

# 2012 Results Briefing of China CITIC Bank Corporation Limited



March 2013





## **I. Financial Performance**

## **II. Business Development**

## **III. Outlook**



# Part I

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## Financial Performance



# I. Financial Performance

## ❖ Major indicators

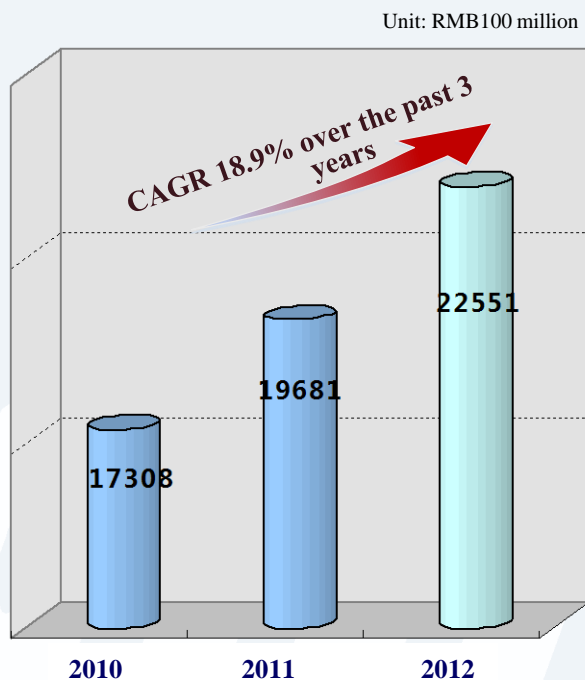
Unit: RMB100 million

Scale indicators	At the end of 2012	Change from year beginning	Growth rate
Total assets	29599	+1941	↑ 7.0%
Deposits from customer	22551	+2871	↑ 14.6%
Loans to customer	16629	+2289	↑ 16.0%
Quality indicators	At the end of 2012	Change from year beginning	
NPLs	122.6	+37.1	
NPL ratio	0.74%	+0.14 percentage point	
Provision coverage ratio	288.2%	+15.9 percentage points	
Provision to loan ratio	2.12%	+0.5 percentage point	
Performance indicators	2012	Yoy increase	Yoy growth rate
Net profit attributable to shareholders	310.3	+2.1	↑ 0.7%
Net interest income	754.9	+103.8	↑ 15.9%
Net non-interest income	139.5	+21.1	↑ 17.8%
Percentage of non-interest income	15.6%	+0.2 percentage point	
Net interest Margin	2.81%	-0.2 percentage point	
Cost-to-income ratio	31.5%	+1.7 percentage points	
Supervisory indicators	At the end of 2012	Change from year beginning	
Capital adequacy ratio	13.4%	+1.2 percentage points	
Loan-to-deposit ratio (Bank, time point)	73.6%	+0.6 percentage point	



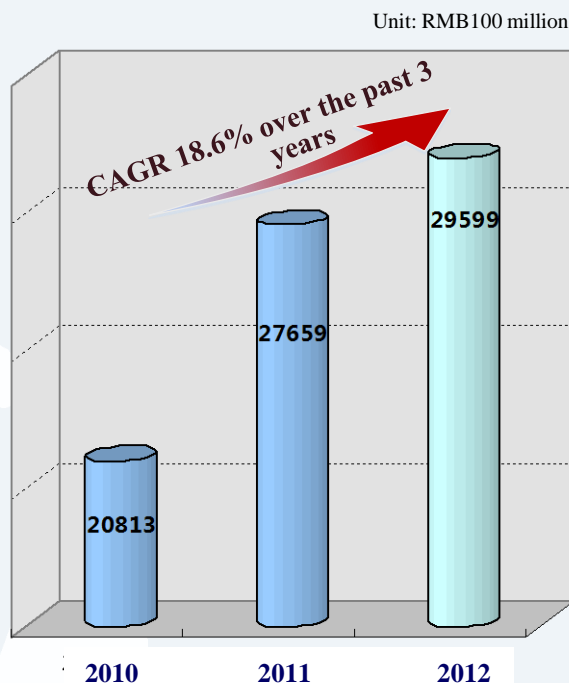
## 1. Business expanded steadily

Deposits from Customer



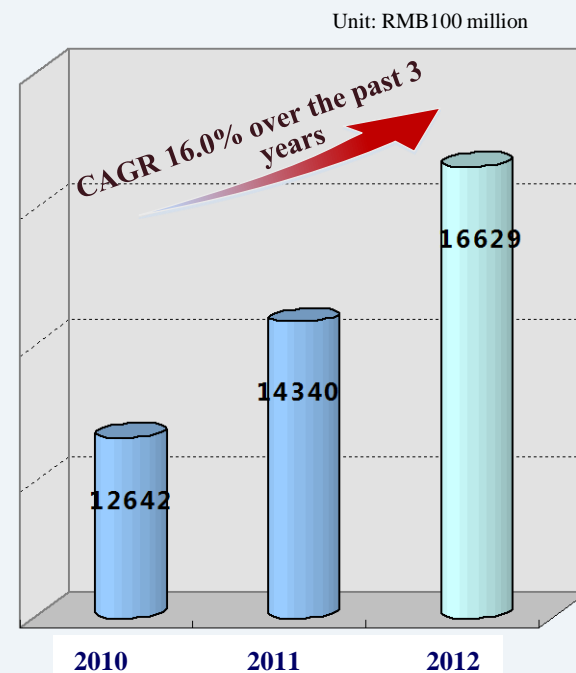
- Customer deposits reached to RMB2,255.1 billion
- Increased by RMB287.1 billion, increment of RMB49.9 billion year on year
- Growth rate 14.6%

Total assets



- Total assets close to RMB3 trillion
- Increment of RMB194.1 billion
- Growth rate 7.0%

Loans to customer

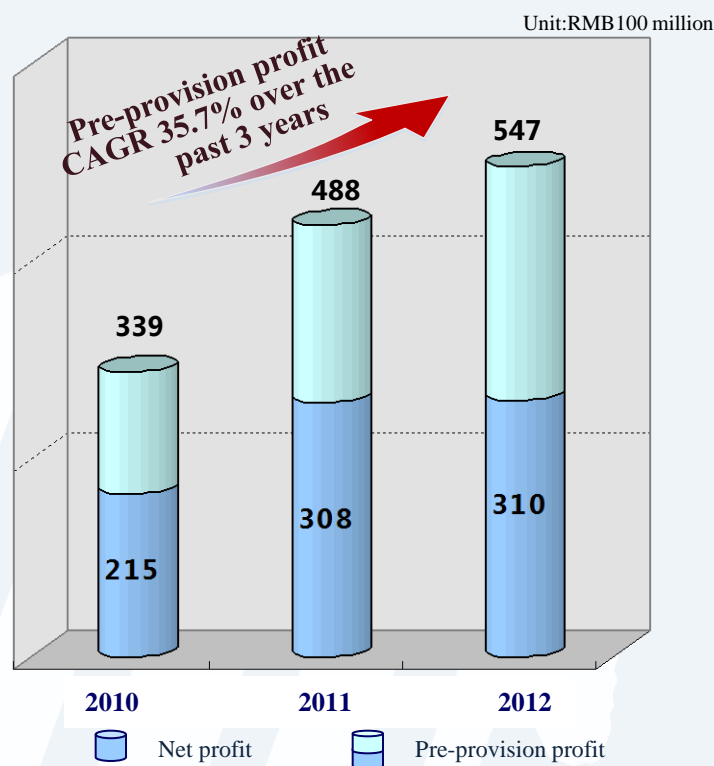


- Customer loans RMB1,662.9 billion
- Increased by RMB228.9 billion, increment of RMB59.1 billion year on year
- Growth rate 16.0%



## 2. Profits remain stable

Pre-provision profit and net profit



- Net profit reached to RMB31.0 billion, an increment of RMB200 million, growth rate 0.7%
- Pre-provision profit reached to RMB54.7 billion, an increment of RMB5.9 billion, growth rate 12.1%

Rate of return

	2012	2011	2010
Return on total assets	1.10%	1.27%	1.13%
Return on equity	16.7%	21.1%	19.2%
Basic EPS (RMB)	0.66	0.71	0.53

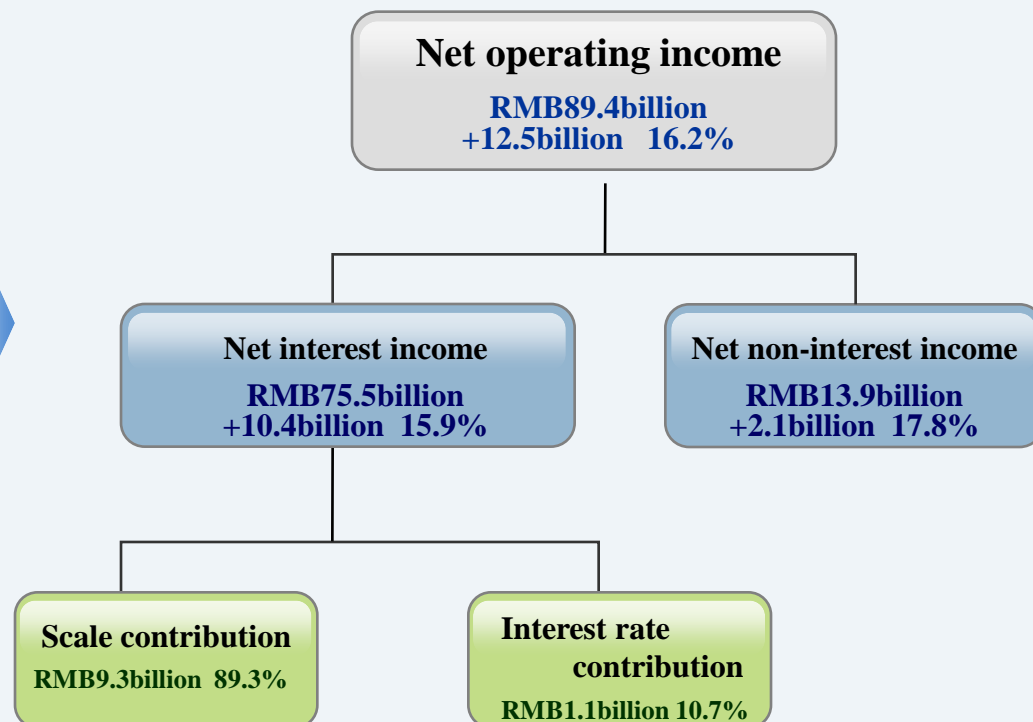
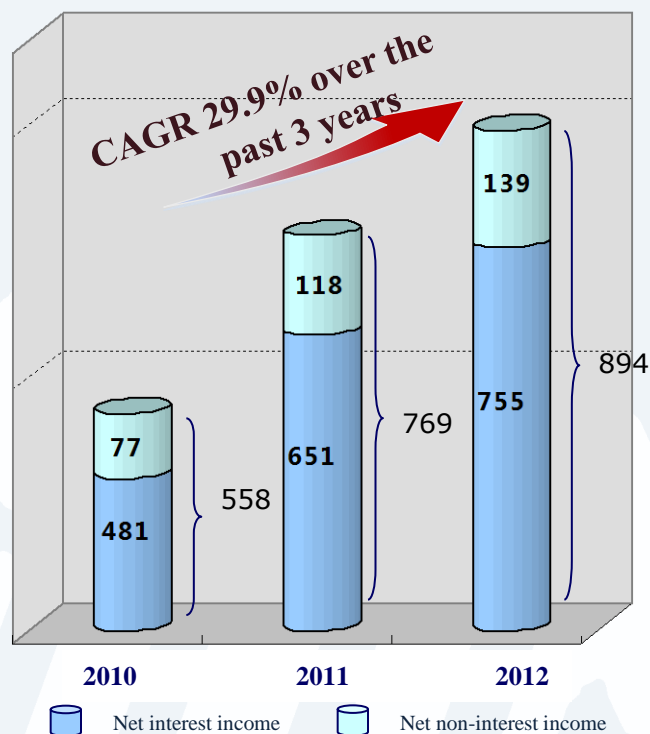


# I. Financial Performance

## 2. Profits remain stable

### Net operating income

Unit: RMB100 million

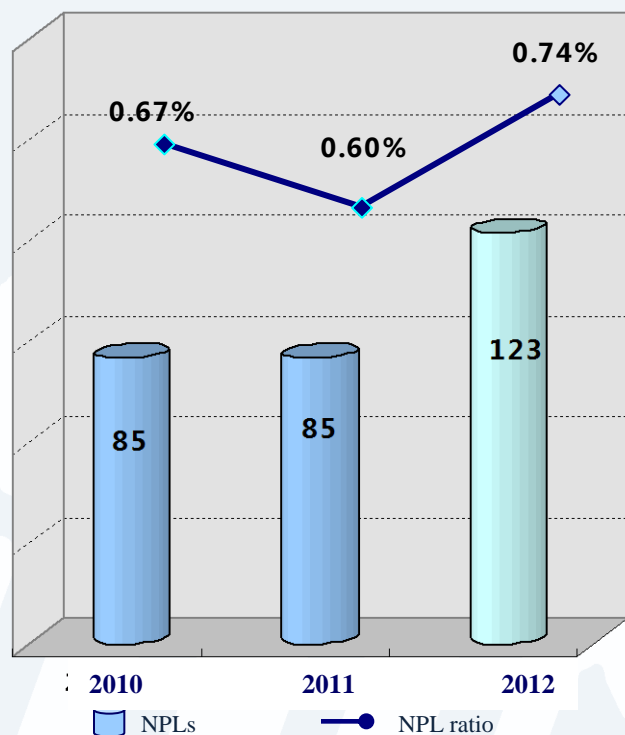




## 3. Slight growth in non-performing assets

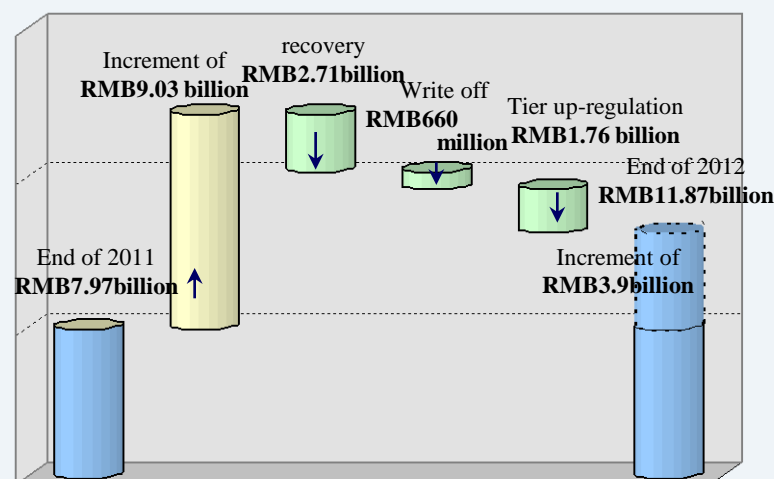
### NPLs and NPL ratio

Unit: RMB100 million



- NPLs RMB12.26 billion, an increment of RMB3.71 billion
- NPL ratio 0.74%, up by 0.14 percentage point, down by 0.21 percentage point over the past 3 years

### NPLs changes



### Outstanding overdue loans and percentage

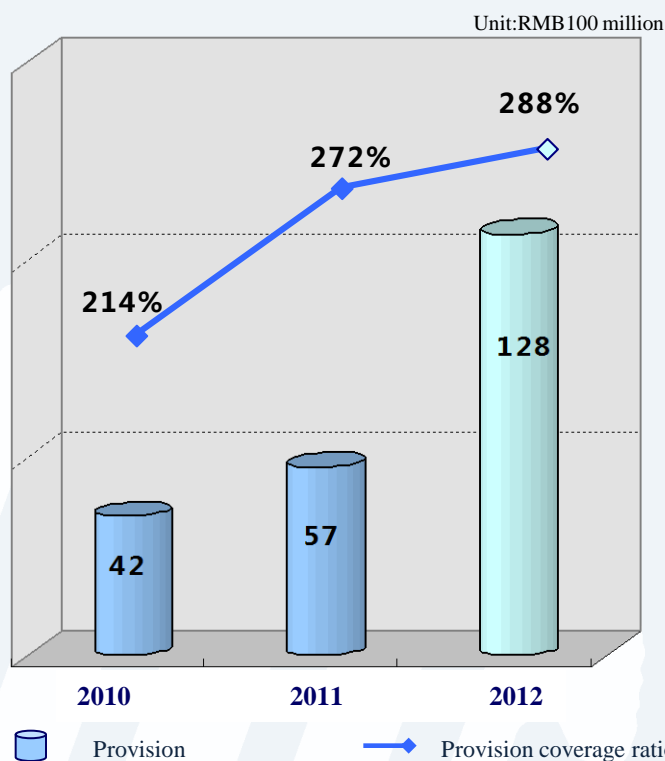
Unit: RMB100 million

	2010	2011	2012
overdue loans	90.3	94.4	207.4
overdue loans/NPLs	121%	118%	175%



## 4. Enhanced risk-resistant capability

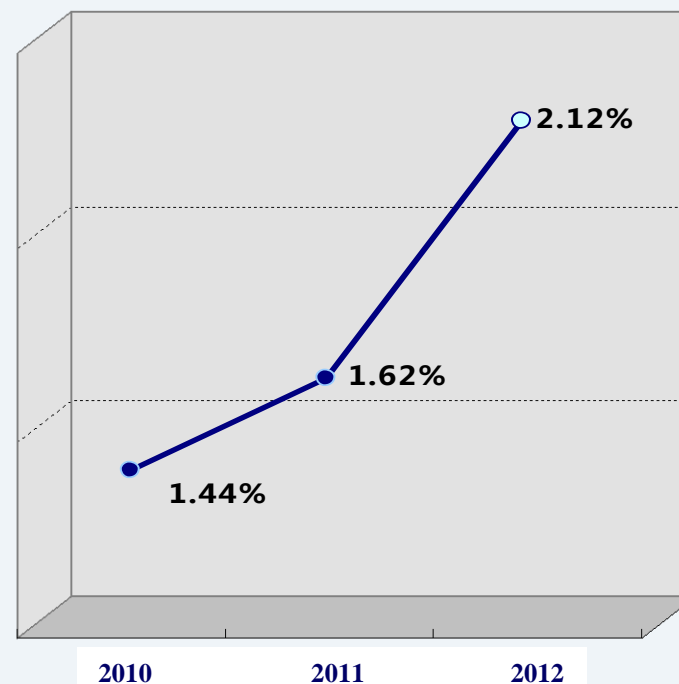
● Provision and provision coverage ratio



■ Loan provision reached to RMB12.8 billion, an increment of RMB7.1 billion year on year, accumulative provision of RMB22.8 billion over the past 3 years

■ Provision coverage ratio 288%, up by 15.9 percentage points, 139 percentage points up over the past 3 years

● Provision-to-loan ratio

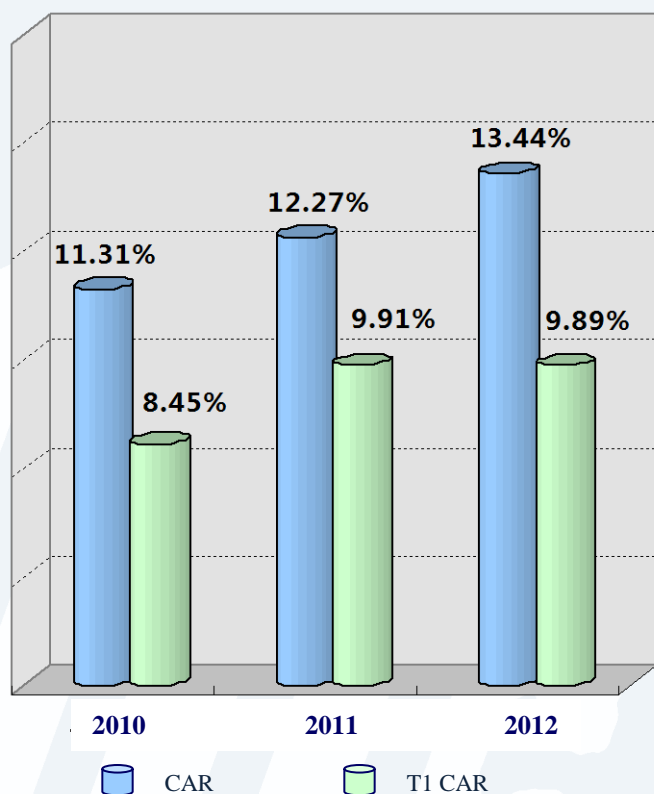


■ Provision-to-loan ratio 2.12%, up by 0.5 percentage point, 0.7 percentage point up over the past 3 years



## 4. Enhanced risk-resistant capacity

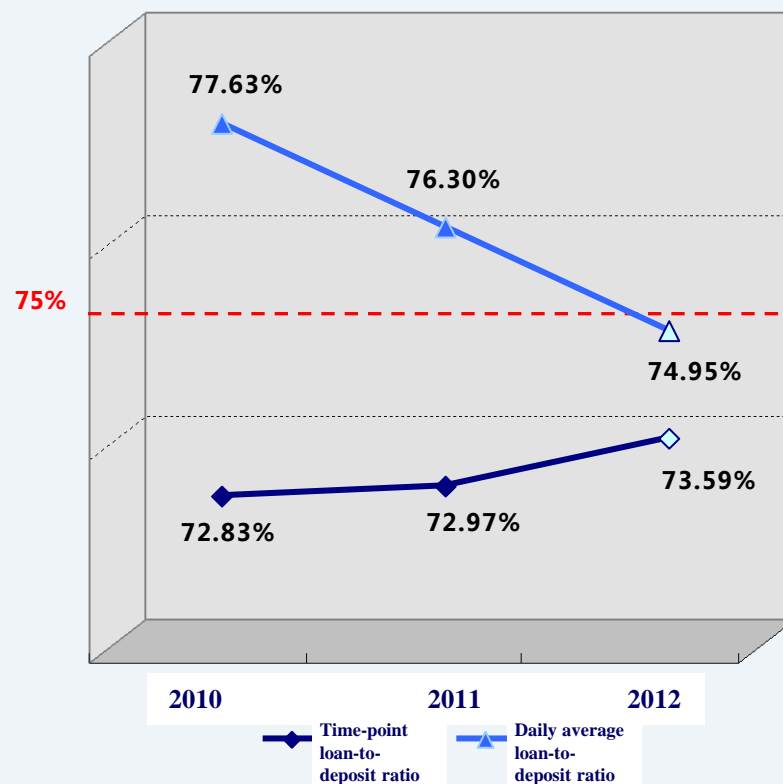
Capital adequacy ratio



■ CAR 13.44%, up by 1.17 percentage points, 2.72 percentage points up over the past 3 years

■ T1 CAR 9.89%

Loan-to-deposit ratio



■ Time point loan-to-deposit ratio 73.6%, indicating full fund utilization on an up-to-par basis

■ Daily average loan-to-deposit ratio 74.95%, falling year by year, enhanced deposit stability





## Part II

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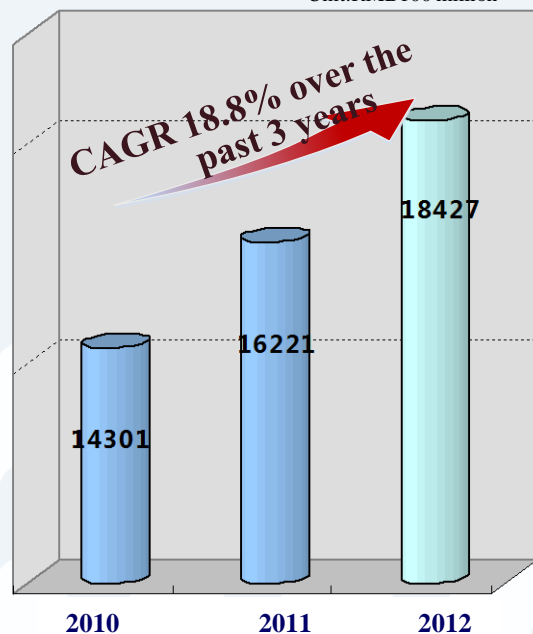
### Business Development



## 1. Steady development of business— corporate banking

### Corporate deposits

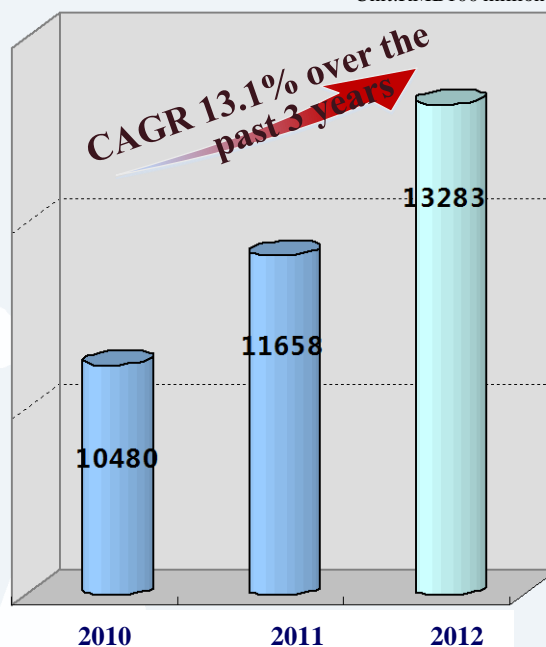
Unit: RMB100 million



- Corporate deposits RMB1,842.7 billion
- An increment of RMB220.6 billion, increased RMB28.6 billion year on year
- Growth rate 13.6%

### Corporate loans

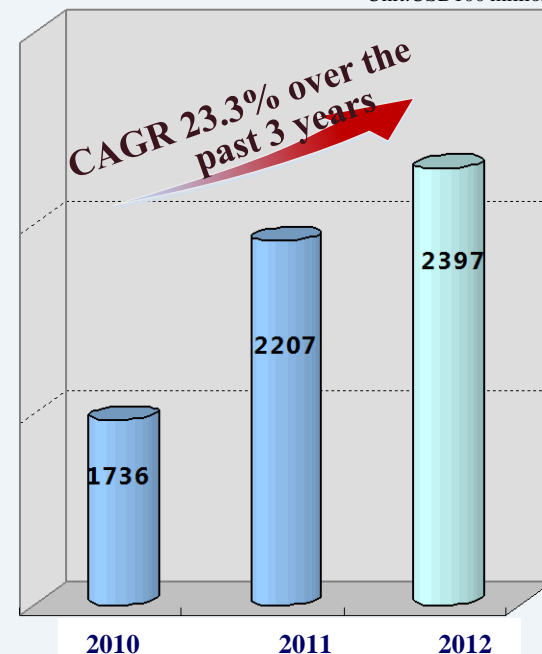
Unit: RMB100 million



- Corporate loans RMB1,328.3 billion
- An increment of RMB162.4 billion, increased RMB44.5 billion year on year
- Growth rate 13.9%

### Exchange receipts and payments of international business

Unit: USD100 million

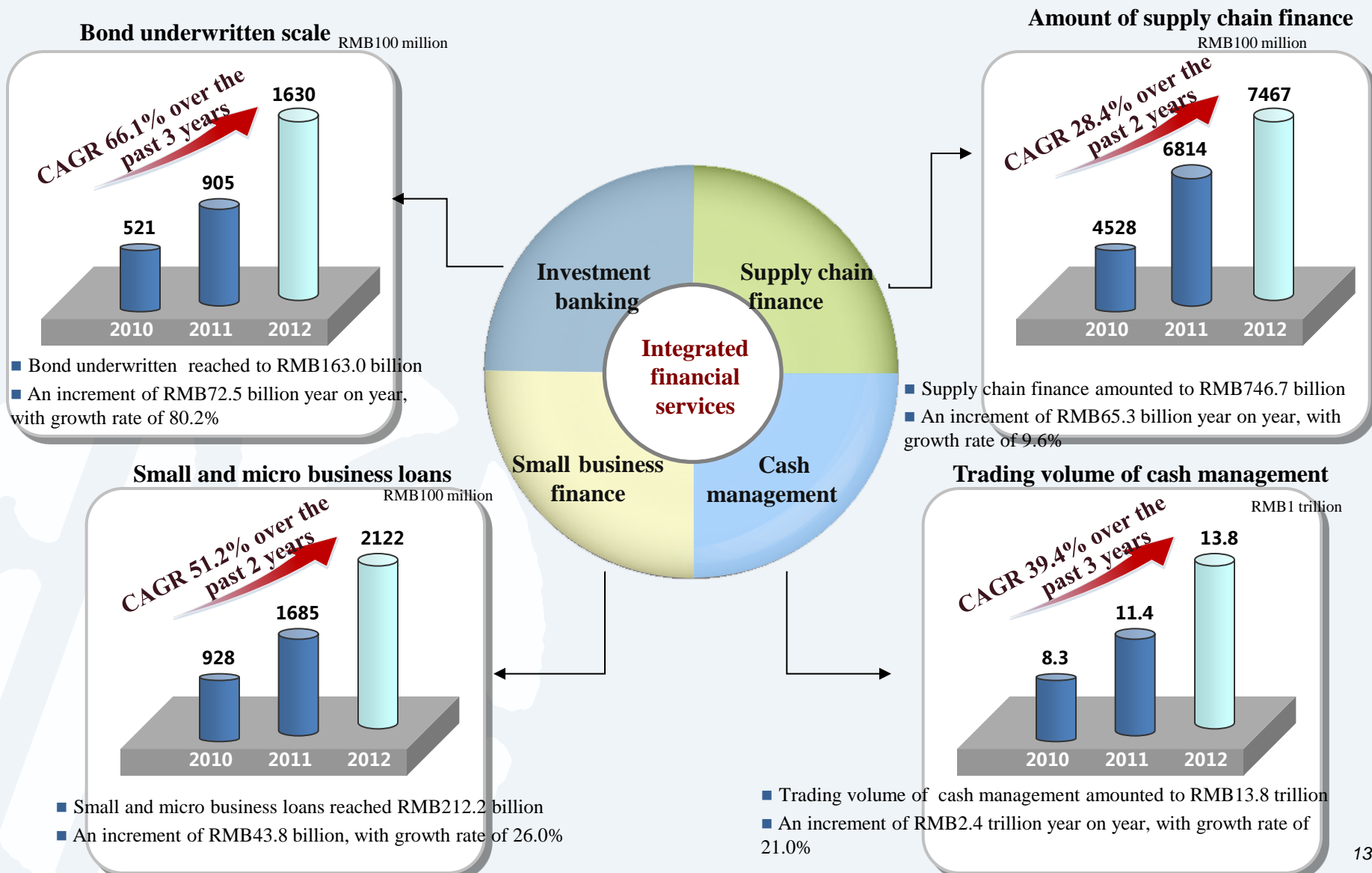


- Exchange receipts and payments of international business reached to USD239.7 billion
- Growth rate 8.6%, 2.4 percentage points higher than foreign trade growth of the year



# II. Business Development

## 1. Steady development of business – corporate banking





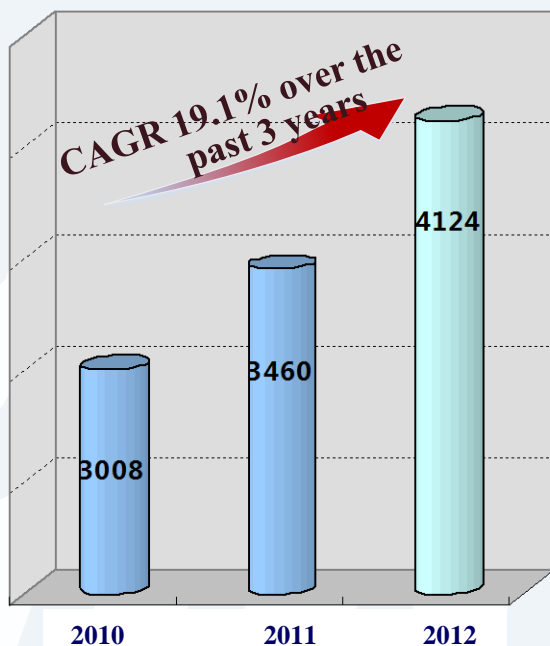
## II. Business Development

### 1. Steady development of business – retail banking

- Enhancement of customer, product and channel systems, releasing production capacity

#### Personal deposits

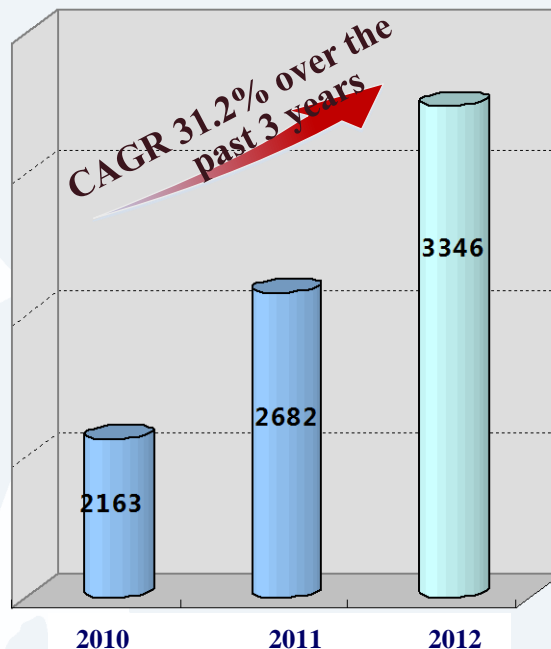
Unit: RMB100 million



- Personal deposits of RMB412.4 billion
- An increment of RMB66.5 billion, increased RMB21.3 billion year on year
- Growth rate of 19.2%

#### Personal loans

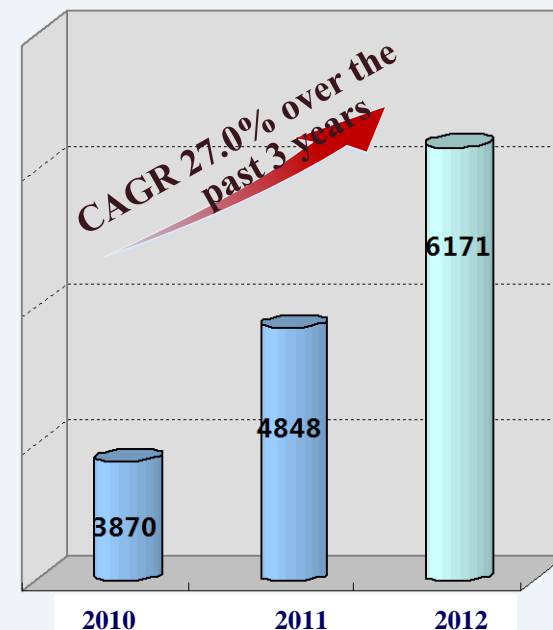
Unit: RMB100 million



- Personal loans of RMB334.6 billion
- An increment of RMB66.5 billion, increased RMB14.5 billion year on year
- Growth rate of 24.8%

#### Retail management assets

Unit: RMB100 million



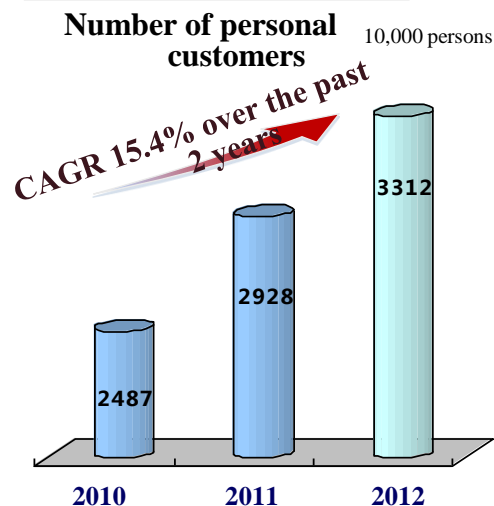
- Retail management assets of RMB617.1 billion
- An increment of RMB132.2 billion, increased RMB34.4 billion year on year
- Growth rate of 27.3%



## II. Business Development

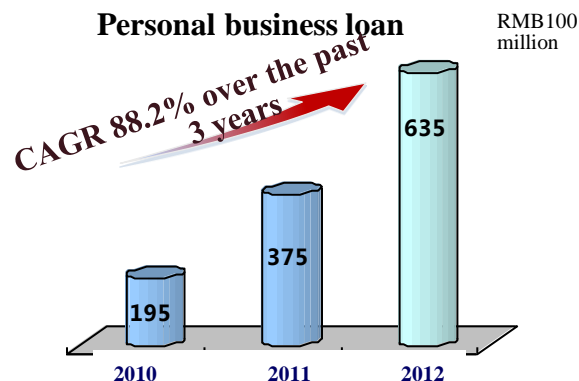
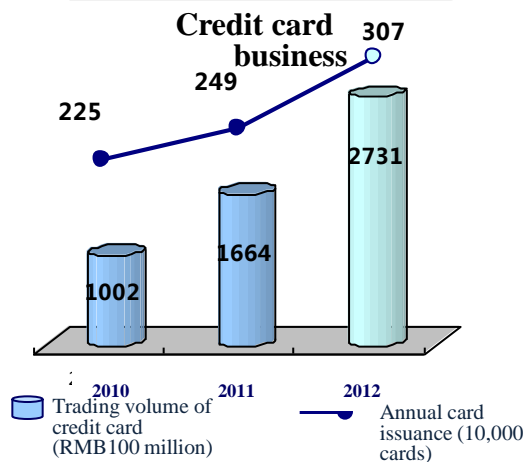
### 1. Steady development of business – retail banking

#### Customer

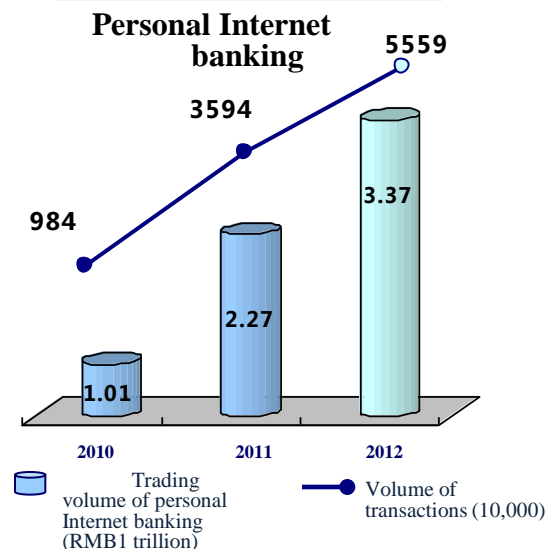


- Further increase of personal customers
- Personal customers 33.12 million, a rise of 13.1%

#### Product



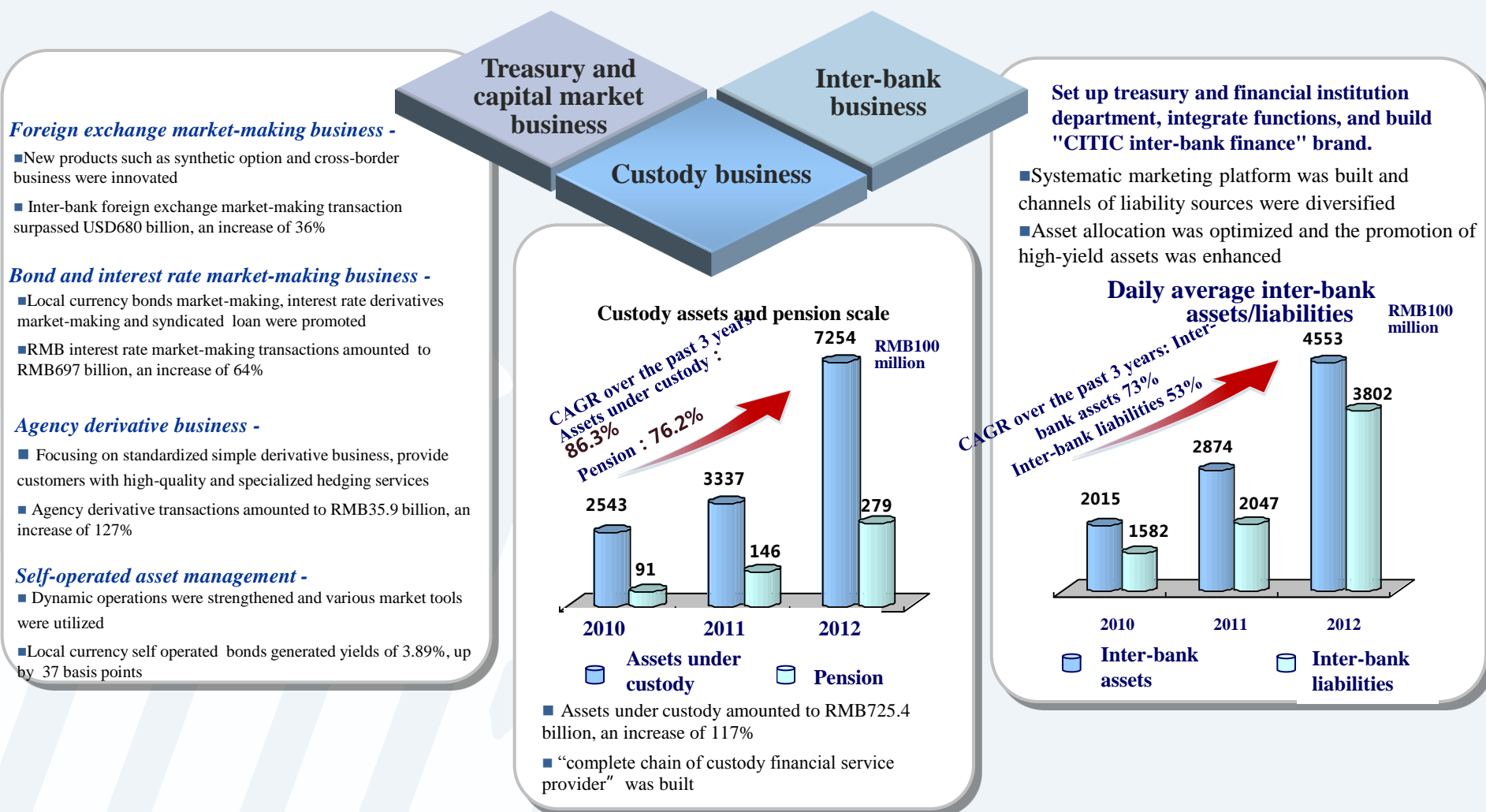
#### Channel



- Build “online CITIC Bank”
- Number of transactions via personal Internet banking amounted to 55.59 million, rising 54.7%
- Volume of transactions via personal Internet banking amounted to RMB3.37 trillion, rising 48.5%

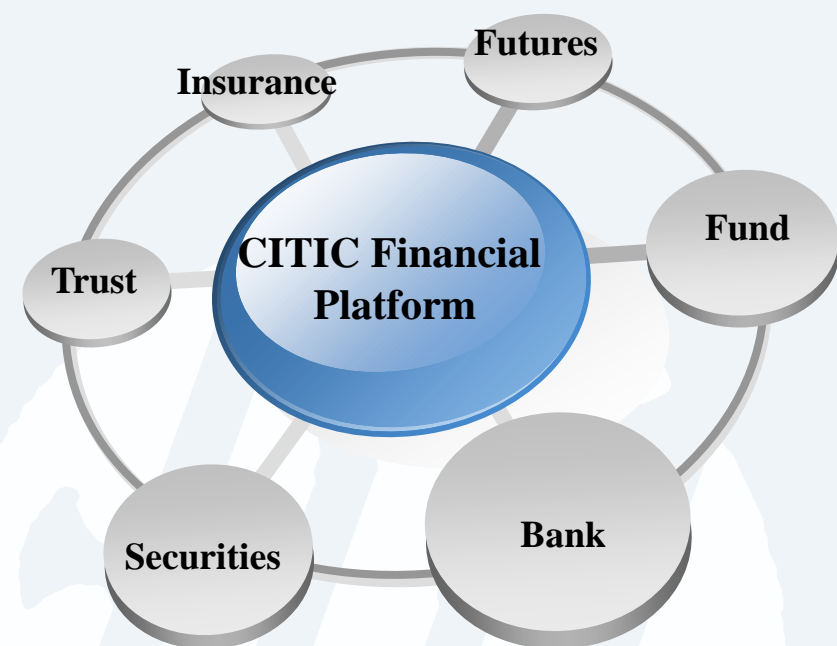


## 1. Steady development of business – financial markets and custody business





### 1. Steady development of business— CITIC integrated financial service platform



#### *Provide integrated financial solutions:*

- Underwrote debt financing tools of RMB14.5 billion in collaboration with CITIC Securities
- Issued wealth management products of RMB110.9 billion in collaboration with CITIC Securities, CITIC Trust and China securities
- Provided cross-border structural financing of USD330 million in collaboration with CBI



#### *Share customer resources on a large scale:*

- Entered into cooperation on third-party depository business with 4 securities firms of CITIC Group, sharing 4,637 corporate customers and realizing depository fees of RMB11.35 million



#### *Carry out cross-design and cross-selling:*

- Jointly issued 386 personal wealth management products with CITIC Trust, realizing sales revenue of RMB179.1 billion
- Trust of RMB17 billion with CITIC Trust



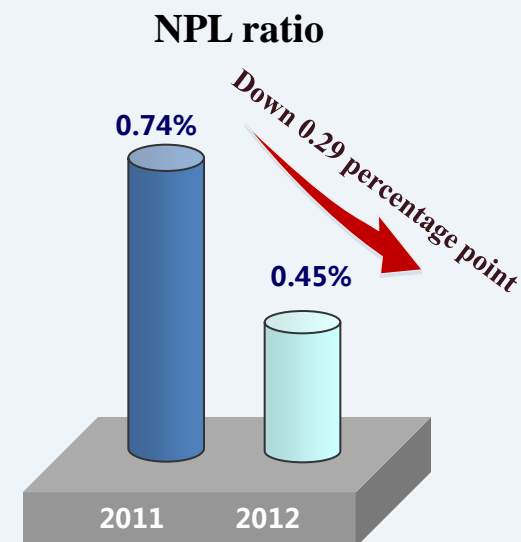
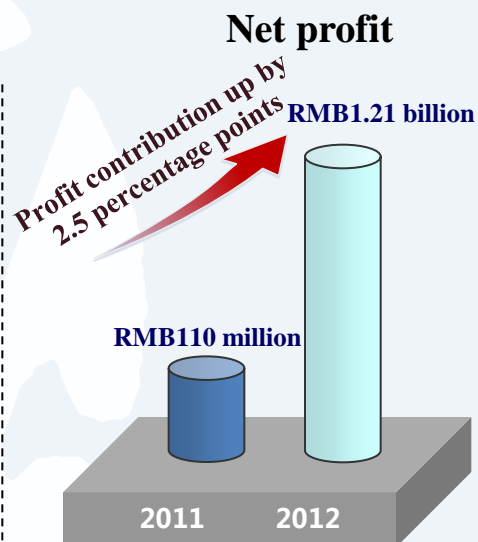
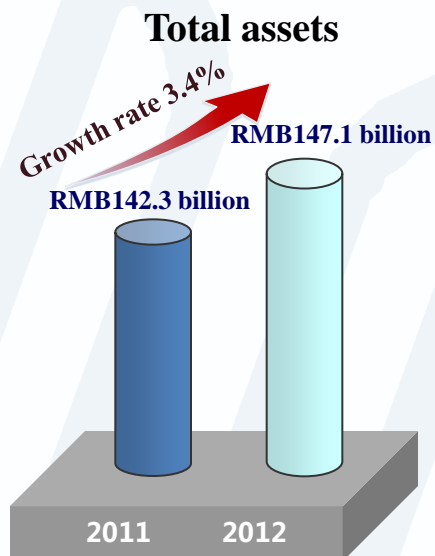
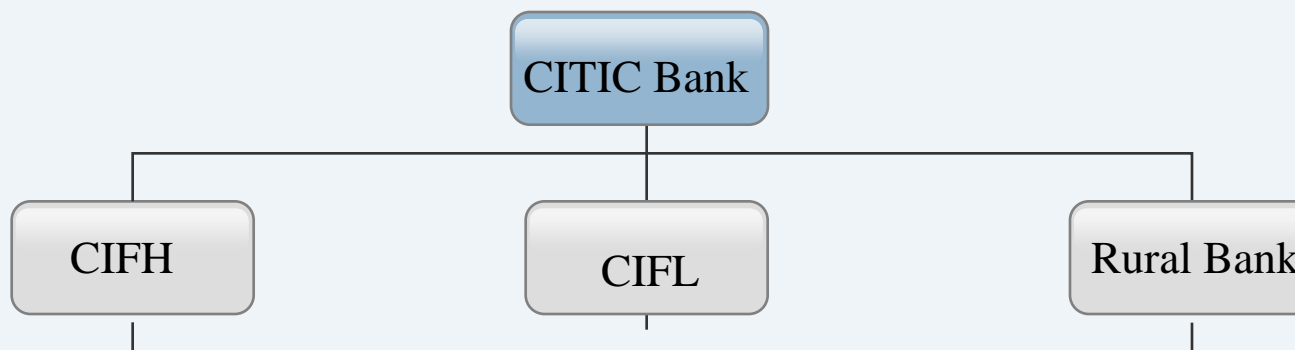
#### *Jointly implement value-added customer services:*

- Constantly expanded cardholder insurance appreciation business with CITIC Prudential Life Insurance
- Provided female characteristics insurance for 250,000 Xiang cardholders.
- Provided short-term trip insurance for 22,000 Hui cardholders



## II. Business Development

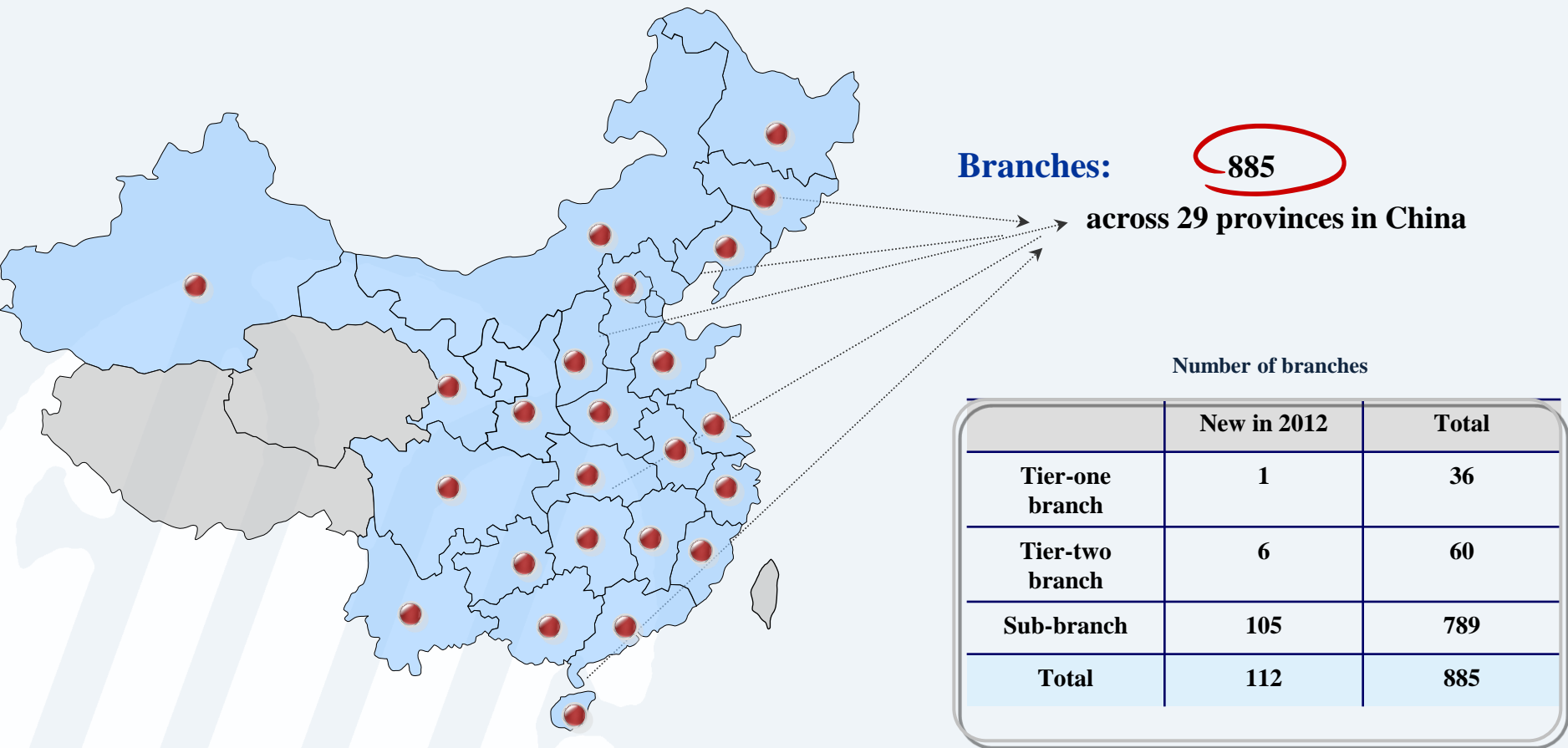
### 1. Steady development of business— subsidiary business





## II. Business Development

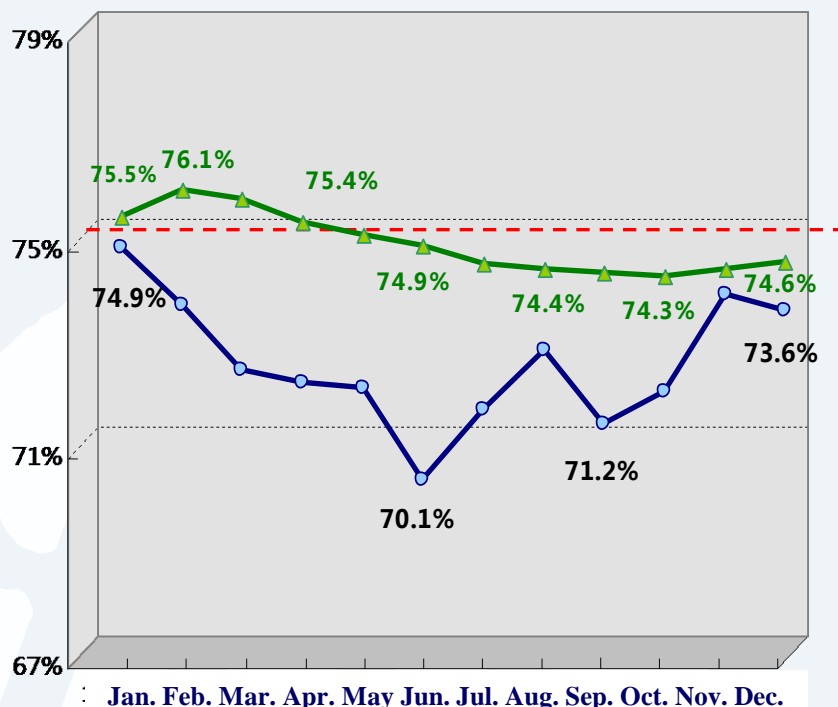
### 1. Steady development of business— outlet construction





## 2. Structural adjustment was deepened constantly– asset-liability structure

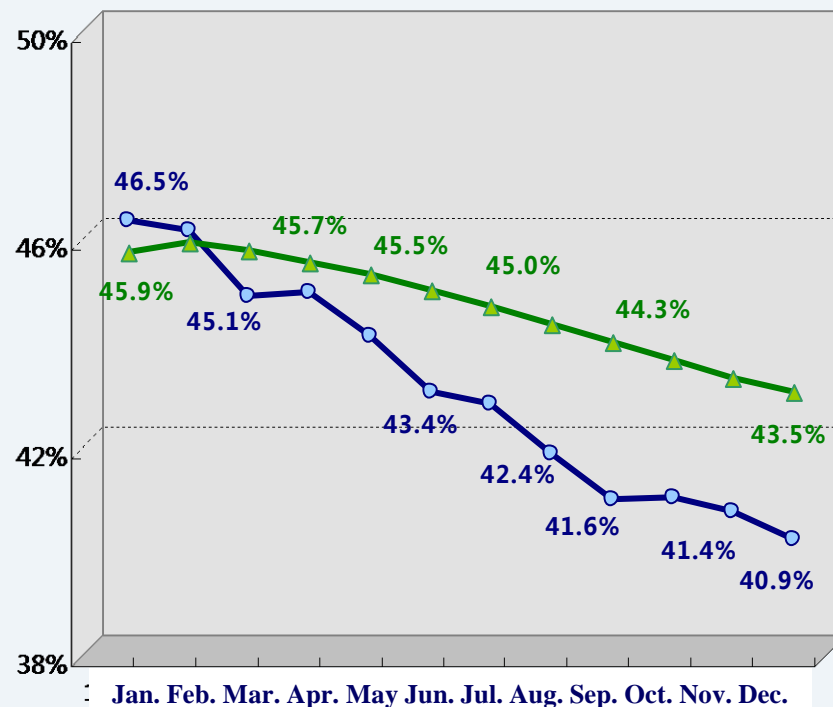
Time point, daily average loan-to-deposit ratio



Time-point loan-to-deposit ratio  
Daily average loan-to-deposit ratio

- Time-point loan-to-deposit ratio met standard for 12 consecutive months
- Daily average loan-to-deposit ratio was below 75% for 7 consecutive months

time point, daily average mid and long term loans



Percentage of time-point mid- and long-term loans  
Percentage of daily average mid- and long-term loans

- Percentage of mid- and long-term loans were under reasonable range on a monthly basis



## 2. Structural adjustment was deepened constantly– loan structure

### Changes in loan structure

Unit:RMB100 million

	Balance				Percentage	
	Dec-31-2012	Increment of 2012	Increment of 2011	Growth rate	Dec-31-2012	Dec-31-2011
Loans to small and micro enterprises	2122	438	756	26.0%	12.8%	11.7%
Loans to individual business	635	260	180	69.2%	3.8%	2.6%
Credit card loans	542	220	126	68.6%	3.3%	2.2%
Real estate loans	1339	118	497	9.7%	8.1%	8.5%
LGFV loans	1140	-175	-99	-13.3%	6.9%	9.2%
Loans to industries with overcapacity	467	43	-2	10.1%	2.8%	3.0%
Customer loans	16629	2289	1698	16.0%	100.0%	100.0%

- Loans to small and micro enterprises, loans to individual business and credit card loans increased rapidly and the growth rates were well above the average of loans of the Bank
- Growth of loans to the real estate sector, industries with overcapacity and LGFV was effectively controlled, with percentage of outstanding loans declined compared to the beginning of the year



## 2. Structural adjustment was deepened constantly– income structure

### Structural changes of operating income

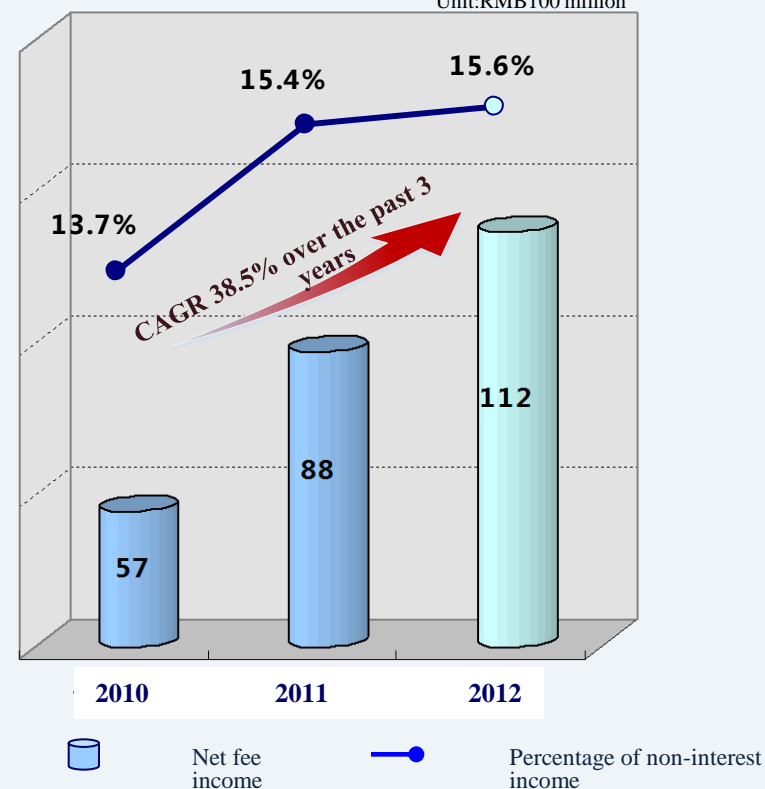
Unit:RMB100 million

	2012	YoY growth rate	%	% change
Net operating income	894	16.2%	100%	-
Net interest income	755	15.9%	84.4%	-0.21
Net non-interest income	139	17.8%	15.6%	+0.21
Of which: Net fee income	112	26.9%	12.5%	+1.05

- Net operating income reached RMB89.4 billion, an increase of RMB12.5 billion, up 16.2%
- Net non-interest income reached RMB13.9 billion, an increase of RMB2.11 billion, up 17.8%. Of which, net fee income reached RMB11.2 billion, up 26.9% and CAGR reached 38.5% over the past 3 years
- Percentage of non-interest income reached 15.6%, up 3.8 percentage points over the past 3 years

### Net fee income

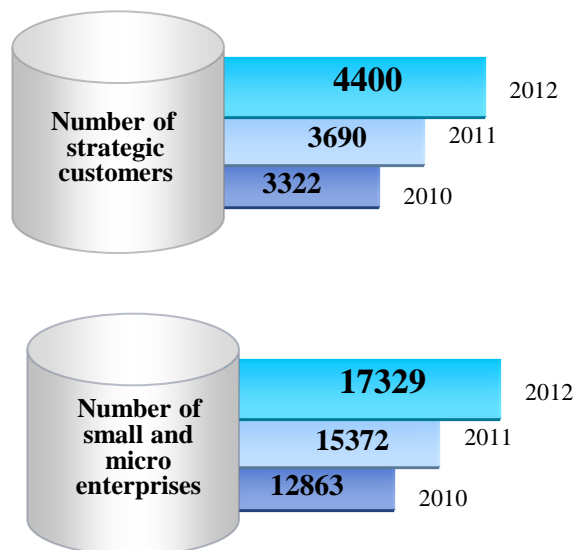
Unit:RMB100 million





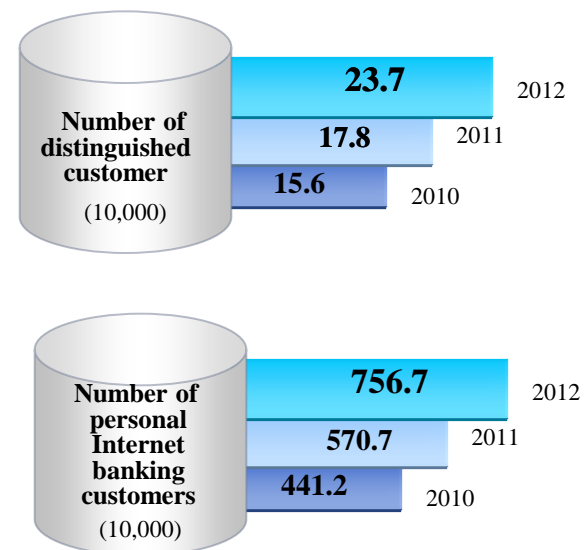
### 2. Structural adjustment was deepened constantly– customer structure

#### Corporate customers



- The number of strategic customers amounted to 4,400, up by 19.2%; CAGR reached 16.3% over the past 3 years
- The number of small and micro enterprises amounted to 17,300, up by 12.7%; CAGR reached 16.1% over the past 2 years

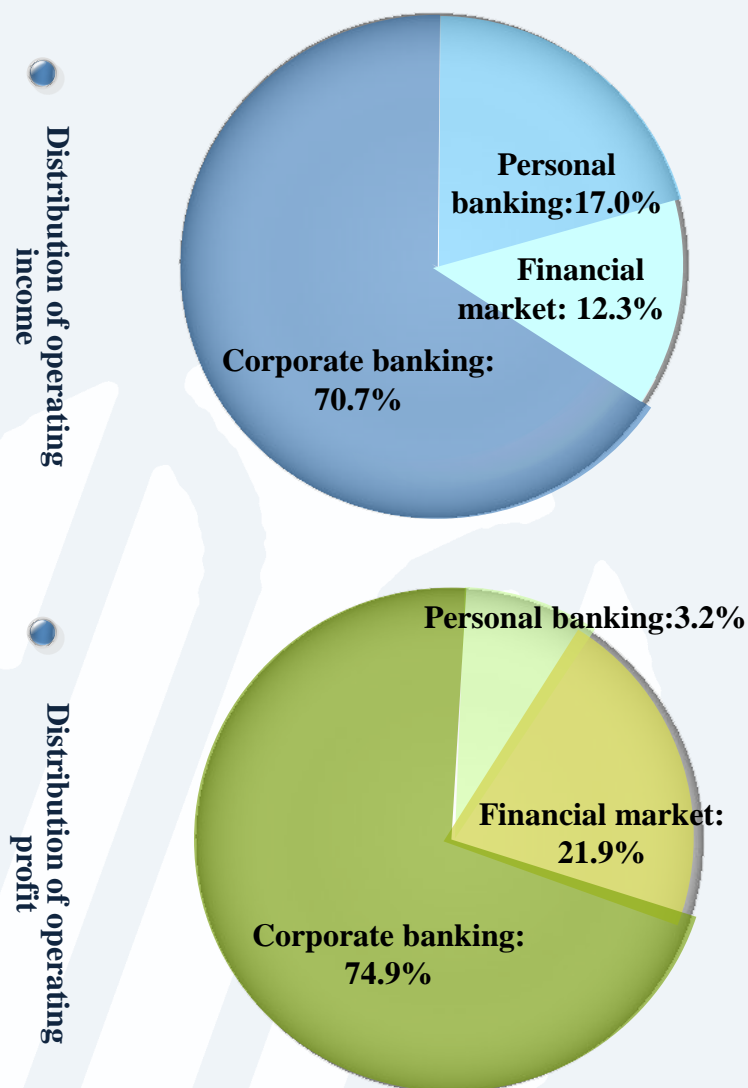
#### Retail customers



- The number of distinguished customers amounted to 237,000, up by 32.9%; CAGR reached 25.2% over the past 3 years
- The number of personal Internet banking customers amounted to 7.567 million, up 32.6%; CAGR reached 31% over the past 2 years



## 2. Structural adjustment was deepened constantly– business structure



### ■ Corporate banking business

- Realized operating income of RMB63.14 billion, contributing 70.7%, down 2.3 percentage points
- Realized operating profit of RMB32.05 billion, contributing 74.9%, down 2.2 percentage points

### ■ Personal banking business

- Realized operating income of RMB15.22 billion, contributing 17.0%, up by 2.0 percentage points
- Realized operating profit of RMB1.38 billion, contributing 3.2%, up 0.3 percentage point

### ■ Treasury operations

- Realized operating income of RMB11.00 billion, contributing 12.3%, up by 0.3 percentage points
- Realized operating profit of RMB9.38 billion, contributing 21.9%, up by 1.9 percentage points



### 3. Market competitiveness was deepened

#### *Brand competitiveness——*

- Ranked 69<sup>th</sup> among Top 500 world financial brands, up by 4 positions
- Ranked 48<sup>th</sup> in tier-1 capital and 53<sup>rd</sup> in total assets among top 1,000 global banks, up by 18 and 15 positions over previous year respectively

- “Best Financial Service Innovation” award —



- “Best CRM Bank in Asia Pacific” award

- “Best Credit Risk Management Bank in China” award

- “Best Data Architecture” award —



- “Dual-currency Clearing High

Interconnection Ratio” Award —



- “Best Risk Control Bank” award —



#### *Perform social responsibilities——*

- Stick to green credit service and provide better support to Agriculture, Rural areas and Peasantry financial services
- Strictly control new loans to the real estate sector and support necessary ordinary housing construction
- Intensify input in outlets in West China and improve local financial services
- Deepen the marketing service system for SMEs and improve the business management mechanism
- “2012 Corporate Citizen — Award for Best Public Welfare Management”  
— 21<sup>st</sup> Century Business Herald
- “Best Social Public Welfare Bank of the Year”  
— Financial Times



## Part III

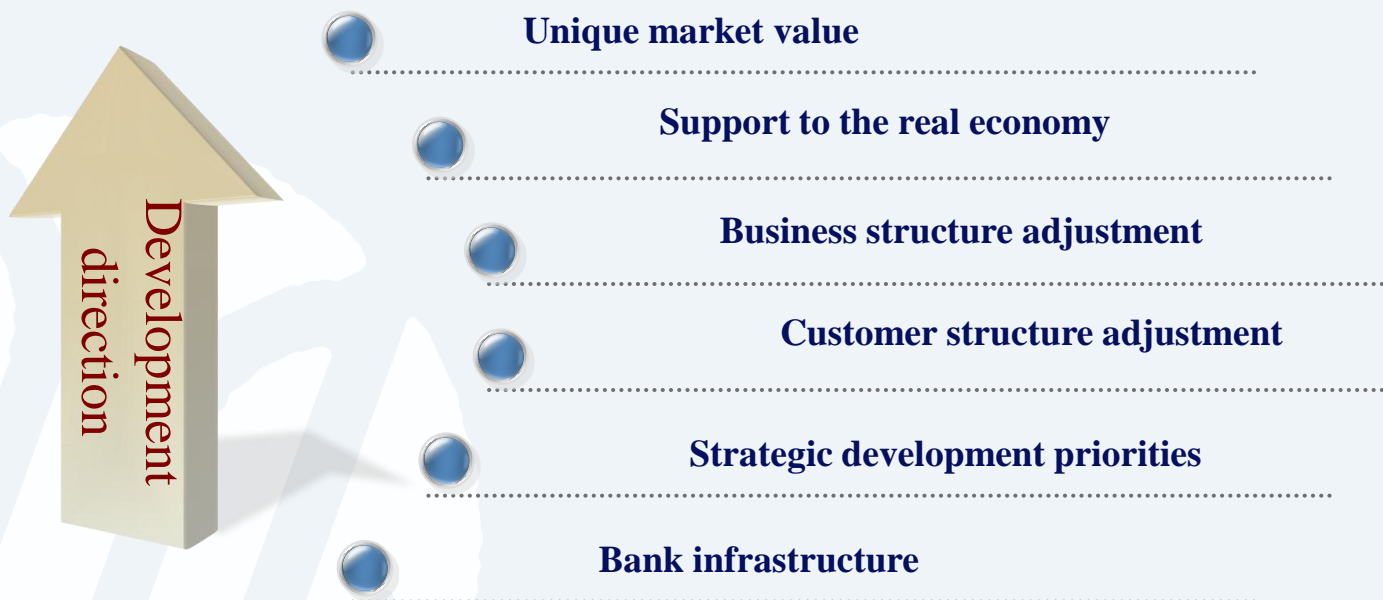
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### Outlook



## 1. Development strategy

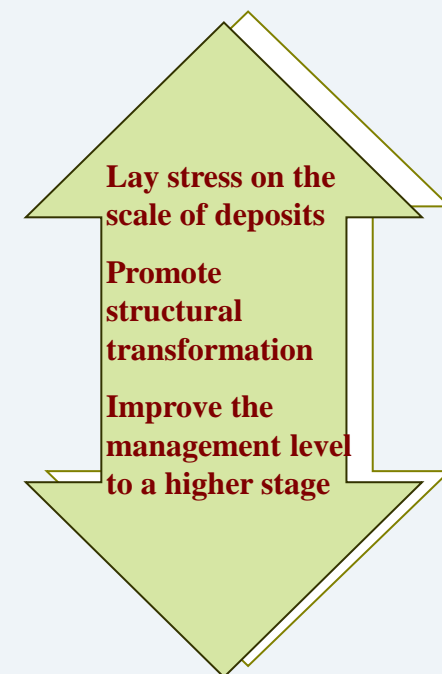
- **Mission** : facilitate the real economy, build employee happiness, enhance shareholder value, and service the development of society
- **Vision** : establish a first-class and unique commercial bank





## 2. Priorities for 2013

1. Strengthen marketing and improve business competitiveness
2. Facilitate the operation priorities of corporate customers upward while that of retail customers downward
3. Accelerate the building of IT and operating system
4. Speed up the development of outlets and Internet banking
5. Enhance risk and internal control capabilities
6. Intensify assessment guidance and support key areas and business development
7. Reinforce the establishment of supporting systems







**Thank You!**