

2015 Annual Results Announcement

March 2016



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Overview of Main Financial Indicators in 2015

Unit: RMB100 millions

Earning indicator	2015	Y-o-y increase/(decrease)	Growth rate
Net profit attributable to shareholders	411.6	4.7	↑ 1.1%
Profit before provision	950.2	167.7	↑ 21.4%
Operating income	1451.3	204.2	↑ 16.4%
Net interest income	1044.3	96.9	↑ 10.2%
Net non-interest income	407.0	107.3	↑ 35.8%
Percentage of non-interest income	28.0%	Up 4.0 percentage points	
Net interest margin	2.31%	Down 0.09 percentage point	
Cost/income ratio	27.9%	Down 2.4 percentage points	

Scale indicator	As at the end of 2015	Increase over the end of last year	Growth Rate
Total assets	51223	9835	↑ 23.8%
Customer deposits	31828	3332	↑ 11.7%
Customer loans	25288	3409	↑ 15.6%

Asset quality indicator	As at the end of 2015	As at the end of last year	Increase/(decrease) over the end of last year
NPL balance	360.5	284.5	+76.0
NPL ratio	1.43%	1.30%	Up 0.13 percentage point
Provision coverage ratio	167.8%	181.3%	Down 13.5 percentage points
Allowance/loan ratio	2.39%	2.36%	Up 0.03 percentage point



Financial Results



Business Development

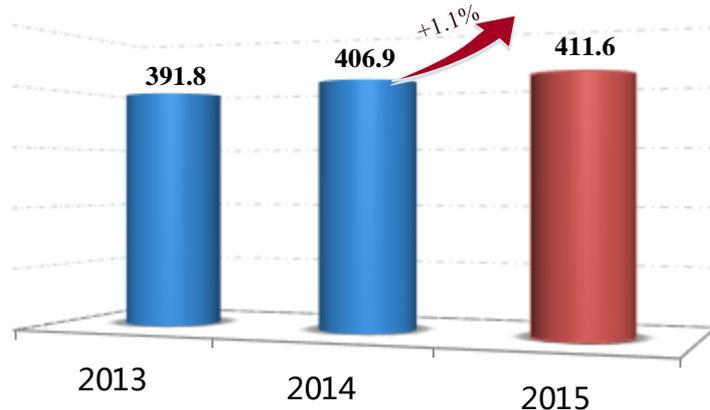


Outlook

Net profit steadily increased

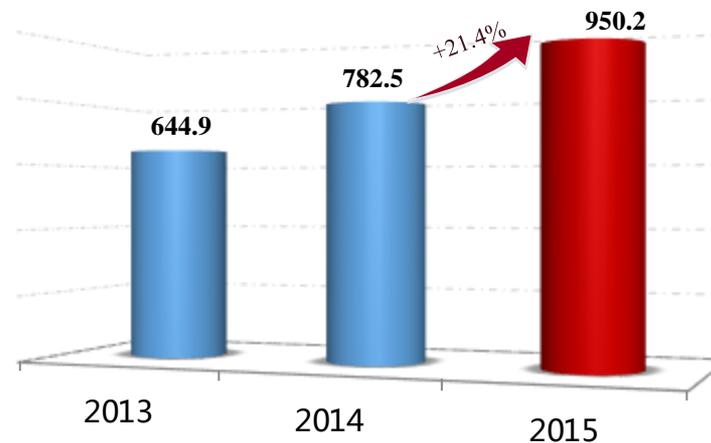
Net profit attributable to shareholders of the Bank

Unit: RMB100 millions



Profit before provision

Unit: RMB100 millions



Main earnings indicators

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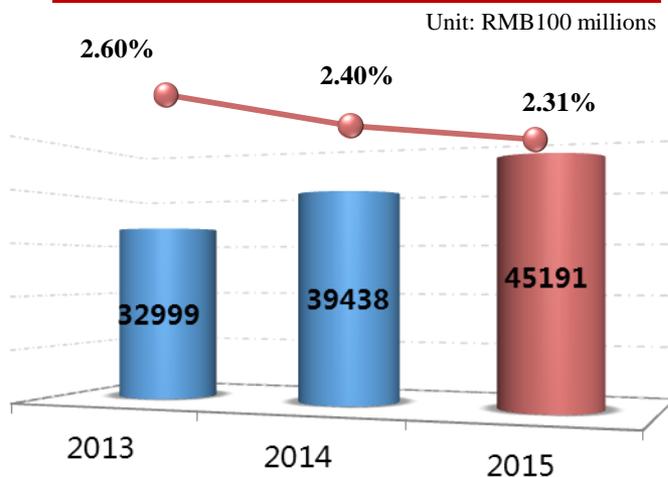
	2015	2014	Increase/(decrease)
ROA	0.90%	1.07%	Down 0.17 percentage point
ROE	14.55%	16.84%	Down -2.29 percentage points
EPS (RMB)	0.88	0.87	+0.01
Net asset per share (RMB)	6.49	5.55	+0.94

Operating income realized rapid growth

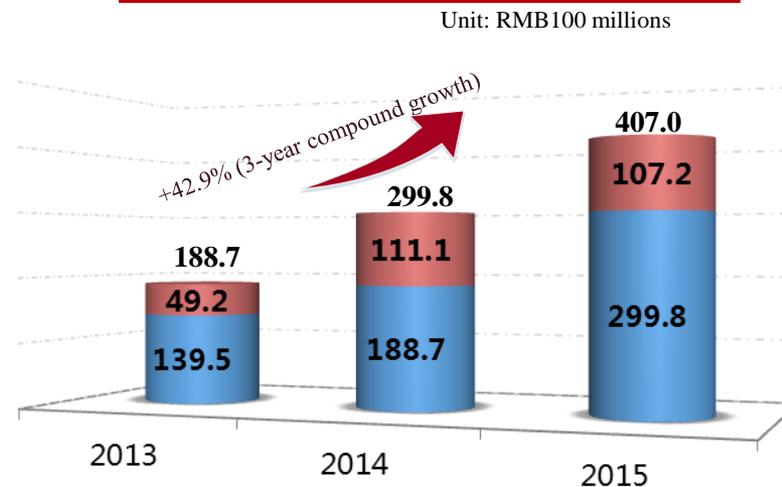
Operating income

Item	2015	2014	Increase/(decrease)
Operating income	1451.3	1247.2	Up 16.4%
Net interest income	1044.3	947.4	Up 10.2%
Net interest margin	2.31%	2.40%	Down 0.09 percentage point
Net non-interest income	407.0	299.8	Up 35.8%
Percentage of non-interest income	28.0%	24.0%	Up 4.0 percentage points

Interest-earning assets and net interest margin



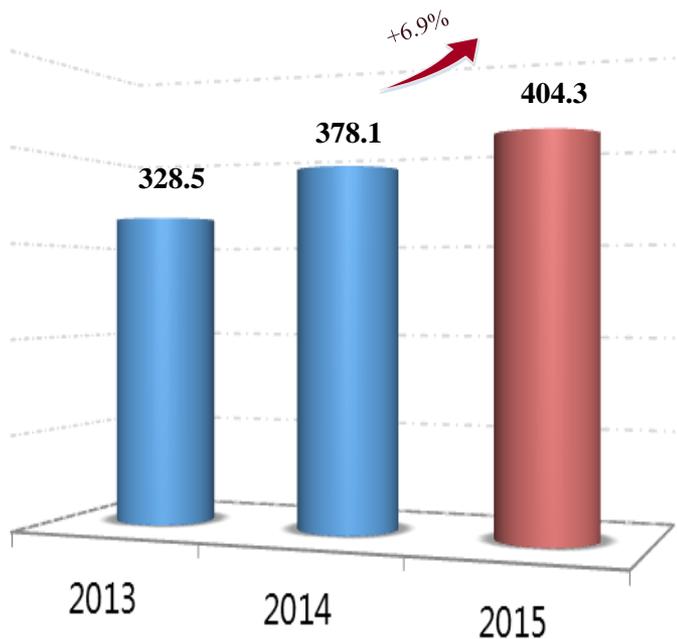
Non-interest income



Input-out efficiency improved

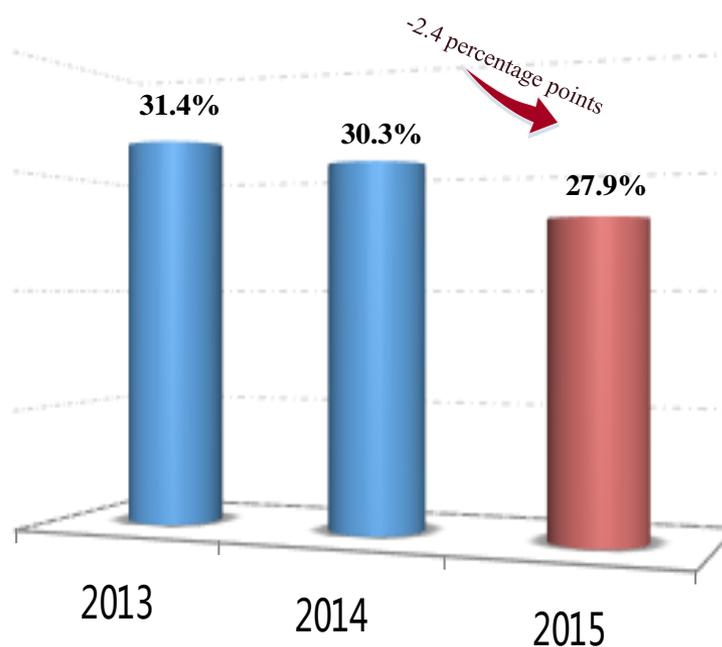
General & administrative expenses

Unit: RMB100 millions



Cost/income ratio

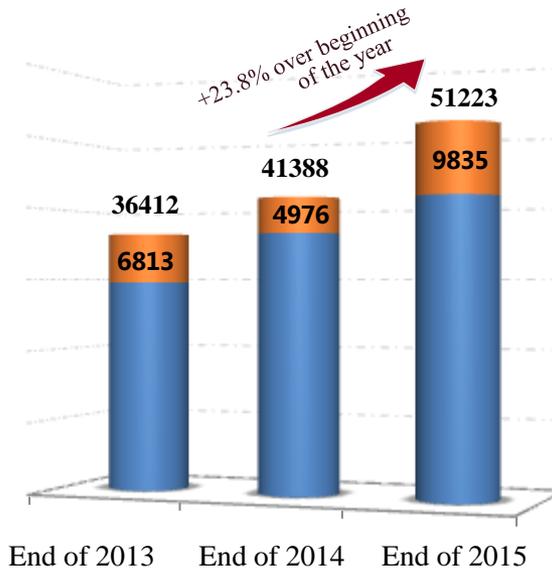
Unit: RMB100 millions



Operating scale continued to grow rapidly (1)

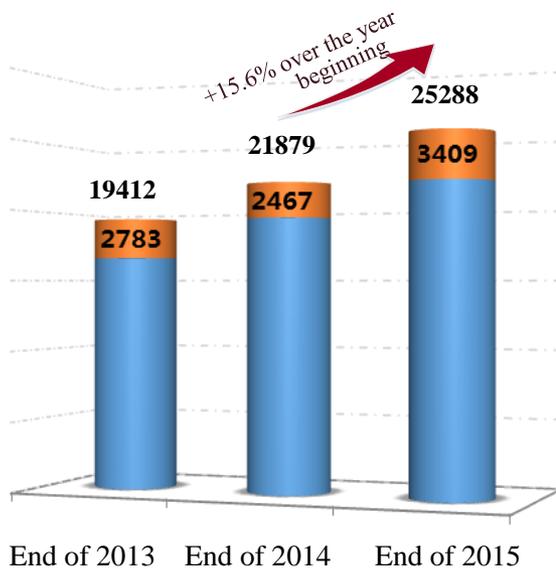
Total assets

Unit: RMB100 millions



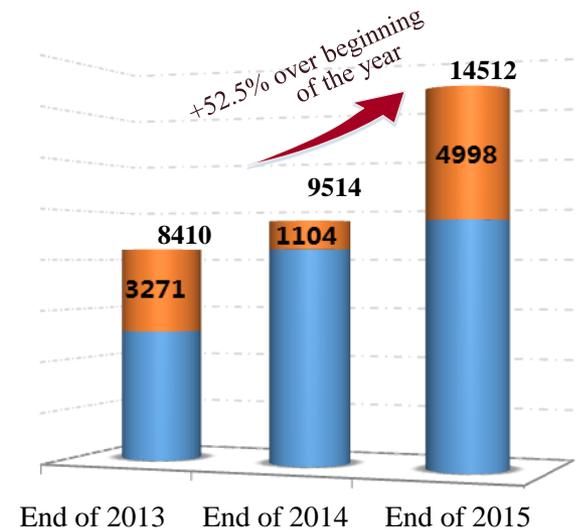
Customer loans

Unit: RMB100 millions



Interbank asset business

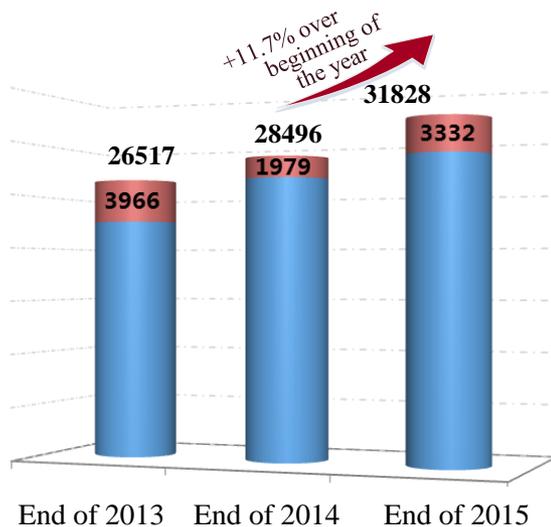
Unit: RMB100 millions



Operating scale continued to grow rapidly (2)

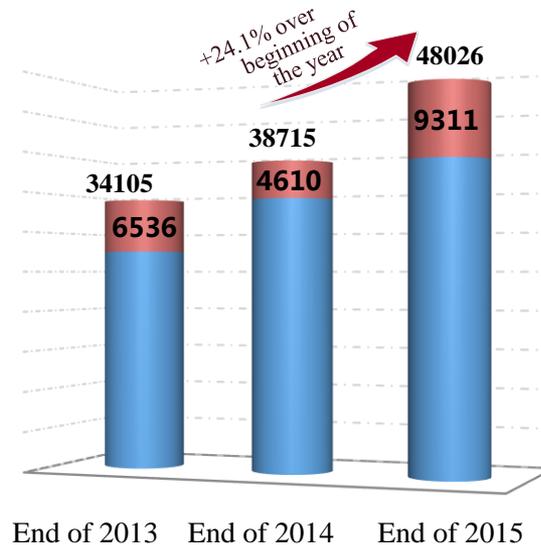
Customer deposits

Unit: RMB100 millions



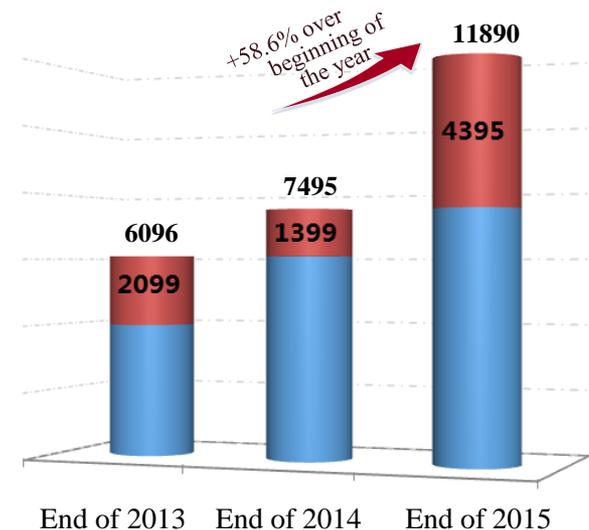
Total liabilities

Unit: RMB100 millions



Interbank liability business

Unit: RMB100 millions



Credit structure kept improving

Changes in various loans

Unit: RMB100 millions

Item	Balance	Increase/ (decrease)	Growth rate	Change in percentage
Personal loans	6686	1141	20.6%	Up 1.1 percentage points
Collateralized loans	14501	2369	19.5%	Up 1.9 percentage points
Loans to wholesale and retail industries	2607	-294	-10.1%	Down 3.8 percentage points
Loans to overcapacity industries	394	-40	-9.3%	Down 0.4 percentage point

Note: Loans to overcapacity industries are the regulatory data of the Bank.

- Corporate loan advantages were further consolidated. At the end of 2015, the balance of the Bank's general corporate loans reached RMB1.6 trillion, up RMB162.5 billion or 11.1% over the beginning of the year, ranking first in the industry in terms of both growth amount and growth rate.
- The percentage of personal loans kept increasing. At the end of 2015, personal loans increased by RMB114.1 billion over the beginning of the year, accounting for 33.5% of the growth of total loans, up 20.6%, 5.0 percentage points higher than the average growth rate of the Bank's total loans. Among them, personal credit card loans and other consumer loans rose by RMB49.7 billion and RMB30.7 billion or 39.4% and 35.2% respectively.
- Credit resources tended to be inclined towards key strategic regions. At the end of 2015, loans to the Yangtze River Economic Belt, Beijing, Shanghai, Guangzhou and Shenzhen, and Beijing-Tianjin-Hebei regions increased by 28%, 36% and 18% respectively.
- The Bank reduced controlled loans on its own initiative. In 2015, loans to steel trade, photovoltaic industry and overcapacity industries were accumulative cut RMB17.8 billion.

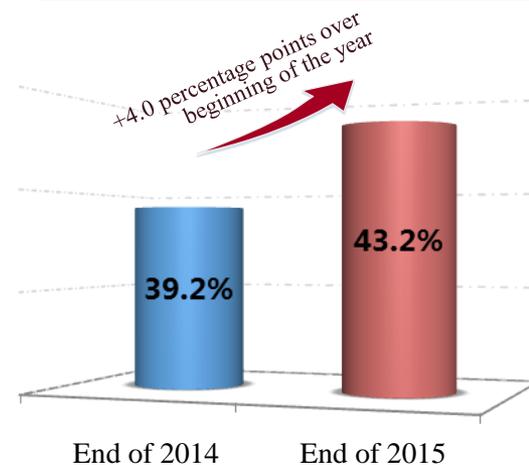
Liability sources tended to be more diversified

Liability structure

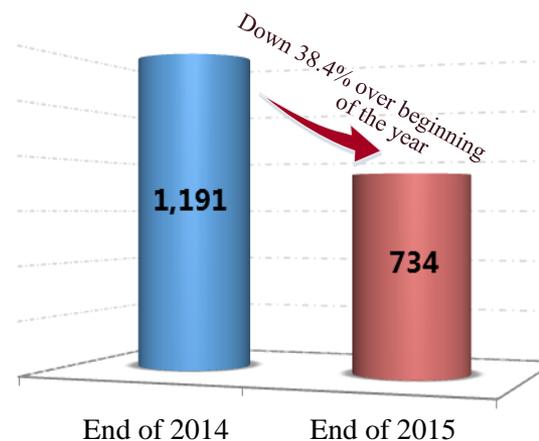
Unit: RMB100 millions

Item	Balance	Percent -age	Growth rate	Change in percentage
Customer deposits	31828	66.3%	11.7%	Down 7.3 percentage points
Interbank liabilities	11890	24.8%	58.6%	Up 5.4 percentage points
Interbank deposits	10685	22.2%	55.2%	Up 4.4 percentage points
Issued debt securities	2891	6.0%	116.6%	Up 2.6 percentage points
Interbank CD	1714	3.6%	623.4%	UP 3.0 percentage points
Others	1417	2.9%	2.0%	Down 0.7 percentage point
Total liabilities	48026	100.0%	24.1%	-

Percentage of demand deposits



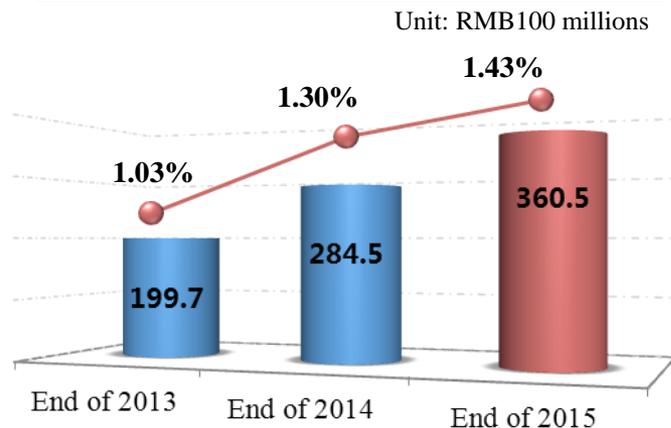
High-cost personal deposits



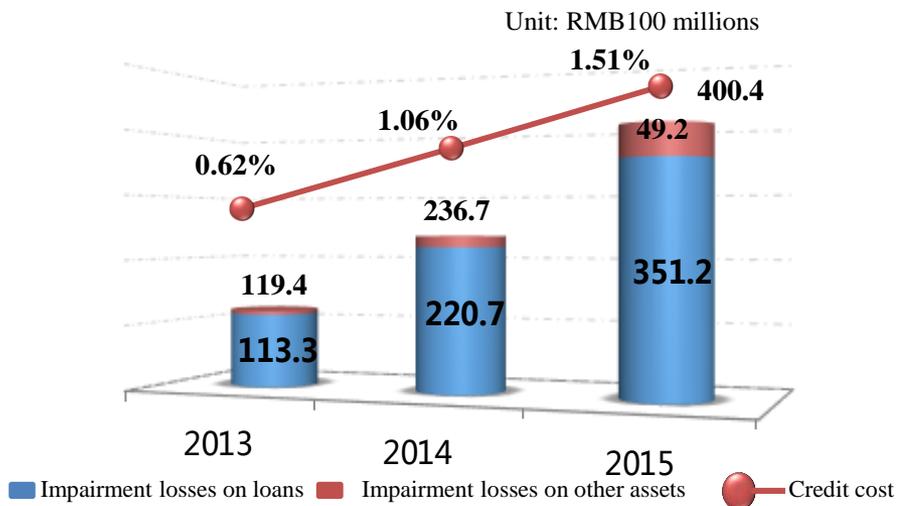
Note: Data are those of the Bank.

Asset quality was controllable overall

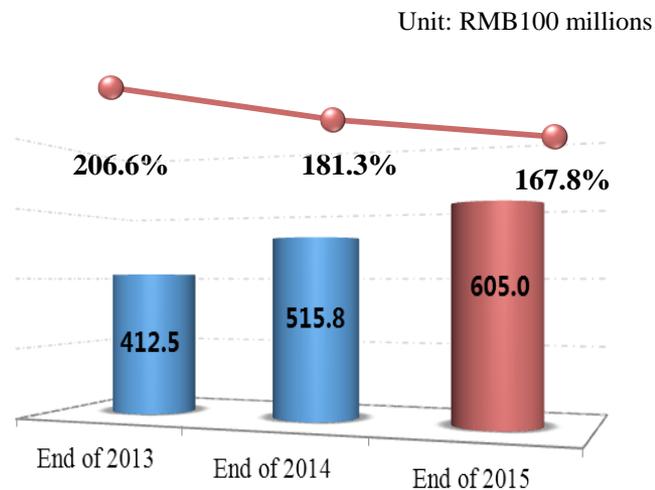
NPL balance and NPL ratio



Provision and credit cost



Provision balance and provision coverage ratio





Financial Results



Business Development



Outlook

Integrated financing service capability was further enhanced

Provided actively the comprehensive financial services to customers with its vision of becoming the bank offering the best comprehensive financial services

Scaled up on-balance-sheet integrated financing and bond underwriting

- At the end of 2015, the Bank's on-balance-sheet credit financing increased by RMB340.9 billion, or 15.6%, over the end of the previous year.
- In 2015, the Bank underwrote bonds of RMB339 billion for corporate customers, hitting a new high.
- Other on-balance-sheet assets increased by RMB642.6 billion, or 32.9%, over the end of the previous year.

Built an integrated financing service platform for strategic customers

- Integrated the resources of financial institutions within the Group, strengthened the business synergy of securities, trust and insurance subsidiaries and provided comprehensive financing solutions for customers.
- Provided customers with diversified products, including M&A financing, market value management, cross-border financing and PPP financing.
- Signed strategic cooperation agreements with 2,856 customers, of which were served by comprehensive financial solutions.

Supported the "Belt and Road" initiative and Beijing-Tianjin-Hebei integration

- The Bank, together with affiliates of the Group, invested and financed RMB700 billion for the country's "Belt and Road" initiative, with more than 200 reserve projects involving 24 branches.
- The Bank continued to step up support for Beijing-Tianjin-Hebei integration, actively reserved key projects, realized effective credit extension and drove the rapid growth of asset business.

Operational transformation achieved positive results

Percentage of retail banking income increased remarkably

Item	2015	2014	Increase/(decrease)
Corporate banking	49.1%	52.3%	Down 3.2 percentage points
Retail banking	23.4%	20.2%	Up 3.2 percentage points
Financial market	31.0%	29.1%	Up 1.9 percentage points
Others	-3.5%	-1.6%	Down 1.9 percentage points

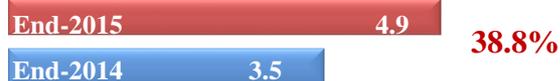
“Big deal” brand advantages were consolidated

- The Bank reinforced the construction of “five major platforms”, i.e. trade financing, cash management, asset custody, e-business service and internet-based financial services.

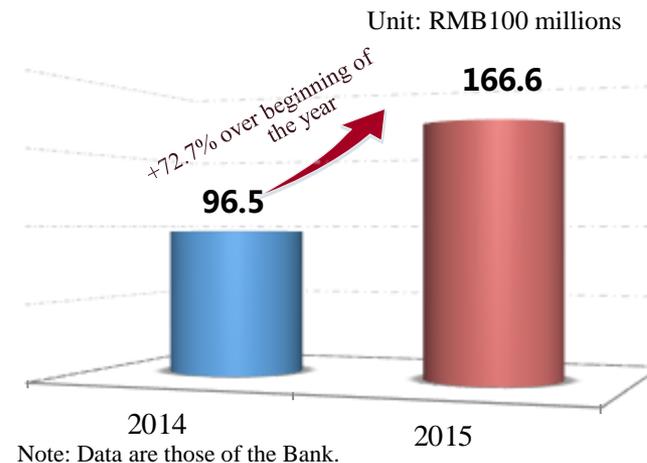
Cash management transaction value (RMB trillions)



Size of assets under custody (RMB trillions)



Capital-light business income grew rapidly



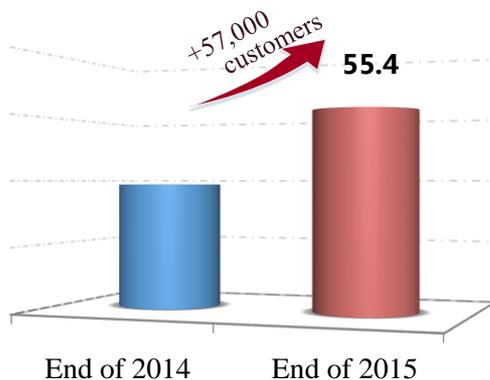
Layout of electronic channels was speeded up

- The number of mobile banking customers was 12.73 million, up 97% over the end of last year; transaction value stood at RMB1.14 trillion in 2015, a year-on-year increase of 8.83-fold.
- The personal e-banking realized a substitution rate of 96.1%, up 3.0 percentage points.
- Mobile banking, personal internet banking and WeChat banking were fully upgraded, greatly improving customer experience.

Customer base was further consolidated

Corporate customers

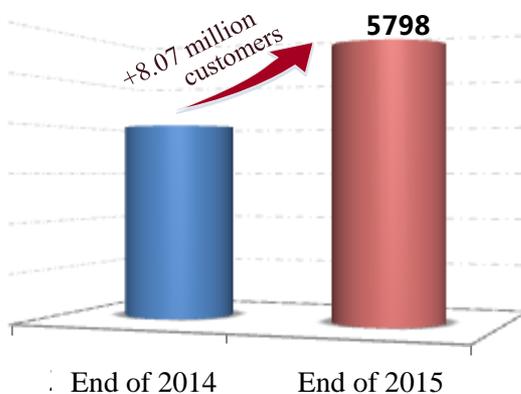
Unit: 10,000 customers



- Average daily balance of institutional deposits exceeded RMB800 billion, up two percentage points, accounting for 36.3% of average daily balance of corporate deposits.
- The average daily balance of deposits of core strategic customers of the Head Office increased by 15.5% year on year

Retail customers

Unit: 10,000 customers



- The number of middle and high-end customers and private banking customers increased by 63,800 and 3,426 respectively.
- The number of personal loan customers increased by 304,000, the number of credit cards issued rose by 5.78 million, and the number of mobile banking customers exceeded 12 million.

Pace of integration and internationalization quikened

Integration

- ❑ Established CITIC Financial Leasing Company to further enrich financial service system
- ❑ Established Baixin Bank with Baidu to actively explore cross-industry innovative cooperation with an internet company
- ❑ Increased investment in CITIC Investment and developed it into an overseas full-licensed investment banking platform of the Bank
- ❑ The Board of Directors approved the incorporation of credit card and asset management business and pushed forward the incorporation of mature business



Internationalization

- ❑ Established London Representative Office and initiated the preparatory work for setup of London and Sydney branches
- ❑ Set up a bank-bank cooperation working group with CITIC International to strengthen cross-border collaboration
- ❑ The application for acquiring a 3.53% stake in CTBC Holding has been approved by CBRC, and the Bank is expected to become the first domestic financial institution holding shares in a financial holding company in Taiwan

Further build up an innovation image in the market

Internet finance

- ❑ The Bank set up Baixin Bank with Baidu, making it a pioneer in the cross-industry cooperation between a financial institution and an internet company.
- ❑ The Bank developed such innovative products as P2P fund depository, online provident fund loan, Xin E-Payment, Cross-border Bao, Cloud Express Payment, rapidly increasing its influence in the sphere of internet finance.

Business brand

- ❑ The Bank launched “Trading+” brand, becoming the first domestic commercial bank that has established an exclusive brand of trading bank.
- ❑ The Bank fully upgraded “finance for going abroad” product and service system, increasing the turnover rate of customers applying for visas to the US to 15%. Its brand image further improved.
- ❑ The Bank launched CITIC Wealth Index. It was awarded the “Best Wealth Management Bank”.

“Great single item”

- ❑ “Governmental comprehensive finance” has qualified for centralized collection and payment of all provincial-level treasuries and covered all pilot regions for cash management of local treasury; the Bank ranked second in the industry in terms of assets under management of brokerage, and was No. 1 among all joint-stock banks for the custody scale of public funds.
- ❑ Credit card business contributed fee-based income of RMB12.3 billion, accounting for more than 30% of total fee-based income.
- ❑ The Bank steadily ranked No. 1 in the industry in terms of spot forex trading market making scale in the financial market. It was also No. 1 among joint-stock banks for cross-border RMB/forex collection and payment volume and issuance amount of unsecured bonds in interbank market, and No. 1 in the market for the transaction value of bill asset custody.



Financial Results



Business Development



Outlook

Current economic and financial situation

New opportunities

1

Shift of new and old economic engines

2

Implementation of regional strategy

3

RMB internationalization

4

Internet development

New challenges

1

Slowdown of economic growth

2

Influence of interest rate liberalization

3

Intensification of market competition

4

Enhancement of regulatory constraint

Guiding ideas in 2016

Strategically stay focused on deepening business transformation, accelerating reform innovation, guarding against risks, and striving for comprehensive, coordinated and sustainable business development.



Key work

Strengthen strategy implementation



Expedite innovative development



Deepen business transformation



Reinforce business synergy



Strictly prevent and control risks



Refine management



Thank You