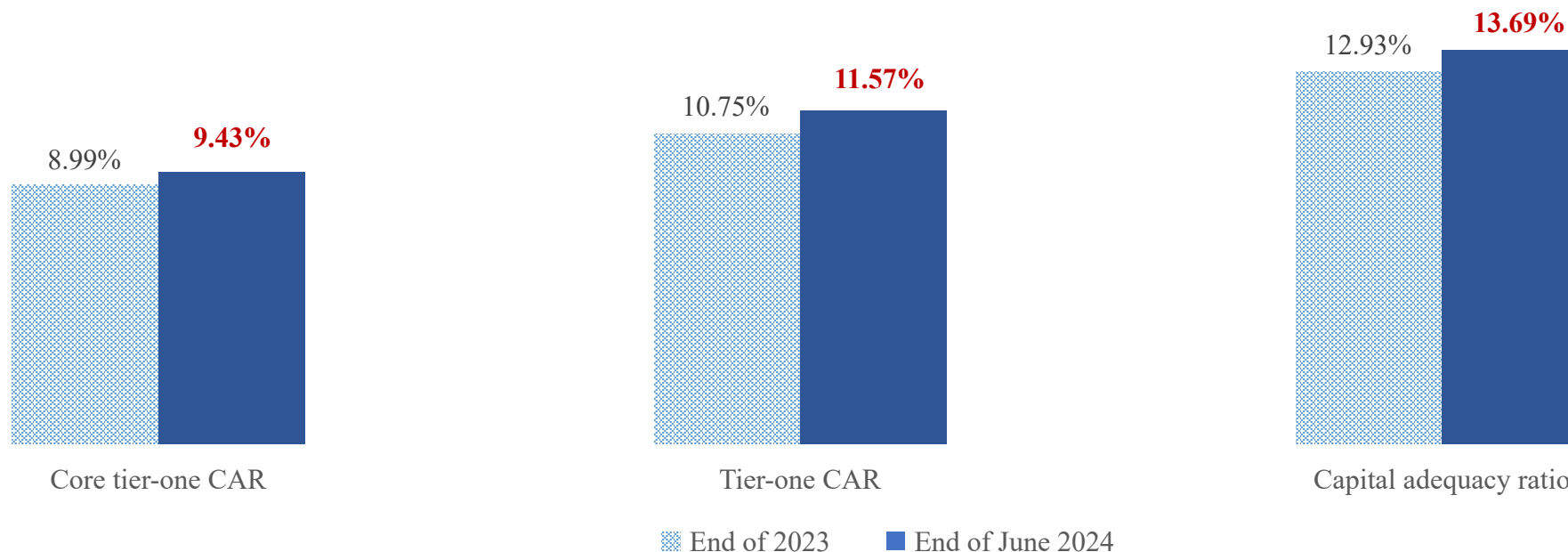


Personal deposits  
Accounting for **28.41%**  
Up by **1.26** percentage points

■ End of June 2024  
■ End of 2023

## IV. The Bank Improved Efficiency through Management Optimization and its Capital Strength was Enhanced

### CAR Further Increased



#### Adequate replenishment from external capital

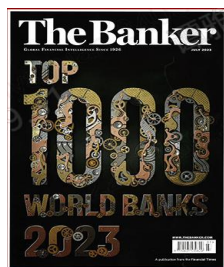
- All RMB**26,388** million of convertible bonds held by CITIC Financial Holdings were converted into shares.
- The Bank seized market opportunities and issued perpetual bonds of RMB**30** billion.

#### Smooth transition of the new rules on capital management and improvement of refined management capacity

- The Bank realized a smooth transition of the new rules on capital management through such measures as development of the capital system cluster, forward-looking adjustment of business structure and governance of underlying data.
- The whole-process closed-loop capital management system was refined and the refined management capacity was improved.

Note: The new rules on capital management were officially enforced on January 1, 2024, so data as at the end of 2023 are by the standard of the former rules.

## V. External Evaluation Results were Positive and the Market Value Grew Continuously and Steadily



### □ *The Banker*

- Ranked **18th** in terms of tier-one capital, **up one place** from the previous year, in the "Top 1,000 World Banks" ranking



### □ International credit rating agency

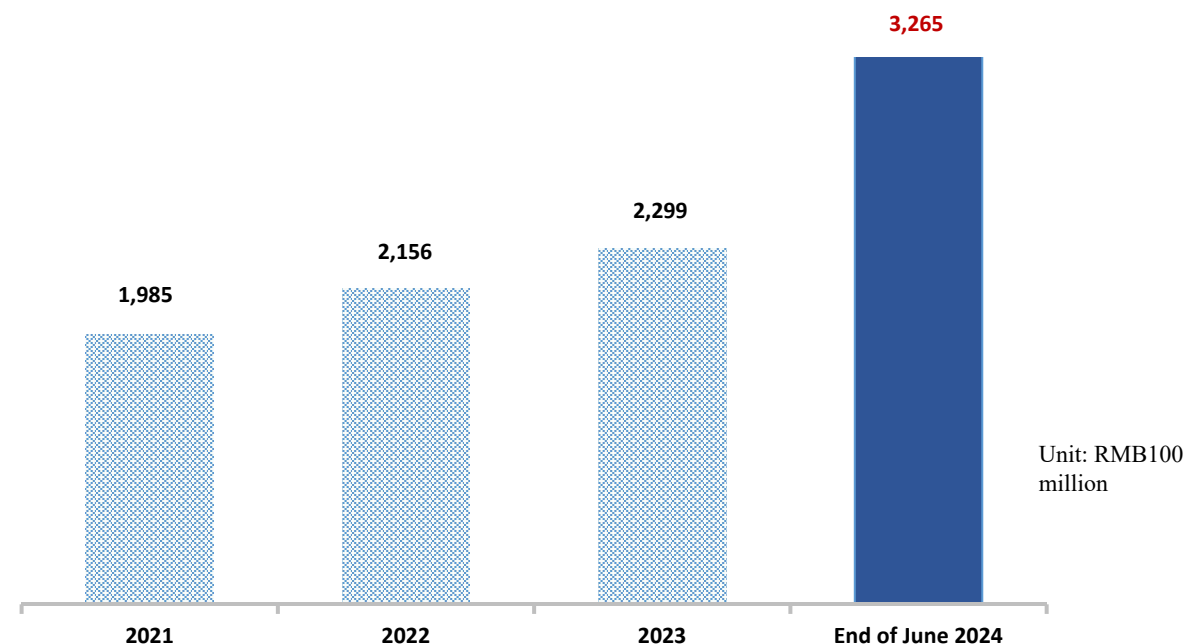
- S&P up-regulated the Bank's issuer rating from "BBB+" to "**A-**".



### □ International authoritative index institution

- MSCI raised the Bank's ESG rating from "BBB" to "**A**".

Market value grew  
**continuously and steadily**



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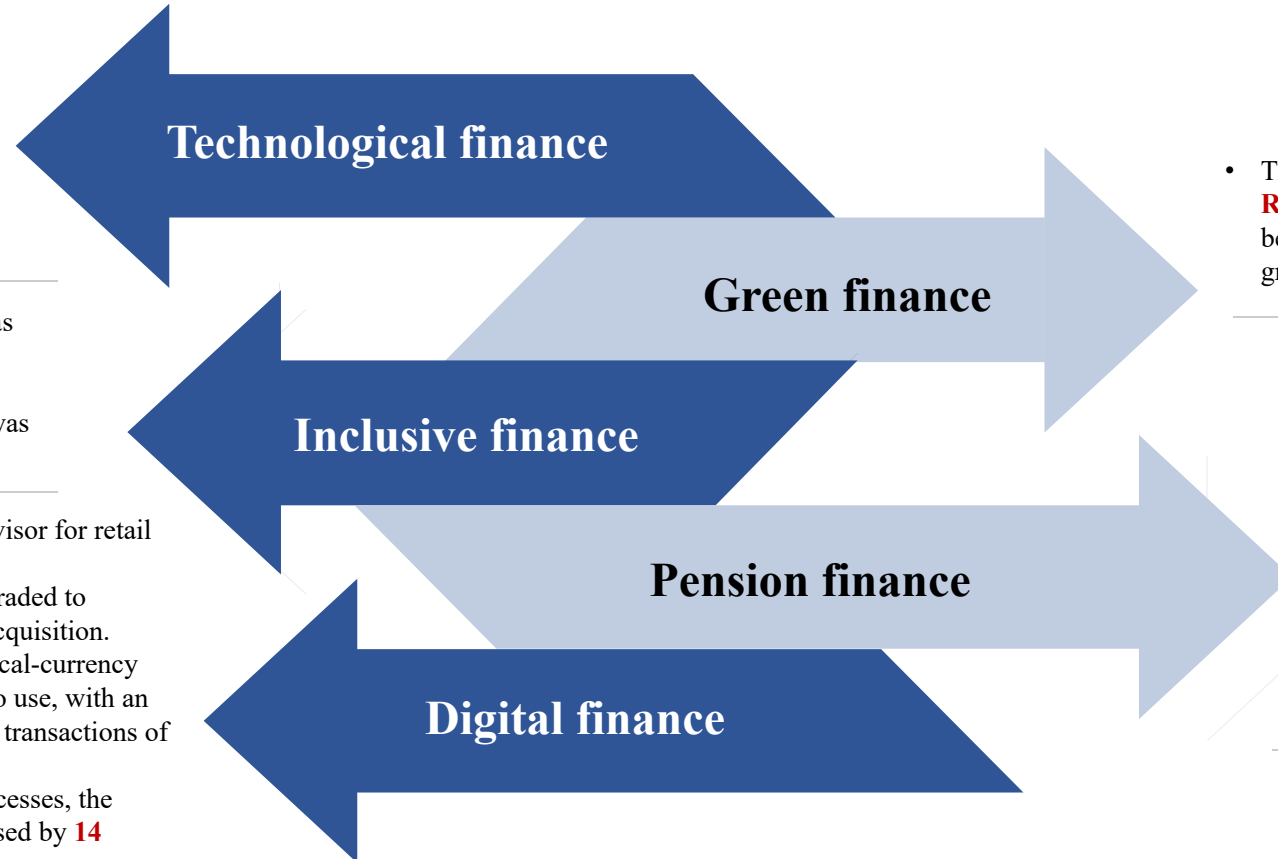
# I. “Five Priorities” were Practically Advanced

The Bank implemented the arrangements of the Central Government, closely linked its service for the real economy to structural adjustment and optimization, developed and refined the implementation plan for the "Five Priorities", and established the leading group and five special working groups, formed the "1+5" implementation system and specified 31 specific measures for practical advancement of the "Five Priorities".

- The balance of general technology finance corporate loans was **RMB433.1 billion**, up by **4.19%** over the end of the previous year.
- The service coverage among "Little Giant" enterprises with specialized, sophisticated techniques and unique, novel products exceeded **60%**.

- The balance of inclusive finance loans was **RMB581.7 billion**, up by **6.7%** from the beginning of the year.
- The balance of agriculture-related loans was **RMB608.6 billion**, up by **10.5%**.

- The Bank developed the digital wealth advisor for retail banking business.
- The "Tianyuan Treasury" system was upgraded to empower platform-level batch customer acquisition.
- The integrated quantitative platform for local-currency and foreign-currency business was put into use, with an average daily volume of foreign exchange transactions of **USD150 million**.
- Among the first batch of key business processes, the coverage of intelligent applications increased by **14** percentage points from the beginning of the year, indicating continuous enhancement of the Bank's digital operation capacity.



- The balance of green finance loans was **RMB529.3 billion**, up by **15.3%** from the beginning of the year, with the ecosystem of green finance widened and enhanced.

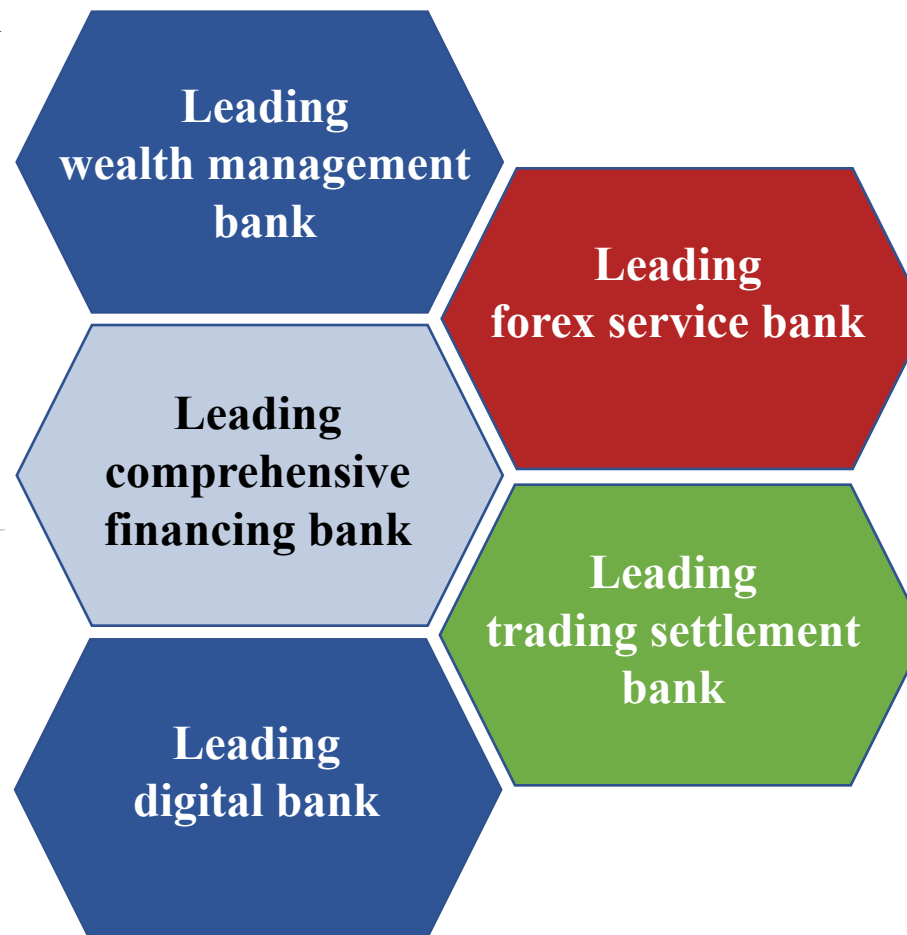
- The "Happiness+" pension finance service system was upgraded.
- Annuities under the Bank's custody **exceeded RMB460 billion**.
- The number of pension account book users **exceeded 4.18 million**.
- The Bank led joint-stock banks in terms of the size of deposits per private pension account and the cumulative sales of pension funds.

Note: Data of green finance and agriculture-related loans are by the PBOC standard, and data of inclusive finance loans are by the former CBIRC standard.

## II. The “Five Leading” Strategy Guided Business Development

**As the "Five Leading" bank providing financial services with CITIC characteristics to meet customers' comprehensive financial service demands in all directions**

- The Bank kept abreast of the trends of the era of greater wealth and the changes in customers' wealth demand and built structured capabilities and systematic strengths in wealth management to become customers' first choice of wealth management bank.
- The Bank focused on serving the real economy, customers' diversified financing demands and building a "commercial banking + investment banking + collaboration + matchmaking" integrated financing ecosystem, and provided customers with "financing + intelligence" comprehensive financing services.
- Centering on the "Digital China" landscape, upholding innovation as the drive, the Bank promoted deep integration of business, data and technology, restructured its management, business and operation value chains through digitalization, accelerated the formation and release of new quality productivity, and built a solid and powerful digital system support and capacity foundation.



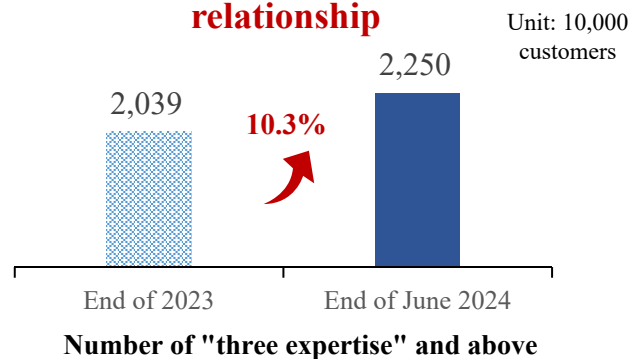
- Seizing the opportunities brought by the state's high-level opening up, the Bank constructed a first-class foreign exchange and cross-border service system to burnish the sterling reputation of CITIC's foreign exchange business.
- The Bank highlighted the basic functions of trading settlement of commercial banks and the original needs of customers, optimized platforms and products, strengthened services and innovation, and kept improving customers' settlement experience.



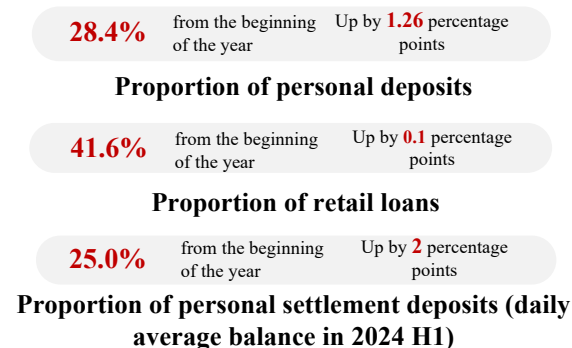
### III. Transformational Development was Further Promoted in the “Three Major Sectors”

**Retail banking business:** The Bank upheld the customer- and value-oriented operation philosophy, centered on the objective of building itself into the leading wealth management bank, stuck to the “New Retail” blueprint, and maintained the potential for business resilience growth

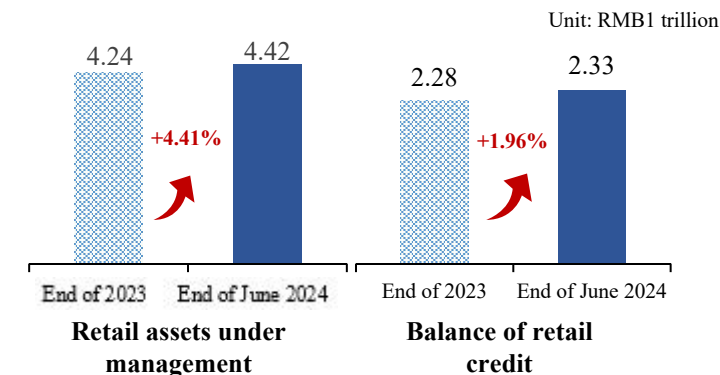
#### Close customer relationship



#### Optimized business structure



#### Steadily growing size



#### Advanced layout and reinforced guarantee

The Bank decomposed strategies and advanced them layer by layer.

- The new three-year plan was implemented to further upgrade the work map centering on "system capability" and "business propelling".
- The capabilities of "super channel customer operation and product service, refined business management and decision-making analysis and digital infrastructure support and general guarantee" were highlighted and fostered step by step.

**Sector coordination was strengthened and strategic resource investment was increased**

- The Bank kept ensuring and optimizing appraisal and resource allocation. For **four** consecutive years, the Bank allocated more retail teams.

#### Synergistic integration and distinctive development

The Bank gave full play to the Group's resources and strengths and strengthened collaborative marketing

- The number of new cross-over customers **exceeded 500,000**.

**The strength of corporate resources was leveraged for full integration and upgrading.**

- The number of individual payroll customers increased by **10.6%** year on year.
- The amount of effective payroll increased by **9%** year on year.

#### System upgrading and capacity forging

**New breakthroughs were made in the Head Office's capacity of direct customer operation.**

- The innovative remote team assisted branches in operating wealthy customers, driving the AUM of wealthy customers to grow by nearly **RMB20 billion** in 2024 H1.

**The digital management capability for all customers was improved.**

- The Bank gained insight into customer demands through digital approach, provided them with suitable products and services, and automatically deployed operation strategies for all channels. In 2024 H1, **476 million customers** were reached, **1.79 times** that of the same period last year.

Note: The proportion of personal settlement deposits (annual daily average balance) is the proportion of personal settlement deposits (annual daily average balance) to group-wide personal deposits (daily average balance in 2024 H1).



### III. Transformational Development was Further Promoted in the “Three Major Sectors”

**Corporate banking business:** The Bank strengthened customer-centric approach and value bank orientation, focused on the key areas of high-quality development of the real economy, promoted the building of systematic support, technological innovation and professional operation capabilities, and enhanced the driving force of large customer base, major featured products and large ecosystem, with noticeable progress made in reshaping the competitiveness of corporate banking business and realizing the coordinated development of "quantity, price, quality, customer and efficiency".

Amount of corporate deposits increased and interest rate dropped		Increment in corporate loans hit a record high		Amount and ratio of non-performing corporate loans continued to drop		Net operating income from corporate banking business grew steadily	
Balance	RMB3.95 trillion, up by RMB15.8 billion from the beginning of the year	Balance	RMB2.92 trillion	NPL amount	RMB36,354 million, down by RMB675 million from the end of the previous year	Net operating income	RMB47,034 million, up by 2.29% year on year
Cost rate	1.87%, down by 22 BPs year on year	Increment	RMB220.8 billion	NPL ratio	1.25%, down by 0.12 percentage points from the end of the previous year	Non-interest income	RMB8,344 million, up by 26.96% year on year

#### Constructed the Pyramidal-shaped customer structure and continuously consolidated the customer group basis

- The Bank combined business expansion and business cultivation and stratified, classified and integrated operation, accelerated the development of small and medium-sized customers in sufficient quantity, high-growth-value customers of high-quality and strategic customers of high potential.
- **Remarkable results were achieved in list-based acquisition of small and medium-sized customers.** The Bank paid continuous attention to key customer groups engaging in supply chain, technological innovation, industrial parks, cross-border business and capital market, and opened accounts for **18,900** new customers on the list, accounting for 20% of all new corporate customers. Among them, 7,625 were among the first five batches of national-level enterprises with specialized, sophisticated techniques and unique, novel products, an increase of 991 from the end of the previous year.
  - **In-depth operation of major customers was pushed forward on all fronts.** The Bank orderly promoted credit granting procedure optimization and chain management of major customers. Up to **39.62%** of the funds of major customers were undertaken, up by one percentage point from the beginning of the year.
  - **In terms of government and institutional customers, the Bank maintained its strengths.** The total number of government service accounts reached **5,650** in 2024 H1, a net increase of 316.

#### Developed competitive "5+N" featured financial products to continue to solidify business advantages

- Guided by the "Five Priorities", the Bank created professional and competitive featured products of technology finance, green finance, inclusive finance, chain finance, cross-border finance, government finance and industrial park finance.
- **Loans of technology finance, green finance and inclusive finance grew rapidly** (for details, refer to "'Five Priorities' were Practically Advanced").
  - **Chain finance** promoted the "industrial" transformation, and had provided more than **RMB730 billion** of supply chain financing for **31,000** enterprises, with year-on-year growth of **6.83%** and **26.69%**, respectively.
  - The brand-new "CITIC Forex+" service system for **cross-border finance** was rolled out, and "Xinhui e-Commerce" served **56,200** small and medium-sized foreign trade customers in 2024 H1.
  - "Local government bonds + comprehensive financing" services under **government finance** were intensified, and the Bank undertook **RMB176.1 billion** of local government bonds.
  - The balance of construction loans to industrial parks under **industrial park finance** was **RMB29,863 million**, up by RMB9,357 million from the beginning of the year.

#### Improved the integrated ecological service capability and continuously upgraded the development model

- Centering on customers diversified financial demands for stock, bond, credit, investment and foreign exchange products during the full lifecycle and in different scenarios, the Bank created the "greater commercial banking + greater investment banking + greater collaboration + greater matchmaking" ecosystem to improve comprehensive service capabilities.
- **The original business of trading settlement of the Bank as a commercial bank was solidified.** The "Tianyuan Treasury" system had received **1,837** users, generating a transaction amount of **RMB168.7 billion**.
  - **Advantages in foreign exchange services were strengthened and improved**, enabling the Bank to maintain its leading position in the industry in terms of major indicators such as international payment and foreign exchange settlement and sale. Free trade zone and offshore business grew significantly, and the balance of loans and deposits in three types of cross-border accounts (NRA/FT/EF) **grew by 13.93% and 10.41%**, respectively.
  - **Advantages in investment banking services were also strengthened and improved**, with bonds underwritten amounting to **RMB438.7 billion**, up by 20% year on year. Following the new "Nine Preferential Policies" for capital market, the Bank served 447 listed companies in total.
  - **Giving full play to the advantages of Group synergy**, the Bank made joint financing of **RMB1.19 trillion** with subsidiaries of the Group.
  - **The corporate banking ecosystem was expanded**, with **RMB153.5 billion** of matchmaking business conducted, a year-on-year increase of 62%.

### III. Transformational Development was Further Promoted in the “Three Major Sectors”

**Financial market business:** The Bank advanced "operation and reform" at once, as well as integrated and in-depth management of interbank customers, made scientific and reasonable plans for assets and liabilities and transaction turnover, and recorded steadily improving business performance.

Contribution to operating income was up by

Amount

**RMB16,373**  
million

year on year

or **11.84%**

accounting for

**15.02%**

year on year

up by **1.23**  
percentage points

#### Promoted integrated and in-depth management of interbank customers

##### Refinement of the management system

- An action plan for integrated and in-depth management of interbank customers was developed, which focused on sales transactions and aimed to create a dual-wheel driven model integrating proprietary balance sheet and agency sale flow sheet.

##### Optimization of the business model

- Resource channel forces, such as proprietary subsidiaries, wealth management subsidiaries and subsidiaries of the Group were integrated to form the ecosystem incorporating bond, asset management and cross-border business.
- Whole-process operation and management were deepened and the product support system and price supply were integrated to promote the digitalization of product and marketing processes.

##### Determination of target customers

- The "Financial Interbank+" platform had **2,902** signed customers, an increase of 62 from the end of the previous year, and the total transaction volume via the platform reached **RMB1.06 trillion**, up by **22.11%** year on year.

#### Further consolidated the competitiveness of advantageous business

- **Foreign exchange business:** The trading volume of forex market making business recorded USD1.47 trillion, making the Bank stay among the tops in the market in that respect.
- **Bond business:** The trading volume of bonds and interest rate derivatives recorded RMB5.29 trillion, **up by 47.77% year on year**. The Bank is **the first in the market** that rolls out "Northbound Swap Connect" IMM contract trading and contract compression services.
- **Money market business:** **The trading volume recorded RMB16.69 trillion** (including that in foreign currencies), and the issuance volume of interbank certificates of deposit recorded RMB891,326 million (including that in foreign currencies).
- **Precious metals business:** Interbank gold inquiry transactions recorded RMB382,391 million, **up by 74.10% year on year**, and the corporate gold leasing business increased by 61.21% year on year.
- **Bill business:** The Bank intensified efforts in serving the real economy, and handled **RMB808,831 million** of discounted bills and served a total of 12,623 corporate customers, **an increase of 2,937 year on year**.

## IV. Customer Base was Solidified



## V. Risk Management Capacity was Enhanced

NPL ratio of new loans was

**1.52%**, down by **0.02**  
percentage points

NPL ratio of new loans in H1 (annualized)

Down by 0.02 percentage points from the previous  
year

Amount and ratio of non-performing  
corporate loans continued to drop

Amounting to **RMB36.4** billion,  
down by **RMB675** million

Being **1.25%**, down by **0.12**  
percentage points

Increase in retail disposal

Recorded **RMB28.4** billion,  
up by **RMB7.7** billion

### Quality stabilization

#### ■ Joint efforts in comprehensive control of new non-performings

- The Bank intensified industrial research, further pushed forward the combination of "Five Policies", realized accurate access and exit of industries and customers, optimized credit structure, and **controlled new non-performings from the source**.
- The Bank rigorously assessed credit criteria and improved the professionalism of credit reviews to prevent risks from the source.
- The Bank strengthened advent management for timely risk mitigation and a firmer defense line for asset quality.

#### ■ Leveraging of mitigation and disposal

- The Bank increased efforts in cash recovery for thorough recovery of all cash.
- The Bank increased disposal channels to give full play to the advantages of Group synergy, thus enhancing the size and effects of disposal.

### System optimization

- **The Bank optimized top-level design to highlight coordination**, strengthened risk appetite transmission and closed-loop management to unify the bottom line of risk management, and accelerated the integration of the new rules on capital management into day-to-day management to promote light-asset transformation.
- **The Bank optimized the risk control mechanism to enhance robustness**, and optimized the risk management mechanism for personal loan, credit card, inclusive finance and financial market business to improve the quality and effects of co-prevention and co-control.
- **The Bank strengthened consolidated risk control for look-through management**, and intensified comprehensive, look-through risk management of subsidiaries to reinforce the integrated risk defense line covering both the parent company and the subsidiaries.
- **The Bank stepped up efforts in digital risk control to improve agility**, and deepened the integration of management and data to make risk measurement more accurate and early risk warning more forward-looking, so as to empower risk management and business development.

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In H2, the Bank will pay close attention to the trends of macro-economy and macroeconomic policies, thoroughly implement the decisions and deployments of the CPC Central Committee and the State Council, accelerate efforts to advance the implementation of the new three-year plan, continue to focus on high-quality development and the four business themes, and make solid progress in the "Five Priorities" while accelerating the building of a "Five Leading" bank, so as to boost its high-quality development.



## Key strategies

- ◆ To focus on sustainable operation of asset business, make good progress in asset extensions in key areas, and proactively seek new growth points
- ◆ To focus on high-quality growth of liability business and stabilization and increase in deposits to provide effective support for business development
- ◆ To focus on in-depth development of products and customers and refined management of key business and key customer groups, and tap the value of "CITIC Synergy"
- ◆ To focus on the asset quality in key areas and effectively control risks for forceful safeguarding of profits
- ◆ To focus on comprehensive improvement of internal control management, deepen the philosophy of "integrity and compliance", and give play to the supervisory role of audits
- ◆ To focus on further reform on all fronts and unleash the vitality for development to boost high-quality development

Thank you for  
your attention!