



中 信 銀 行 股 份 有 限 公 司

China CITIC Bank Corporation Limited

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 998)

Report for the Third Quarter of 2008

The Board of Directors of China CITIC Bank Corporation Limited (the “Company” or the “Bank”) announces the unaudited results of the Company and its subsidiaries (the “Group”) for the third quarter ended September 30, 2008. This announcement is made in accordance with Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

§1 Important Notice

- 1.1** The Board of Directors, the Board of Supervisors, and directors, supervisors and Senior Management of the Bank undertake that materials included in this report contain no untruthful record, misleading statements or significant omissions and are individually or jointly liable for the truthfulness, accuracy, and completeness of the content thereof.
- 1.2** The 19th meeting of the first Board of Directors of the Bank passed the Bank’s 2008 Third Quarterly Report by communication voting method. The meeting was supposed to have 15 directors present, and 14 directors were actually present who exercised their voting rights, director John D. Langlois was absent due to some reasons.
- 1.3** The Bank’s financial report for the period is unaudited.
- 1.4** The Bank’s Chairman Kong Dan, President Chen Xiaoxian, Assistant President in charge of financial work Cao Guoqiang and the Person-in-charge of Budget and Finance Department Wang Kang undertake that the financial report set out in the Bank’s 2008 Third Quarterly Report is true and complete.

§2 Company profile

2.1 Company's basic information

Stock abbreviation	CITIC Bank
Stock code	601998 (A-share)
Listing venue	Shanghai Stock Exchange
Stock abbreviation	CITIC Bank
Stock code	0998 (H-share)
Listing venue	The Stock Exchange of Hong Kong Limited
Secretary to the Board of Directors	
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2.2 Principal Accounting Data and Financial Indicators

2.2.1 Principal accounting data and financial indicators prepared based on international accounting standards

Unit: RMB million

Items	September 30,	December 31,	Changes
	2008	2007	compared with the end of previous period (%)
Total assets	1,088,647	1,011,186	7.66
Total loans and advances to customers	652,024	575,208	13.35
Total liabilities	994,298	927,095	7.25
Total customer deposits	862,814	787,211	9.60
Total equity attributable to shareholders of the Bank	94,344	84,086	12.20
Net assets per share attributable to shareholders of the Listed Company (RMB)	2.42	2.15	12.56
	January–September 2008	January–September 2007	Year-on-year changes (%)
Net cash flows from operating activities	47,836	56,561	-15.43
Net cash flows per share from operating activities (RMB)	1.23	1.59	-22.64
	July–September 2008	January–September 2008	Year-on-year changes (%)
Operating income	10,753	31,113	44.72%
Profit before taxation	5,428	16,631	45.84%
Net profit attributable to shareholders of the Listed Company	4,044	12,473	97.46%
Basic earnings per share (RMB)	0.10	0.32	100.00%
Diluted earnings per share (RMB)	0.10	0.32	100.00%
Return on average assets (ROAA)	1.47%	1.58%	Increase by 0.56 percentage points
Return on average equity (ROAE)	17.53%	18.64%	Increase by 7.28 percentage points

2.2.2 *The following table shows the reconciliation on net profit for the period ended September 30, 2008 and equity at the end of the period attributable to the shareholders of the Bank caused by the differences between PRC and international accounting standards.*

Unit: RMB million

	Net assets		Net profit	
	September 30, 2008	December 31, 2007	January– September 2008	January– September 2007
Figures shown in the Bank's financial report prepared according to International Financial Reporting Standards (IFRS)	94,344	84,086	12,473	5,271
Difference caused by revaluation of the fixed assets and other assets	28	50	(22)	(24)
Figures shown in the Bank's financial report prepared according to the PRC Accounting Standards for Business Enterprises	94,372	84,136	12,451	5,247

2.2.3 *Management Discussion and Analysis*

As of September 30, 2008, the Bank's total assets amounted to RMB1.088647 trillion, an increase of 7.66% compared to the beginning of the year. The total liabilities amounted to RMB994.298 billion, up by 7.25% compared to the beginning of the year. The total loans and advance amounted to RMB652.024 billion, a growth of 13.35% over the beginning of the year. Customer deposits amounted to RMB862.814 billion, an increase of 9.60% compared to the beginning of the year.

As of the end of the reporting period since the beginning of the year, the Bank realized a net profit of RMB12.473 billion, an increase of 136.63% on a year-on-year basis. The main factors for the profit growth: (1) Net interest income grew by 52.06%, attributable to the growth in scale of interest bearing assets and expansion of net interest margin; (2) The fee and commission income continued a rapid growth, an increase of 106.36%; (3) The cost to income ratio was 31.94%, down by 2.54 percentage points year on year; (4) The effective tax rate went down by a large margin to 25.00%.

As of the end of the reporting period, the Bank's non-performing loan ratio was 1.37%, a decrease of 0.11 percentage points compared to the beginning of the year, mainly attributable to recovery from non-performing loans for the previous three quarters of RMB1.175 billion and the expansion of loan scale. The balance of non-performing loans amounted to RMB8.965 billion, an increase of RMB473 million over the beginning of the year. In view of the recent fluctuations in domestic and foreign economies and financial markets, the Bank will pay close attention to the loan quality at the end of the year. The Bank's provision coverage ratio amounted to 120.27%, an increase of 10.26 percentage points over the beginning of the year. As of the end of the reporting period since the beginning of the year, the year-on-year increase of asset impairment was 22.40%.

As of the end of the reporting period, the Bank's capital adequacy ratio was 14.66%, dropped by 0.61 percentage points compared to the beginning of the year. The core capital adequacy ratio was 12.88%, dropped by 0.26 percentage points compared to the beginning of the year.

As of the end of the reporting period, the Bank held the total foreign securities (excluding money market fund) of USD3.794 billion equivalent to RMB25.87 billion. The Bank had no investment in U.S. subprime mortgage-backed securities. The Bank held USD1.069 billion equivalent to RMB7.289 billion residential MBS secured by Fannie Mae and Freddie Mac, and the institutional debt issued by Fannie Mae and Freddie Mac USD151 million equivalent to RMB1.03 billion. The Bank adhered to the prudential principle and accordingly made impairment provision of USD110 million equivalent to RMB751 million for foreign currency securities investment.

2.3 Total number of shareholders and top 10 shareholders that are not subject to restrictions on sale at the end of the reporting period

2.3.1 Total number of shareholders at the end of the reporting period

By the end of the reporting period, the total number of shareholders of the Bank was 573,619, including 529,294 A-share holders and 44,325 H-share holders.

2.3.2 Top 10 Shareholders and Their Respective Shareholdings at the end of the reporting period

Unit: share

No.	Name of shareholder	Nature of shareholder	Types of shares	Shareholding at the end of reporting period	Percentage in total share capital (%)	Increase and decrease of shares during the reporting period	Share being pledged or frozen
1	CITIC Group	State-owned	A-share	24,329,608,919	62.33	0	0
2	CITIC International Financial Holdings Limited	Foreign	H-Share	5,855,002,200	15.00	0	0
3	Hong Kong Securities Clearing (Nominee) Company Nominees Limited	Foreign	H-Share	4,840,775,000	12.40	0	N/A
4	Banco Bilbao Vizcaya Argentaria, S.A.	Foreign	H-Share	1,885,311,281	4.83	0	0
5	Mizuho Corporate Bank	Foreign	H-Share	68,259,000	0.17	0	N/A
6	The National Council for Social Security Council Fund	State-owned	H-Share	68,259,000	0.17	0	N/A
7	PICC Property and Casualty Company Limited	State-owned	H-Share	68,259,000	0.17	0	N/A
8	China Life Insurance (Group) Company Limited	State-owned	H-Share	34,129,000	0.09	0	N/A
9	China Life Insurance Company Limited	State-owned	H-Share	34,129,000	0.09	0	N/A
10	China State Shipbuilding Corporation	State-owned	A-share	29,310,000	0.08	0	N/A

As of September 30, 2008, CITIC Group held 55.15% shares in CITIC International Financial Holdings Limited (“CIFH”), and was its controlling shareholder; Banco Bilbao Vizcaya Argentaria, S.A. (“BBVA”) held 14.51% shares in CIFH. China Life Insurance Company Limited is the subsidiary of China Life Insurance (Group) Company Limited. Except for the above disclosure, the Bank is not aware of any other connected relations among the above shareholders. The shareholdings of H-share holders are based on the number of shares held by the H-share holders on the H-share register at the H-share registrar of the Bank.

2.3.3 Shareholding of the top 10 shareholders that are not subject to restrictions on sale at the end of the reporting period

Unit: share

No.	Name of shareholder	Shares not subject to restrictions on sale	Type of shares
1	CITIC International Financial Holdings Limited	5,855,002,200	H-Share
2	Hong Kong Securities Clearing (Nominees) Company Limited	4,840,775,000	H-Share
3	Banco Bilbao Vizcaya Argentaria, S.A.	382,548,000	H-Share
4	Mizuho Corporate Bank	68,259,000	H-Share
5	The National Council for Social Security Fund	68,259,000	H-Share
6	PICC Property and Casualty Company Limited	68,259,000	H-Share
7	China Life Insurance (Group) Company Limited	34,129,000	H-Share
8	China Life Insurance Company Limited	34,129,000	H-Share
9	China State Shipbuilding Corporation	29,310,000	A-share
10	State Development & Investment Corporation	25,862,000	A-share
10	China Yangtze Power Co. Ltd.	25,862,000	A-share
10	Hebei Provincial Construction Investment Corporation	25,862,000	A-share
10	Dongfeng Motor Corporation	25,862,000	A-share
10	Sinochem Corporation	25,862,000	A-share
10	China Ping An Trust & Investment Co., Ltd.	25,862,000	A-share
10	China Southern Power Grid Co. Ltd.	25,862,000	A-share
10	Guangzhou Development Industry (Holdings) Co.	25,862,000	A-share
10	Industrial and Commercial Bank of China Limited	25,862,000	A-share
10	Zhonghai Trust Co., Ltd.	25,862,000	A-share

Note to the connected relations or concerted actions of aforesaid shareholders:

Save the fact that China Life Insurance Company Limited is the subsidiary controlled by China Life Insurance (Group) Company Limited, the Bank is not aware of any connected relations or concerted actions of the aforesaid shareholders.

§3 Significant events of the Bank

3.1 Material changes in principal accounting items and financial indicators of the Bank and the reasons

✓ Applicable □ Not applicable

Items with material changes in this quarter and the reasons:

Unit: RMB million

Items	September 2008	December 31, 2007/January –September 2007	Year-on-year changes	Reasons for the changes
Balance under resale agreements	42,496	118,046	-64.00%	Decrease in resale securities purchased
Positive value derivatives	3,305	2,049	61.30%	Transaction volume of derivatives increased and the positive value of fair value revaluation increased
Investment securities	202,276	153,348	31.91%	Investment increase driven by sufficient liquidity
Balance under repurchase agreements	7,263	15,754	-53.90%	Decrease in sale of repurchase securities
Negative value derivatives	3,448	1,914	80.15%	Transaction volume of derivatives increased and the negative value of fair value revaluation increased
Retained earnings	14,300	3,915	265.26%	Significant increase in net profit for the year
Net interest income	27,633	18,172	52.06%	Growth in scale and expansion of interest spread
Net fee and commission income	2,175	1,054	106.36%	Rapid development of intermediary businesses
Net trading gain/(loss)	1,028	(128)	—	Increase in gain of derivative revaluation
General and administrative expenses	12,100	8,067	49.99%	Various charges increased due to growth in scale

3.2 Progress and impacts of the significant events and the analysis on solutions

Applicable Not applicable

3.3 Performance of undertakings by the Bank, shareholders and real controller

Applicable Not applicable

During the reporting period, the shareholders have no new undertakings. Undertakings as of the end of reporting period are the same as the disclosure in the IPO prospectus and the 2008 Interim Report. The undertakings made by the shareholders have been performed normally.

3.4 Forecast warning that the accumulated net profit from the beginning of the period up to the end of the next reporting period may turn to loss or have significant changes compared with the corresponding period of previous year and the reasons

Applicable Not applicable

3.5 Security investments

3.5.1 The Bank's shareholding in non-listed companies and companies that intend to go public

Applicable Not applicable

Unit: RMB

Name	Initial investment	Number of shares held (share)	Shareholding percentage of the company's total equity	Book value at the end of the reporting period	Gain or loss for the reporting period	Changes in owners' equity during the reporting period	Accounting items	Sources of the shares
China UnionPay Co, Ltd.	70,000,000	87,500,000	4.24%	113,750,000	—	—	Long-term equity investments	Purchase by cash

3.5.2 Stocks and securities of other listed companies held by the Bank

Applicable Not applicable

Unit: consolidated RMB

No.	Stock code	Abbreviation	Number of shares (share)	Initial investment	Book value at the end of the reporting period	Book value at the beginning of the reporting period	Accounting title
1	JPMUL CD LX	JPMorgan Liquidity Fund	3,340,967,000	3,340,967,000	3,340,967,000	Not Applicable	Financial assets available for sale
2	HSBUSDA ID	HSBC US Dollar Liquidity Fund	2,720,501,700	2,720,501,700	2,720,501,700	Not Applicable	Financial assets available for sale
3	JPGUMMC ID	JPMorgan Global Fund	2,645,500,400	2,645,500,400	2,645,500,400	Not Applicable	Financial assets available for sale
4	BZW\$LAI	Barclays Global Investors ("BGI") Cash Selection Fund	681,830,000	681,830,000	681,830,000	Not Applicable	Financial assets available for sale
5	762	China Unicom (HK)	900,000	15,795,000	9,127,851	15,795,000	Financial assets available for sale
		Total	9,389,699,100	9,404,594,100	9,397,926,951	9,404,594,100	

By order of the Board of
China CITIC Bank Corporation Limited
Kong Dan
Chairman

Beijing, The PRC
30 October, 2008

As at the date of this announcement, the executive directors of the Company are Dr. Chen Xiaoxian and Mr. Wu Beiyong; the non-executive directors are Mr. Kong Dan, Mr. Chang Zhenming, Mr. Dou Jianzhong, Ms. Chan Hui Dor Lam Doreen, Mr. Ju Weimin, Mr. Zhang Jijing, Mr. Guo Ketong and Mr. José Ignacio Goirigolzarri; and the independent non-executive directors are Dr. Bai Chong-En, Dr. John Dexter Langlois, Dr. Ai Hongde, Dr. Xie Rong and Mr. Wang Xiangfei.

Consolidated Income Statement (Unaudited)

(Expressed in millions of Renminbi unless otherwise stated)

	Jul–Sept 2008	Jul–Sept 2007	Jan–Sept 2008	Jan–Sept 2007
Interest income	15,477	10,902	44,576	29,025
Interest expense	(6,072)	(3,986)	(16,943)	(10,853)
Net interest income	9,405	6,916	27,633	18,172
Fee and commission income	893	518	2,444	1,233
Fee and commission expense	(99)	(69)	(269)	(179)
Net fee and commission income	794	449	2,175	1,054
Net trading gain/(loss)	545	(51)	1,028	(128)
Net gain from investment securities	(61)	68	27	110
Other operating income	70	48	250	137
Operating income	10,753	7,430	31,113	19,345
General and administrative expenses	(4,365)	(2,924)	(12,100)	(8,067)
Provisions for impairment losses on				
— loans and advances to customers	(212)	(768)	(1,625)	(1,912)
— others	(748)	(16)	(757)	(34)
Profit before taxation	5,428	3,722	16,631	9,332
Income tax	(1,384)	(1,674)	(4,158)	(4,061)
Net profit	4,044	2,048	12,473	5,271
Attributable to:				
Shareholders of the Bank	4,044	2,048	12,473	5,271
Minority interests	—	—	—	—
Net profit	4,044	2,048	12,473	5,271
Profit appropriations	—	—	2,088	726
Earnings per share attributable to shareholders of the Bank				
Basic and diluted (Renminbi)	0.10	0.05	0.32	0.15

Approved by the Board of Directors on 30 October, 2008.

Consolidated Balance Sheet (Unaudited)

(Expressed in millions of Renminbi)

	September 30, 2008	December 31, 2007
Assets		
Cash and balances with central bank	152,290	123,369
Amounts due from banks and other financial institutions	23,185	26,655
Balances under resale agreements	42,496	118,046
Loans and advances to customers	641,242	565,866
Trading assets	6,902	6,500
Derivatives	3,305	2,049
Investment securities	202,276	153,348
Property and equipment	9,103	8,948
Deferred tax assets	1,343	954
Other assets	6,505	5,451
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Total assets	1,088,647	1,011,186
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Liabilities		
Amounts due to banks and other financial institutions	91,757	97,248
Balances under repurchase agreements	7,263	15,754
Derivatives	3,448	1,914
Deposits from customers	862,814	787,211
Current tax liabilities	2,785	3,444
Deferred tax liabilities	—	13
Other liabilities and provisions	14,231	9,511
Subordinated debts/bonds issued	12,000	12,000
	<hr/>	<hr/>
Total liabilities	994,298	927,095
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	September 30, 2008	December 31, 2007
Equity		
Share capital	39,033	39,033
Reserves	41,011	41,138
Retained earnings	14,300	3,915
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Total equity attributable to shareholders of the Bank	94,344	84,086
	<hr/>	<hr/>
Minority interests	5	5
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Total equity	94,349	84,091
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Total equity and liabilities	1,088,647	1,011,186
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Approved by the Board of Directors on 30 October, 2008.

Consolidated Statement of Changes in Equity (Unaudited)

(Expressed in millions of Renminbi)

	Share capital/ Owners' capital	Capital reserve	Statutory surplus reserve fund	General reserve	Investment revaluation reserve	Properties revaluation reserve	Retained earnings	Exchange difference	Minority interests	Total equity
As at 1 January, 2008	39,033	36,525	829	3,731	(98)	156	3,915	(5)	5	84,091
Net profit	—	—	—	—	—	—	12,473	—	—	12,473
Net change in fair value of available-for-sale investments	—	—	—	—	(132)	—	—	—	—	(132)
Net loss on disposal of available-for-sale investments	—	—	—	—	8	—	—	—	—	8
Exchange difference	—	—	—	—	—	—	—	(3)	—	(3)
Profit appropriation	—	—	—	—	—	—	(2,088)	—	—	(2,088)
As at 30 September, 2008	39,033	36,525	829	3,731	(222)	156	14,300	(8)	5	94,349
As at 1 January, 2007	31,113	(391)	—	—	(14)	102	879	—	5	31,694
Share issued	7,920	36,916	—	—	—	—	—	—	—	44,836
Net profit	—	—	—	—	—	—	8,322	—	—	8,322
Net change in fair value of available-for-sale investments	—	—	—	—	(76)	—	—	—	—	(76)
Net loss on disposal of available-for-sale investments	—	—	—	—	(8)	—	—	—	—	(8)
Reevaluation gain of Bank premises	—	—	—	—	—	54	—	—	—	54
Appropriations to statutory surplus reserve fund and general reserve	—	—	829	3,731	—	—	(4,560)	—	—	—
Exchange difference	—	—	—	—	—	—	—	(5)	—	(5)
Profit appropriation	—	—	—	—	—	—	(726)	—	—	(726)
As at 31 December, 2007	39,033	36,525	829	3,731	(98)	156	3,915	(5)	5	84,091

Approved by the Board of Directors on 30 October, 2008.

Consolidated Cash Flow Statement (Unaudited)

(Expressed in millions of Renminbi)

	For the nine months ended Sep 30,	
	2008	2007
Operating activities		
Profit before taxation	16,631	9,332
Adjustments for:		
—Revaluation (gain)/loss on investments and derivatives	(732)	236
—Net loss on disposal of fixed assets	—	2
—Unrealised foreign exchange loss	666	301
—Impairment losses	2,382	1,946
—Depreciation and amortisation	599	542
—Interest expense on subordinated debts/bonds issued	481	427
	<u>20,027</u>	<u>12,786</u>
Changes in operating assets and liabilities:		
Increase in balances with central bank	(28,886)	(12,987)
Increase in amounts due from banks and other financial institutions	(6,058)	(28,192)
Decrease in balances under resale agreements	75,550	
Increase in loans and advances to customers	(73,996)	(86,167)
Increase in other operating assets	(2,341)	(1,181)
Decrease in amounts due to central bank		(201)
(Decrease)/increase in balances under repurchase agreements	(8,491)	
Increase in amounts due to banks and other financial institutions	(5,492)	74,179
Increase in deposits from customers	75,604	92,994
Income tax paid	(5,230)	(1,375)
Increase in other operating liabilities	7,149	6,705
	<u>47,836</u>	<u>56,561</u>
Net cash flows from operating activities		

