



# China CITIC Bank Corporation Limited

## 2014Q3 Results Briefing



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**▣ Part I**

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**Financial Performance**

# Major Financial Indicators during Q1-Q3, 2014

Note: data in this report is of the consolidated data of the Group, unless otherwise specialized

Unit: RMB  
100 millions

Scale indicator	At the end of September 2014	Compared with beginning of the year	Growth rate
Total assets	40459	4047	↑ 11.1%
Customer deposits	28757	2240	↑ 8.4%
Customer loans	21241	1830	↑ 9.4%
Number of outlets (the Bank)	1122	49	↑ 4.6%

Efficiency indicator	January - September	YoY growth	Growth rate
Before-provision profit	608.7	117.6	↑ 23.9%
Net profit	322.8	14.2	↑ 4.6%
Net operating income	925.7	160.0	↑ 20.9%
Net interest income	700.5	75.0	↑ 12.0%
Fee-based business income	225.2	85.0	↑ 60.6%
Percentage of fee-based business income	24.3%	+6.0 percentage points	
NIM	2.37%	-22BPS	
Cost/income ratio	27.3%	-1.6 percentage points	

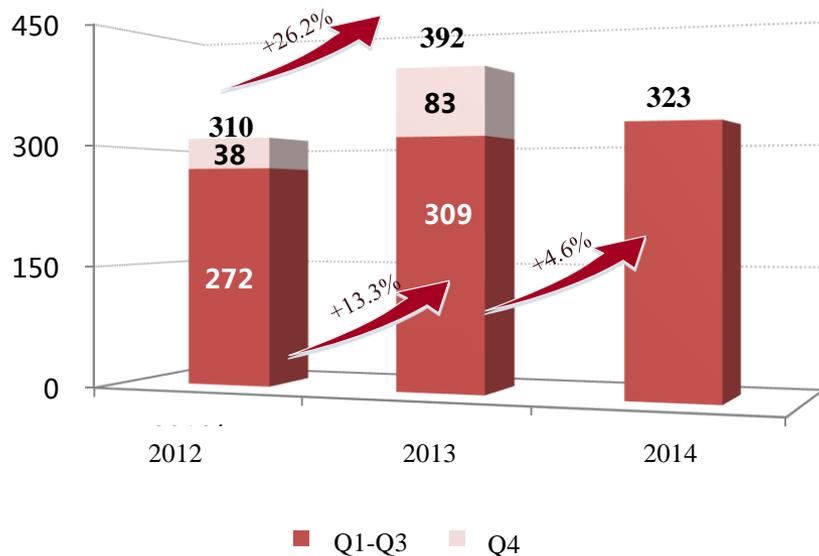
Quality indicator	At end of September 2014	As at end of 2013	Change compared with end of 2013
NPL balance	294.3	199.7	+94.6
NPL ratio	1.39%	1.03%	+0.36 percentage point
Provision coverage ratio	181.5%	206.6%	-25.1 percentage points
Allowance to loan ratio	2.51%	2.13%	+0.38 percentage point

Regulatory indicator	As at end of September 2014	As at end of 2013	Change compared with end of 2013
Capital adequacy ratio	12.99%	11.24%	+1.75 percentage points
Loan/deposit ratio (the Bank)	70.2%	72.8%	-2.6 percentage points

# (i) Operating performance enhanced continuously

**Growth of net profit**



■ During Q1-Q3, before-provision profit was RMB60.9 billion, an increase of 23.9% YoY.

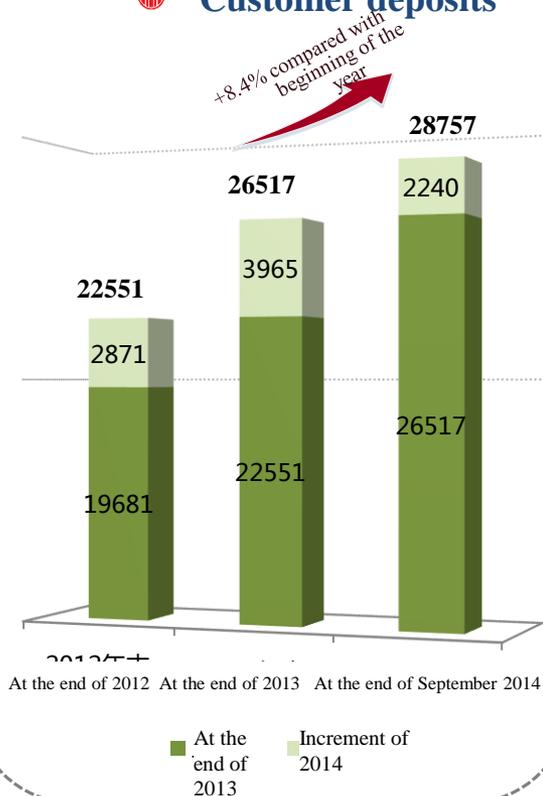
Unit: RMB 100 million

**Rate of return and net assets per share**

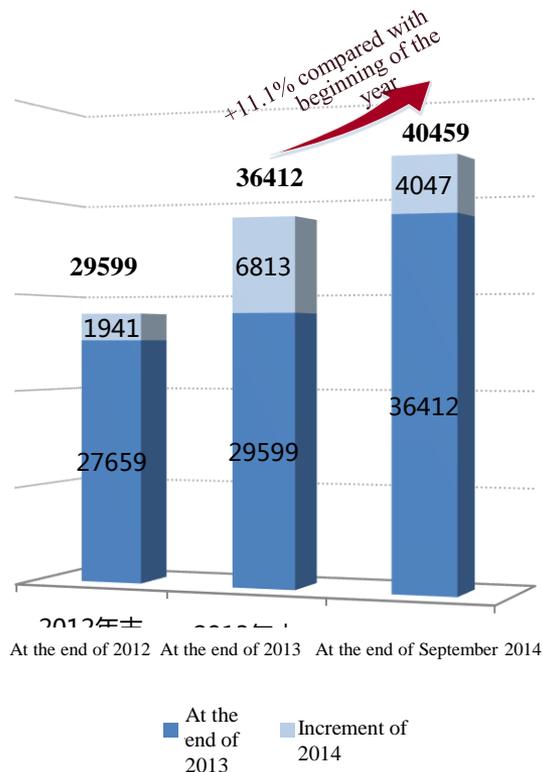
	January-September, 2014	2013	Change
ROA	1.14%	1.20%	-0.06 percentage point
ROE	18.10%	18.48%	-0.38 percentage point
Basic EPS (RMB)	0.69	0.84	—
Net assets per share(RMB)	5.3	4.8	+0.5

## (ii) Business scale grows steadily

### Customer deposits

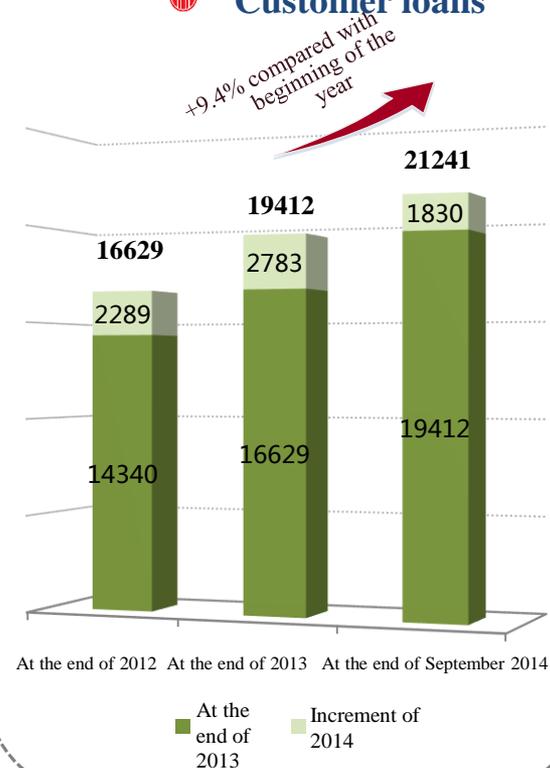


### Total assets



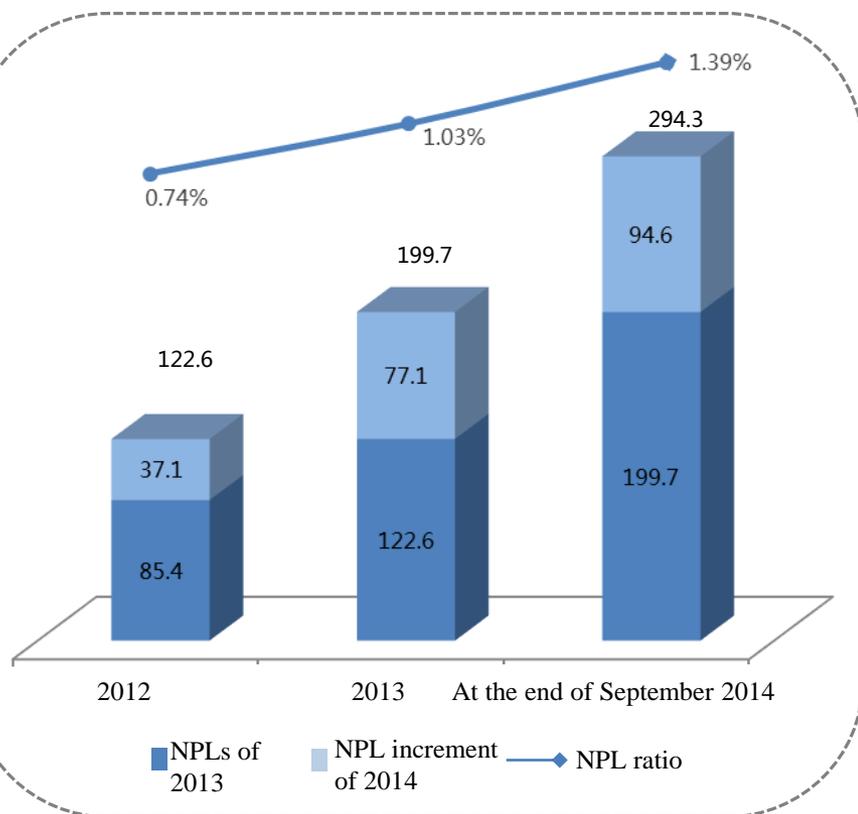
Unit: RMB 100 million

### Customer loans

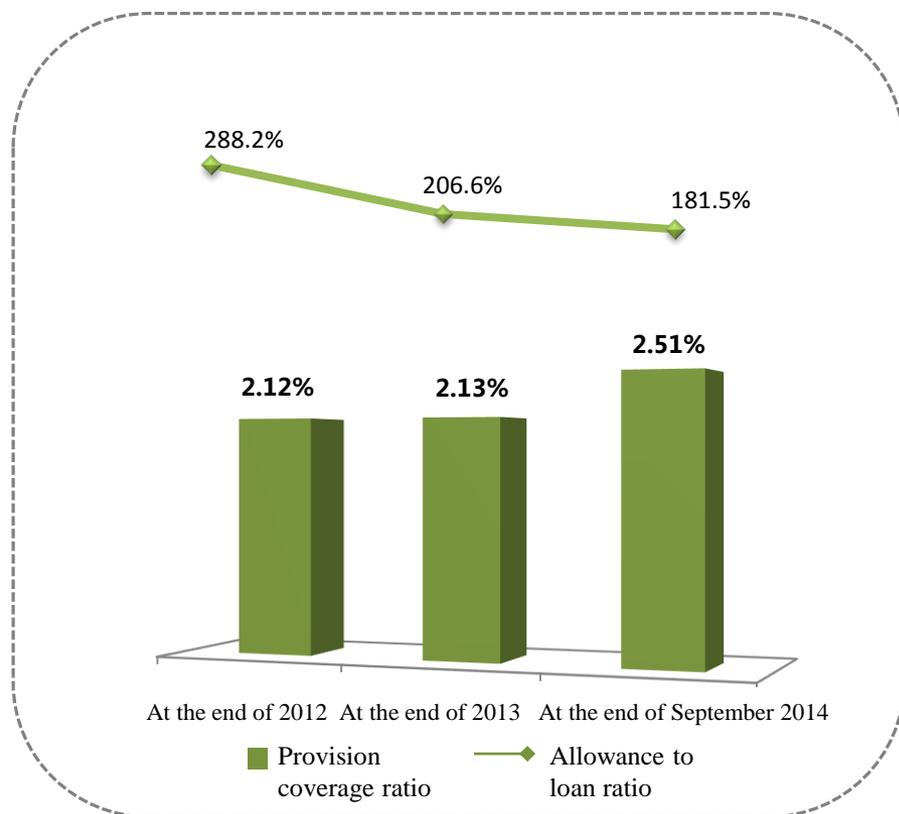


### (iii) Asset quality is controllable overall

 NPLs and NPL ratio



 Provision coverage ratio and Provision to loan ratio



### (iii) Operating performance of subsidiaries kept improving

CITIC Bank

Unit: RMB 100 million

CITIC International  
Financial Holdings 70.32%

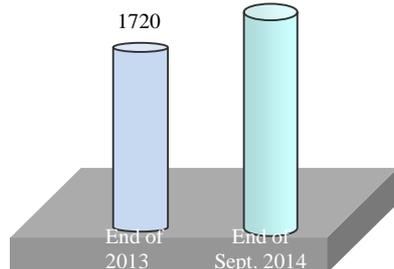
China Investment  
and Finance  
Limited 95%

Rural banks 51%



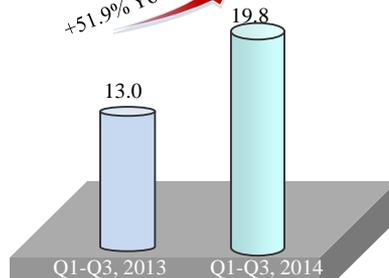
 Total assets

+12.3% compared  
with beginning of  
the year



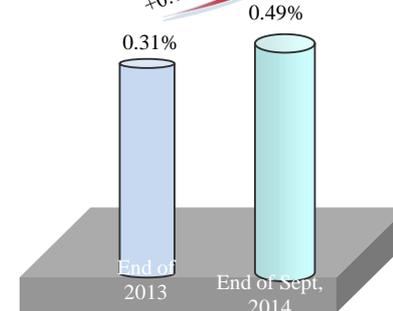
 Net profit

+51.9% YoY



 NPL ratio

+0.18%





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**□ Part III**

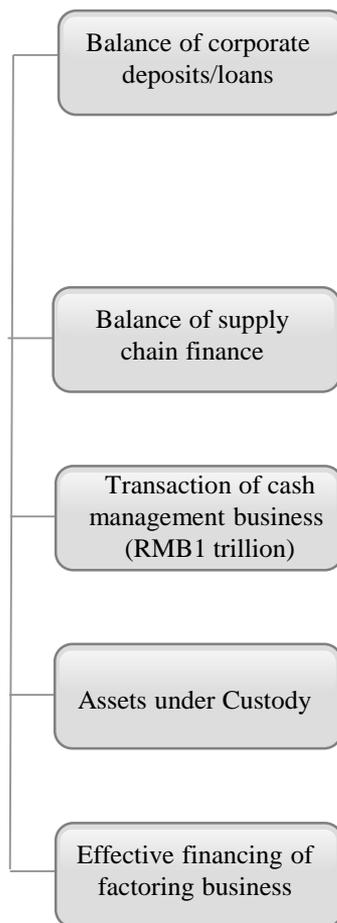
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**Business Development**

# i. Three Main Segments Developed Orderly

## 1.1 Corporate banking business was further reinforced

➤ On the basis of inheriting traditional business advantages, the Bank stepped up adjustment to the product mix, customer mix and revenue mix, accelerated development of key businesses such as supply chain finance, cash management, factoring and asset custody etc., and realized continuous coordinated and rapid development of the corporate banking business



Unit: RMB 100 million

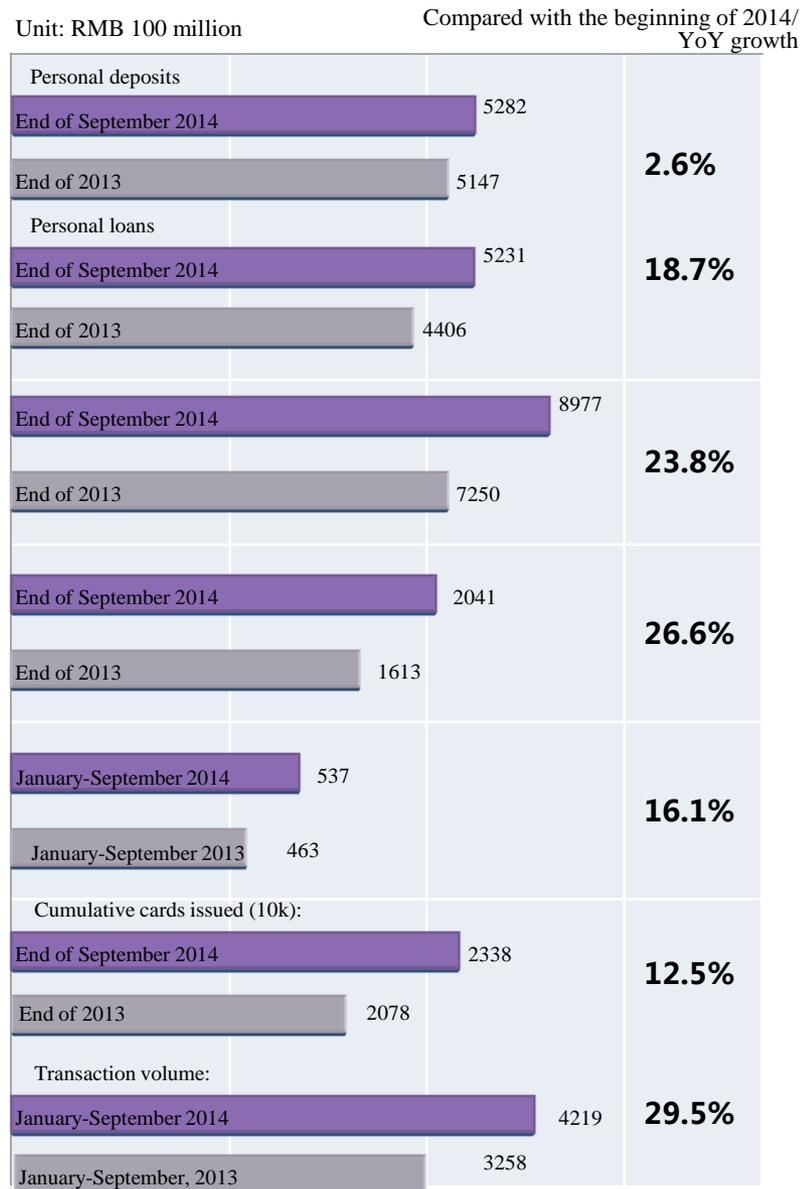
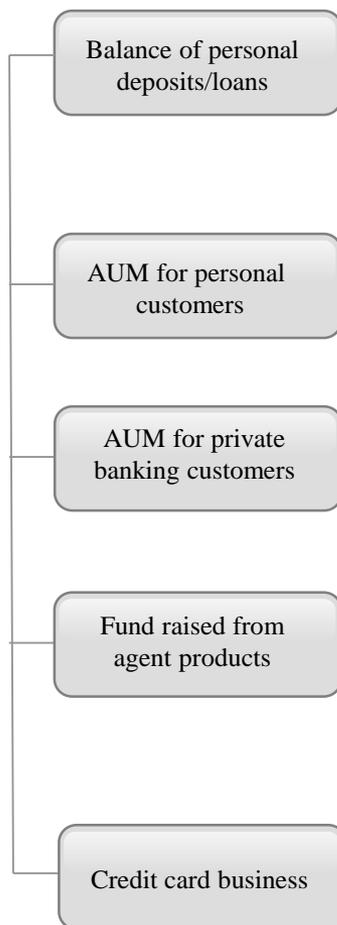
Compared with the beginning of 2014/  
YoY growth

Corporate deposits:			
End of September 2014	23476		<b>9.9%</b>
End of 2013	21369		
Corporate loans:			
End of September 2014	16011		<b>6.7%</b>
End of 2013	15006		
Supply chain finance:			
End of Sep, 2014	2386		<b>10.2%</b>
End of 2013	2166		
Cash management business (RMB1 trillion):			
January-September, 2014	27.0		<b>42.6%</b>
January-September, 2013	18.9		
Assets under Custody:			
End of September, 2014	34572		<b>68.9%</b>
End of 2013	20464		
Factoring business:			
January-September, 2014	665		<b>161.3%</b>
January-September, 2013	255		

# i. Three Main Segments Developed Orderly

## 1.2 Transformation of retail banking business accelerated

➤ The Bank insisted on customer-centric philosophy, and promoted secondary transformation of the retail banking business on all fronts. “Transformation of hardware” advocated the “Red” theme, and “transformation of software” fueled exponential growth of outlets and ushered in a new chapter for development of the retail banking business.



# i. Three Main Segments Developed Orderly

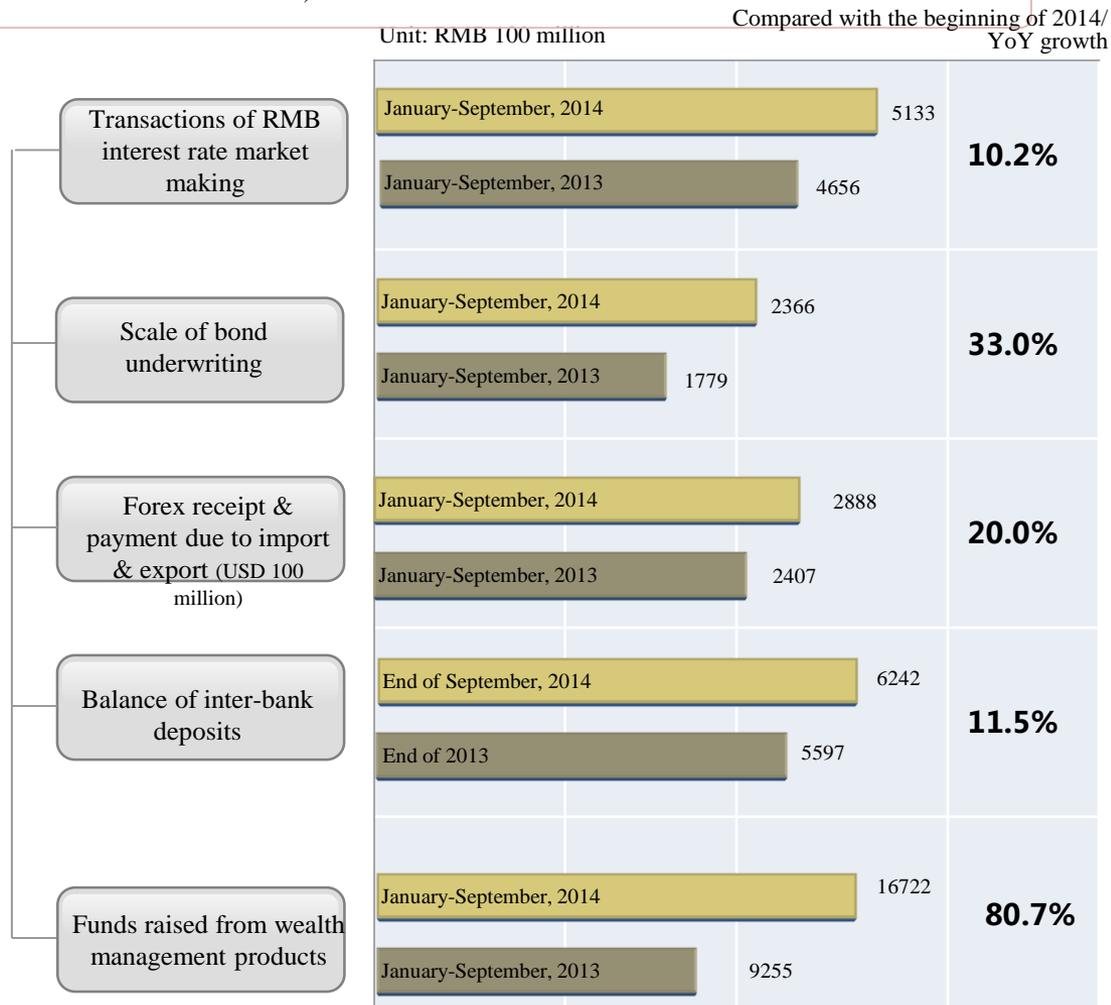
## 1.3 Capability of financial markets product innovation continued to improve



### Direct market maker Qualifications for RMB against six non-USD currencies

(The Bank won the market maker qualification for Japanese Yen, Australian dollar, New Zealand dollar, British Pound, Euro and Singaporean dollar, respectively, covering all of the major minor currencies in the inter-bank market)

➤ The Bank actively fulfilled the development strategy, profoundly built the business system centering on the currency market, capital market and international financial market, and promoted development of all businesses on all fronts



## ii. Structural Adjustment Presented Initial Effect

### 2.1 The Bank guaranteed steady growth of new loans to some industries while curbed growth to other industries; the proportion of personal loans increased significantly

Unit: RMB 100 million

**Growth of loans under support category**

Business indicator	End of Sep 2014	Growth compared with beginning of 2014	Growth rate	% of total increment
Loans to modern service industry	5090	476	10.3%	27.8%
Loans to small & micro businesses	3178	386	13.8%	22.6%
Personal loans	5069	808	19.0%	47.2%
Including: Personal consumer loans	2900	479	19.8%	28.0%
Credit card loans	1098	236	27.3%	13.8%

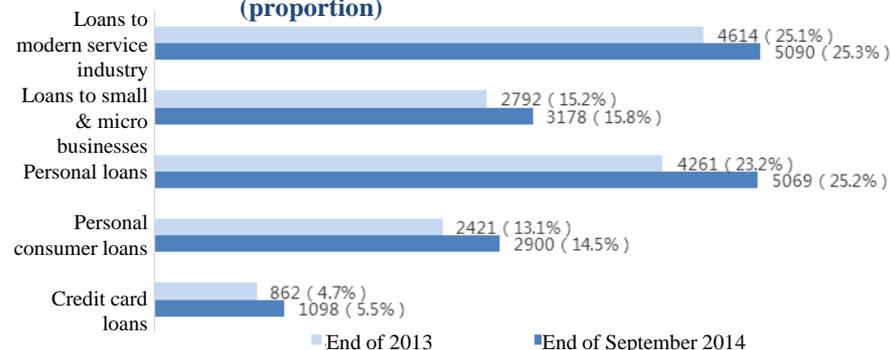
**Growth of loans under close attention category**

Business indicator	End of Sep 2014	Growth compared with beginning of 2014	Growth rate
Loans to LGFVs	1455	-16	-1.1%
Real estate loans	1429	262	22.5%

**Growth of loans under strict control category**

Business indicator	End of Sep 2014	Growth compared with beginning of 2014	Growth rate
Loans to industries with excess capacity	450	-61	-12.0%
Loans to steel trade enterprises	321	-61	-12.7%
Loans to PV enterprises	11	-2	-15.9%

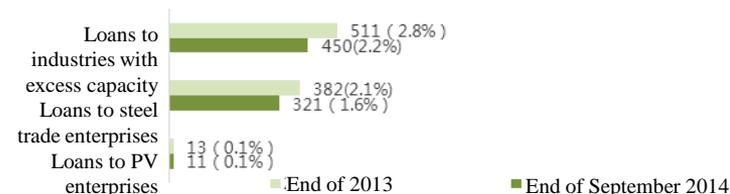
**Balance of loans under the support category (proportion)**



**Balance of loans under the special attention category (proportion)**



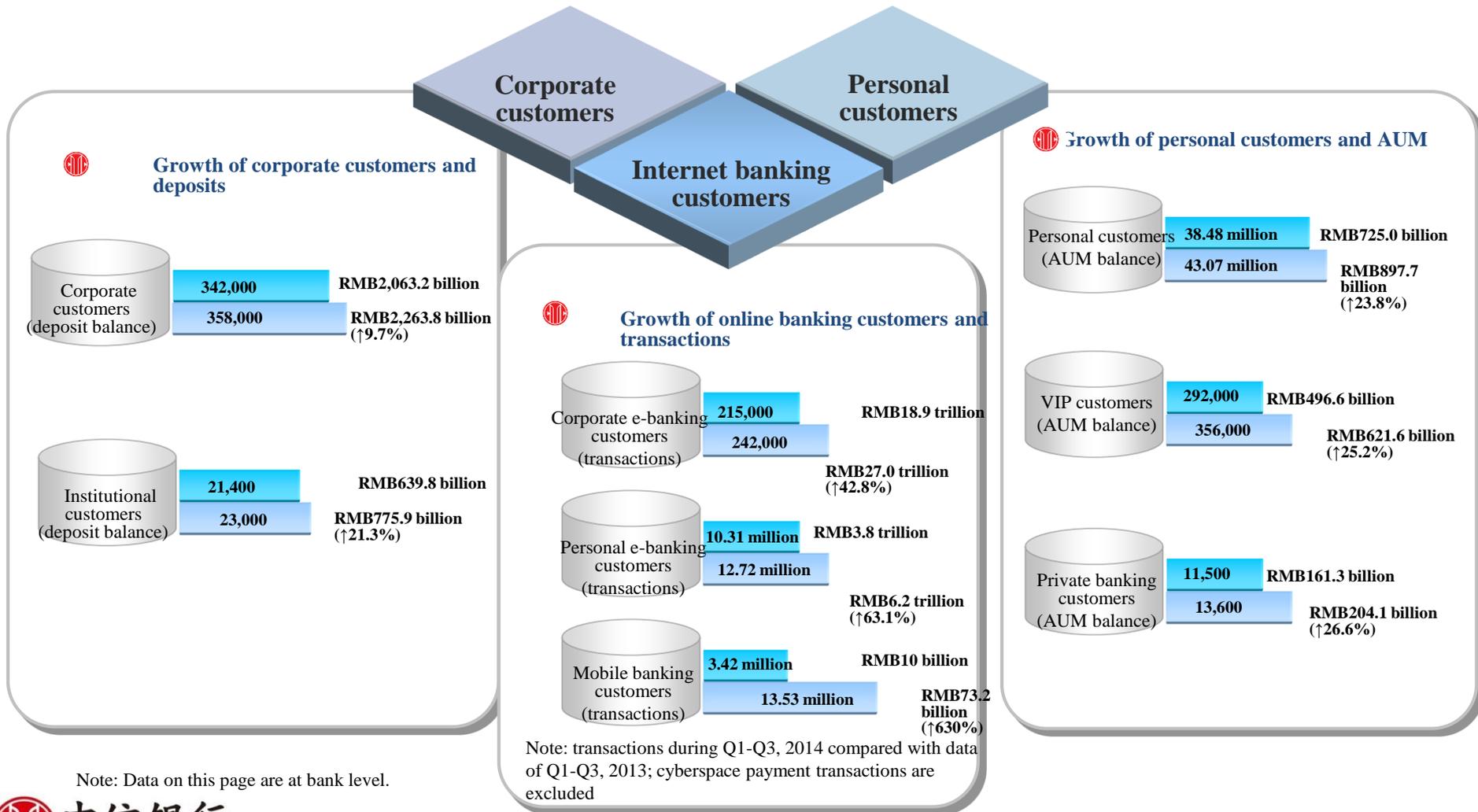
**Balance of loans under the strict control category (proportion)**



Note: Data on this page are at bank level.

## ii. Structural Adjustment Presented Initial Effect

### 2.2 The number of institutional customers, HNW customers and internet banking customers steadily increased



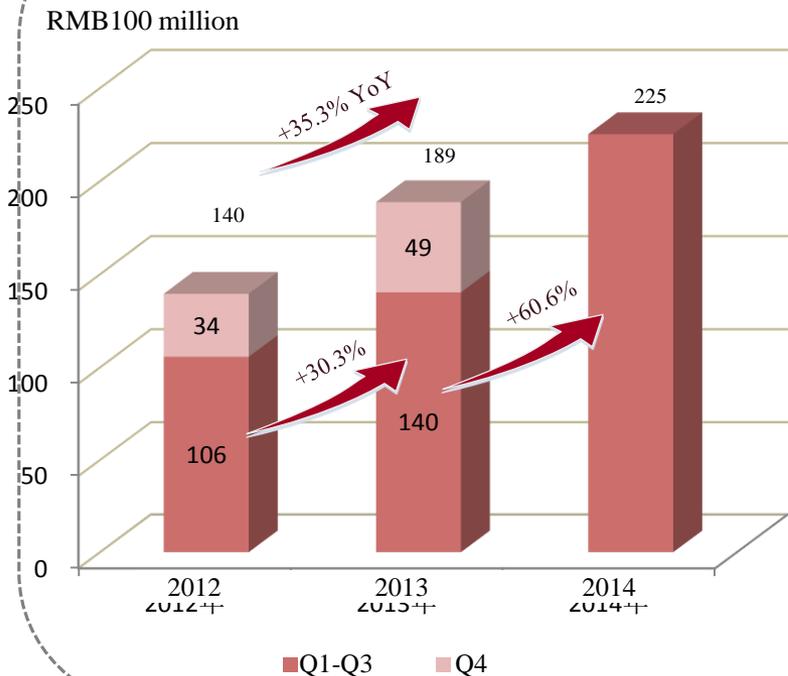
Note: Data on this page are at bank level.

## ii. Structural Adjustment Presented Initial Effect

### 2.3 Proportion of fee-based business income grew significantly



Growth of fee-based business income



Breakdown of fee-based business income

Unit: RMB 100 million

	January-September, 2014	YoY growth	YoY growth rate
Net fee & commission income	188.4	64.5	52.0%
Including: bank card service fee	58.7	19.4	49.4%
Advisory service fee	44.0	12.4	39.2%
Wealth management service fee	27.9	10.2	57.4%
Guarantee service fee	25.3	7.9	45.6%
Settlement service fee	17.5	5.4	45.0%
Agent service fee	12.6	3.4	37.3%
Commission from custody and other entrusted business	11.8	5.9	100.7%
Other non-interest income	36.9	20.5	125.5%



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**Part III**

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**Outlook**

## i. Macroeconomic & Financial Situations and Development of Regulatory Policy

### Economic & Financial Situations

- Momentum of domestic economic growth is stable but facing pressure
- Money supply growth retreated, and deposit growth was tepid
- Growth of social financing slowed
- Trend of risk spreading becomes clear
- Impact of interest rate liberalization and Internet finance

### Prediction of situations and regulatory policy updates

- Make targeted easing monetary policy as a “new normal status”
- Reinforce management of the local government debts
- Adjust the housing financial service policy
- Enhance management of inter-bank business and deposit variation degree
- Step up monitoring of NPL risks and disposal of NPLs

## ii. Working Measures to Take in Q4, 2014

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➤ Based on changes in the domestic and external operating situations, the Bank will focus on the following tasks in Q4, 2014:

- ❑ **Attach great importance to asset quality, and properly prevent and control the risks**
- ❑ **Reinforce refined management, and strive for boosting the NIM**
- ❑ **Upgrade the product innovation capability and service level, and fuel development of fee-based business**
- ❑ **Continue to promote increase of deposits, and reinforce the stability of deposits**

The End

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**Thank You!**