

China CITIC Bank Corporation Limited

2013 Q3 Results Briefing



October 2013



I. Financial Performance

II. Business Development

III. Outlook

● Part One

Financial Performance

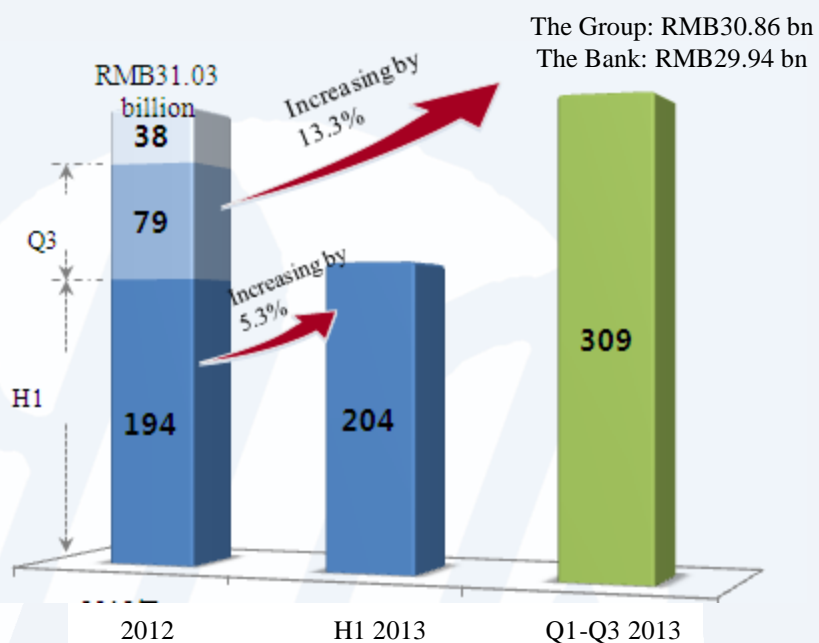
Main Indicators

Scale indicators	At the end of Sept.	Change from the beginning of 2013	Growth rate In RMB100 mn
Total assets	34014	4415	↑ 14.9%
Customer deposits	26325	3773	↑ 16.7%
Customer loans	18830	2201	↑ 13.2%
Quality indicators	At the end of Sept.	At the end of Jun.	At the end of 2012
Non-performing loans	169.8	163.7	122.6
NPL ratio	0.90%	0.90%	0.74%
Provision coverage ratio	231.9%	223.9%	288.2%
Provision to loan ratio	2.09%	2.01%	2.12%
Performance indicators	At the end of Sept.	Yoy increase	Yoy growth rate
Profit before provisioning	491.1	60.4	↑ 14.0%
Net profit attributable to shareholders	308.6	36.3	↑ 13.3%
Net interest income	628.0	70.9	↑ 12.7%
Net non-interest income	137.7	32.0	↑ 30.3%
Percentage of non-interest income	18.0%	+2.1 percentage points	
Net interest margin	2.60%	-0.22 percentage point	
Cost to income ratio	28.9%	+1.2 percentage points	
Regulatory indicators	At the end of Sept.	At the end of Jun.	At the end of 2012
Capital adequacy ratio	11.77%	11.47%	12.42%
Loan-deposit ratio (CITIC Bank, at time point)	71.20%	69.20%	73.59%

1. Steadily improved operational effectiveness

Net profits

In RMB100mn



Rate of returns and net assets per share

	Jan.- Sept. 2013	2012	2011
ROA	1.31%	1.10%	1.27%
ROE	19.2%	16.7%	21.1%
Net assets per share	RMB4.7	RMB4.2	RMB3.7

1. Steadily improved operational effectiveness

Composition of net operating income

In RMB100mn

	Jan.-Sept.	Q3	Yoy growth rate	%	Same period last year
Net operating income	766	267	15.5%	100.0%	100%
Net interest income	628	221	12.7%	82.0%	84.1%
Net non-interest income	138	46	30.3%	18.0%	15.9%
Incl.: net fee and commission income	124	44	51.9%	16.2%	12.3%

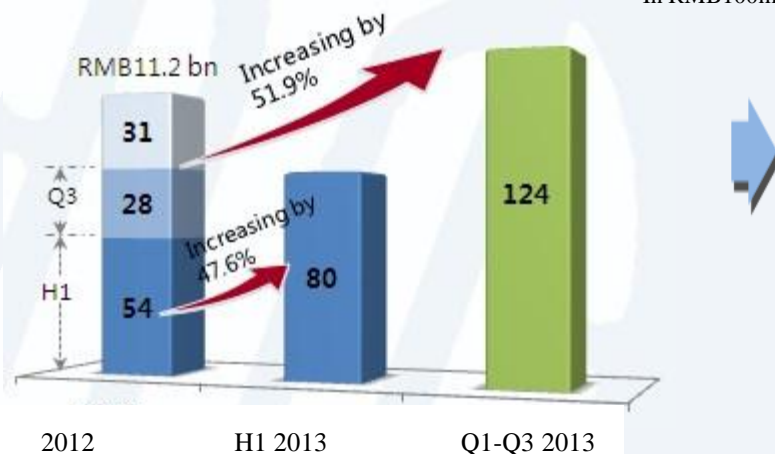
Composition of fee and commission income

In RMB100mn

	Jan.-Sept.	Q3	Yoy increase	Yoy growth rate
Fee and commission income	133.2	47.4	+45.2	51.4%
Of which:				
Bank card fees	39.3	14.8	+12.5	46.6%
Consultancy and advisory fees	34.5	9.5	+12.2	54.9%
Settlement fees	18.2	5.6	-2.7	-13.0%
Commission for wealth management services	17.7	8.2	+13.7	346.1%
Guarantee fees	8.3	3.7	+4.9	140.3%
Agency fees and commission	9.2	3.8	+2.2	31.5%
Commission for custodian business	5.9	1.8	+2.4	67.0%

Net fee and commission income

In RMB100mn



2. Sustained expansion of business size

Total assets

RMB3,401.4 bn +RMB441.5 bn
+14.9%

Customer deposits

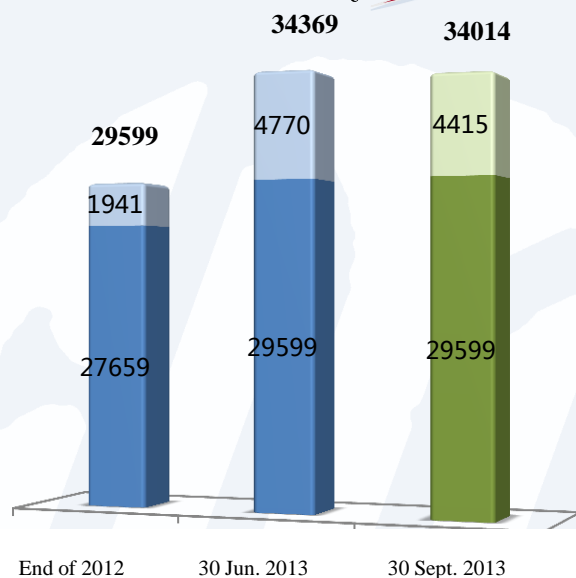
RMB2,632.5 bn +RMB377.3 bn
+16.7%

Customer loans

RMB1,883.0 bn +RMB220.1 bn
+13.2%

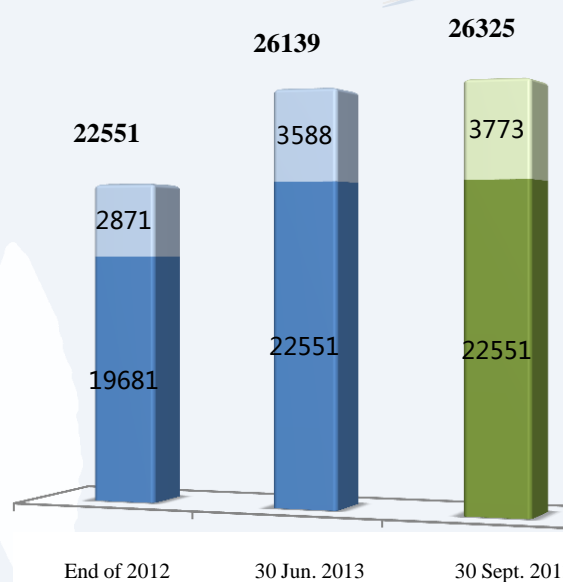
In RMB100mn

Increasing by 14.9%
from the beginning
of 2013



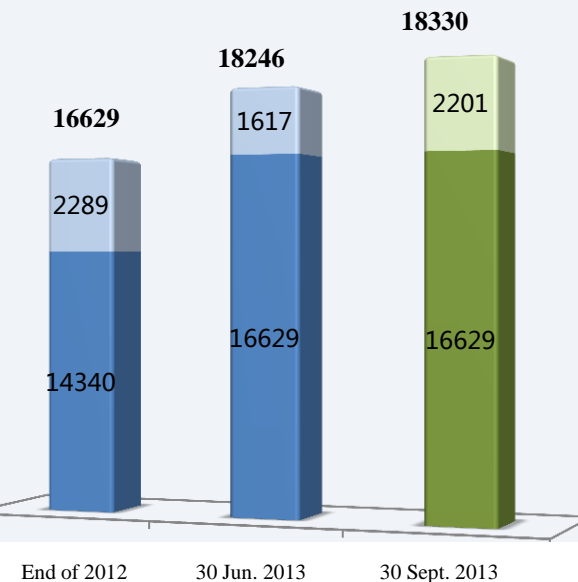
■ Amount in 2012
■ Increment in 2013

Increasing by 16.7%
from the beginning
of 2013



■ Amount in 2012
■ Increment in 2013

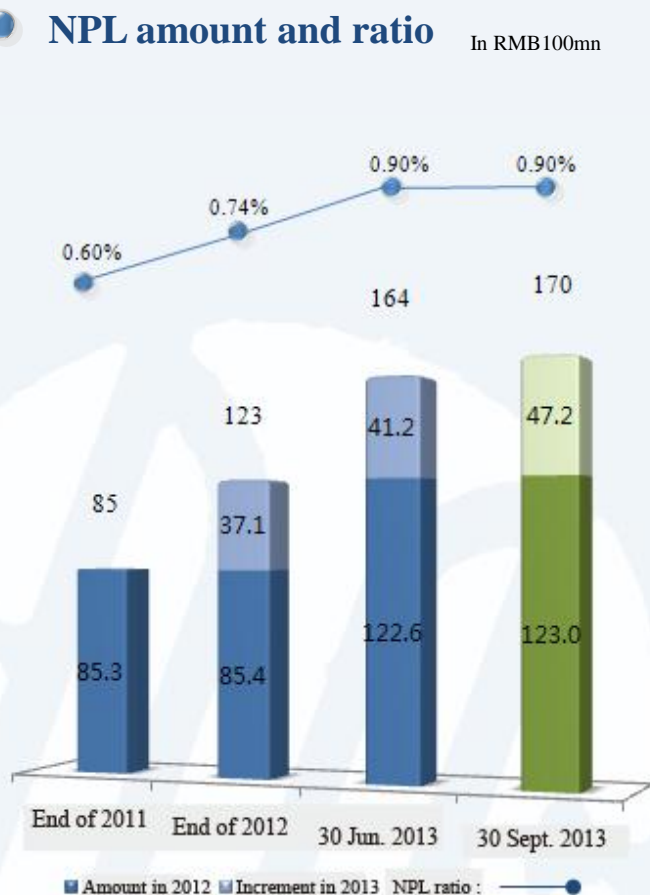
Increasing by 13.2%
from the beginning
of 2013



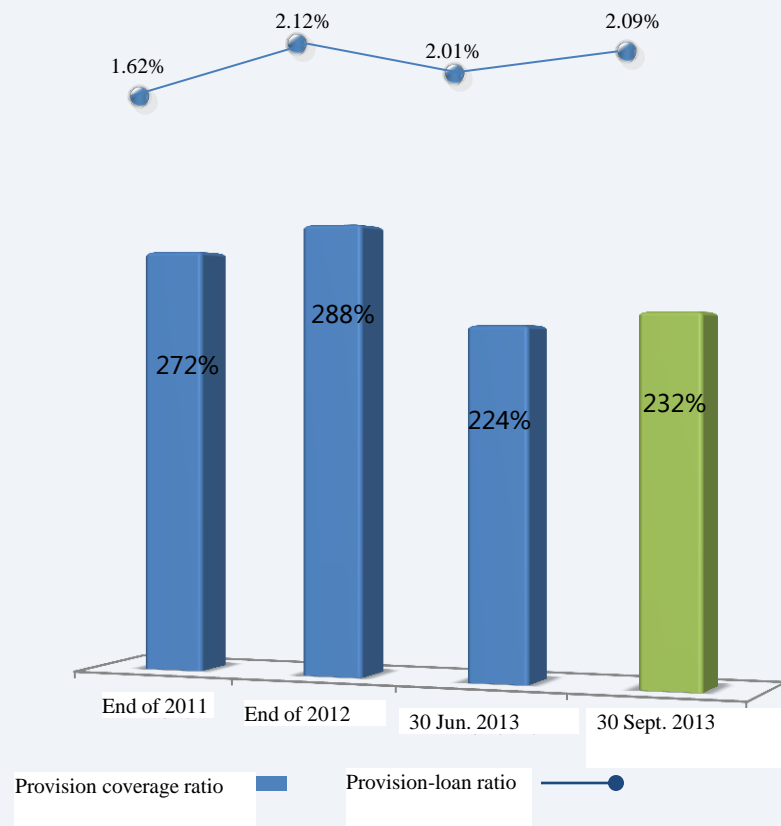
■ Amount in 2012
■ Increment in 2013

3. Controllable asset quality overall

NPL amount and ratio In RMB100mn



Provision coverage ratio and provision-loan ratio

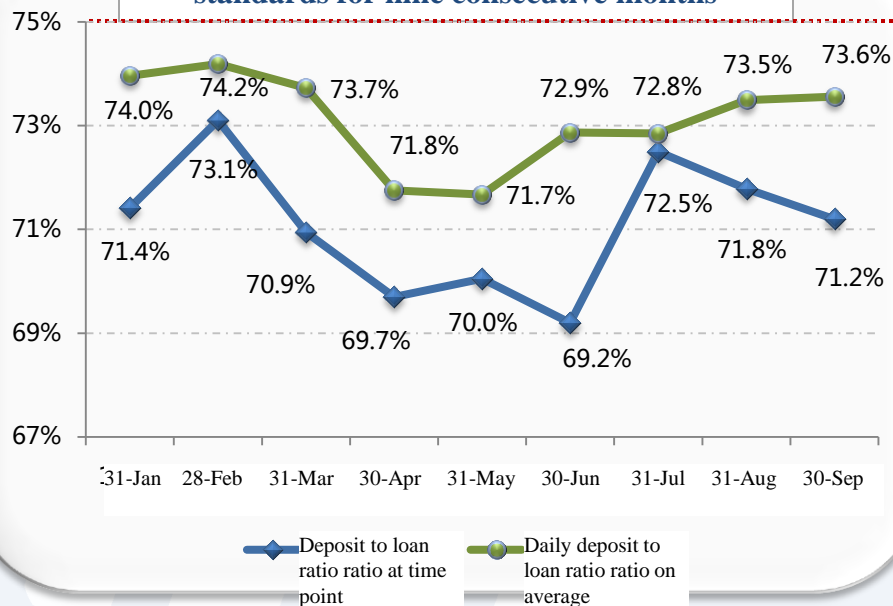


4. Relatively stable liquidity level

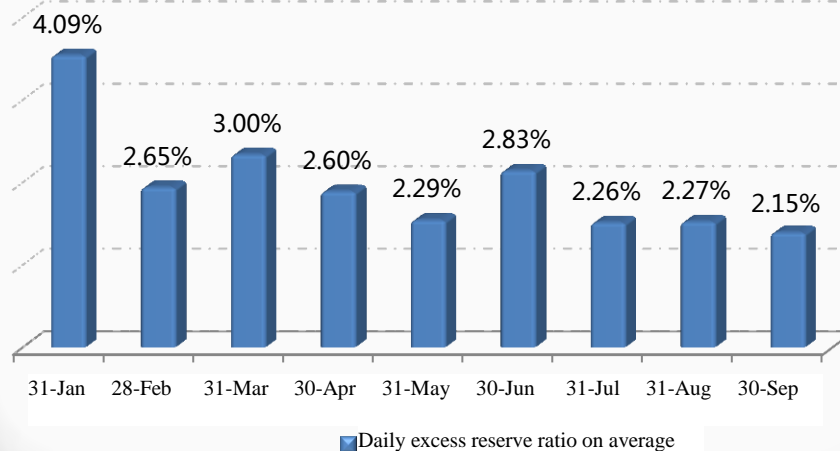
Main liquidity indicators

	Regulatory standards	End of Mar.	End of June	End of Sept.
Liquidity ratio	≥25%	59.3%	51.0%	45.8%
deposit to loan ratio ratio, time point	<75%	70.9%	69.2%	71.2%
Daily excess reserve ratio on average	-	3.00%	2.83%	2.15%

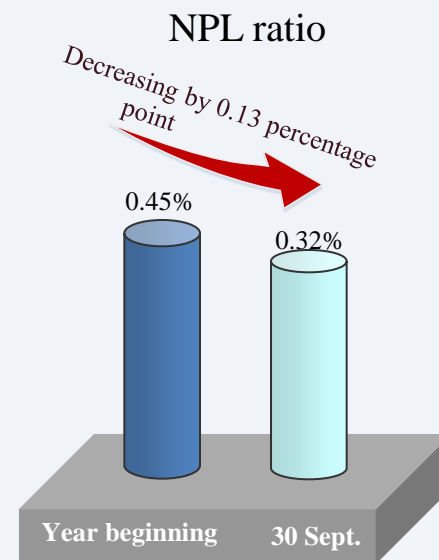
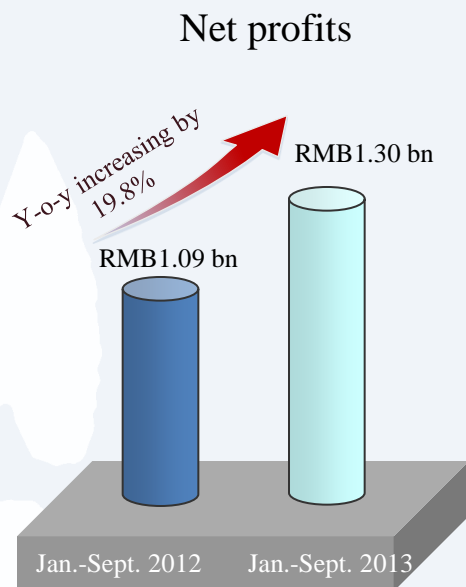
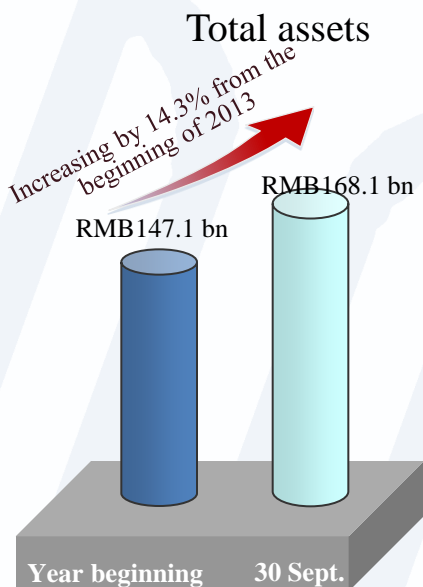
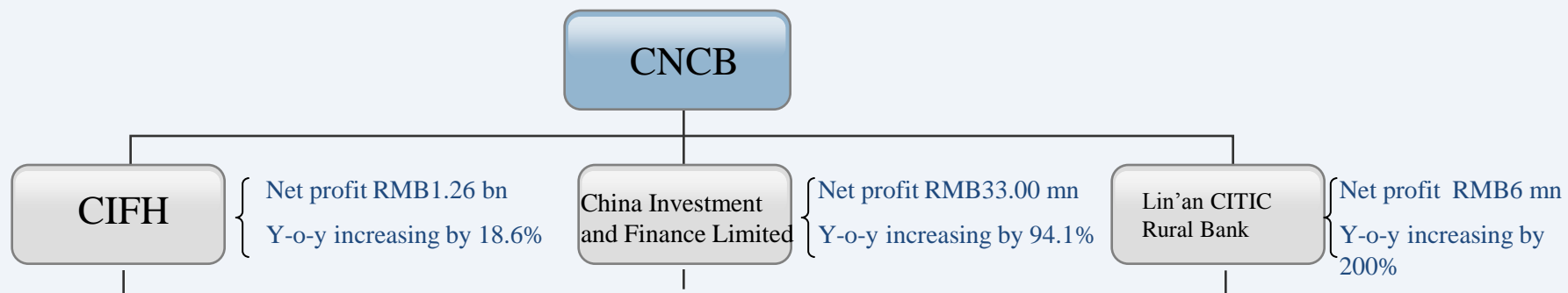
Deposit to loan ratio ratios at time point and daily average complying with regulatory standards for nine consecutive months



Excess reserve ratio controlled reasonable



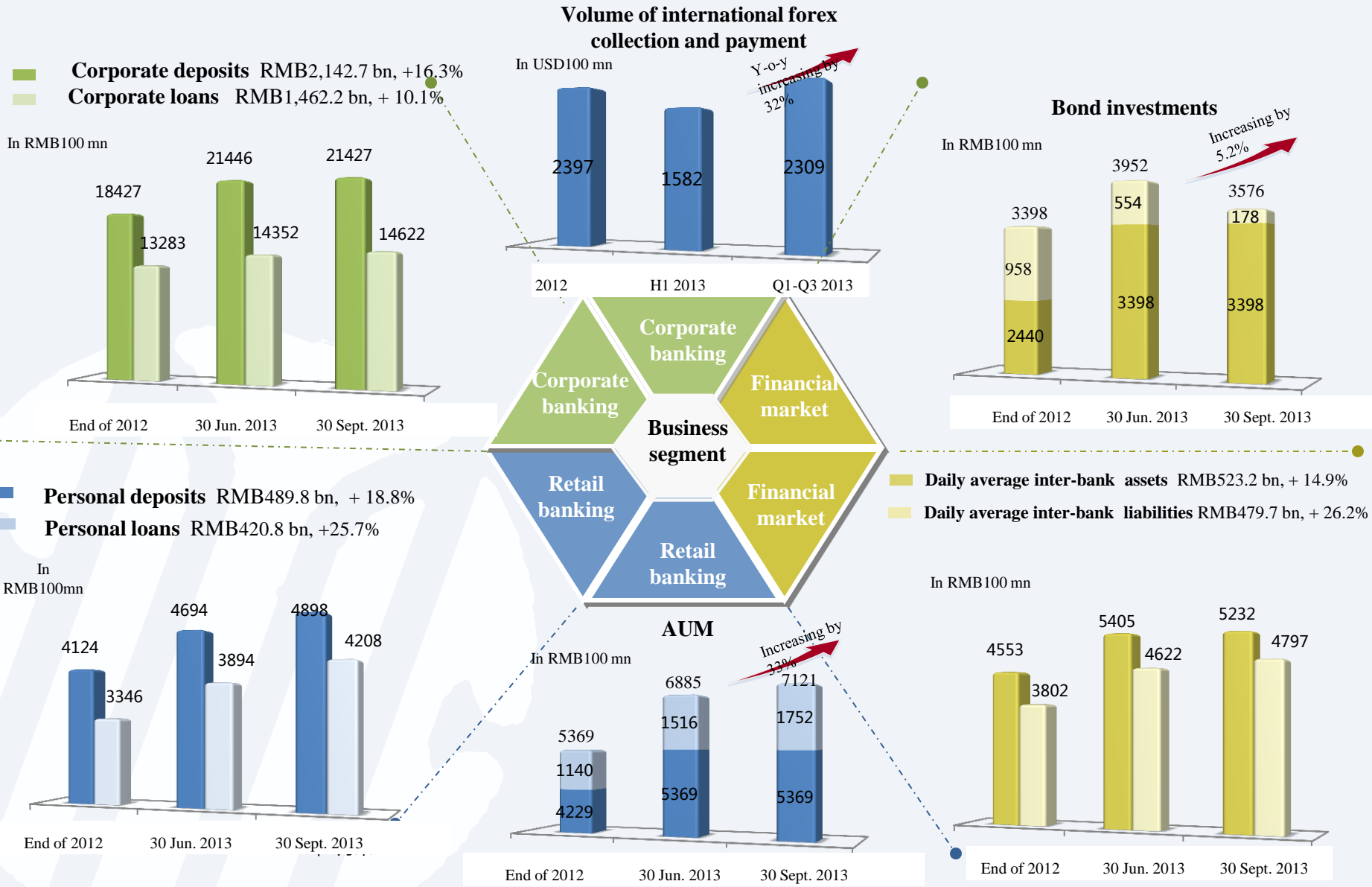
5. Steadily enhanced profitability of subsidiaries



● Part Two

Business Development

i. Steady development of traditional businesses



1. Modern service industry business growing rapidly

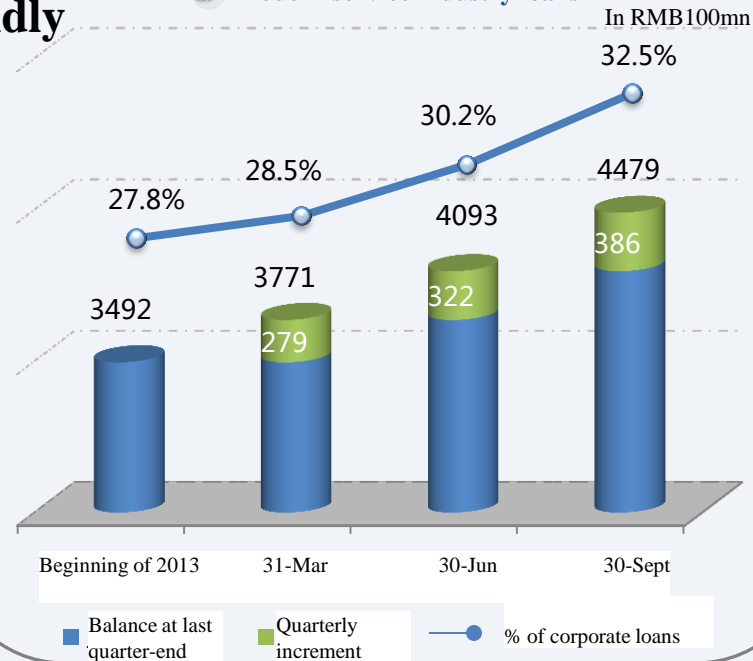
Structure of major loans
(the Bank)

In RMB100mn

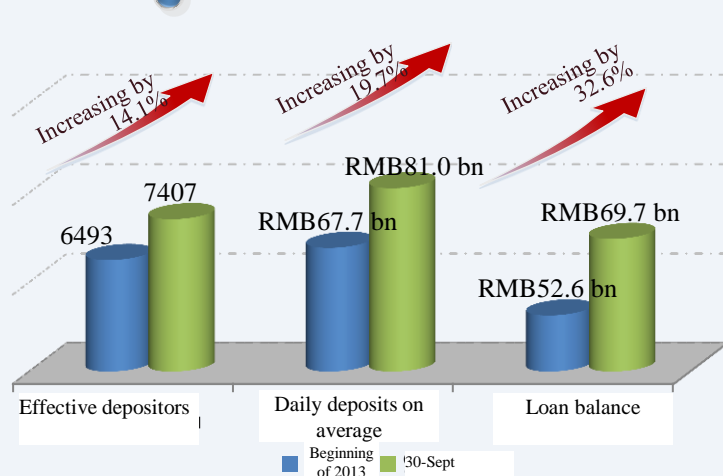
	End of Sept.	Increment in Q3	Cumulative increment	Growth rate
Various loans	17846	+536	+2080	13.2%
Corporate loans	13782	+221	+1216	9.7%
<i>Incl.: Modern service industry loans</i>	4479	+386	+987	28.3%
<i>Micro and small-enterprise loans</i>	2637	+135	+514	24.2%
Personal loans	4065	+315	+864	27.0%

Note: **Modern service industries** include modern logistics, information and software, bank, insurance and finance, e-commerce, technical R&D, enterprise operation & management service, modern tourism, medical care, education, culture, media, entertainment, real estate and community service. **The core sub-industries** consist of modern logistics, medical care, education service, culture creativity industry, press & publications industry, modern tourism and information & software industry.

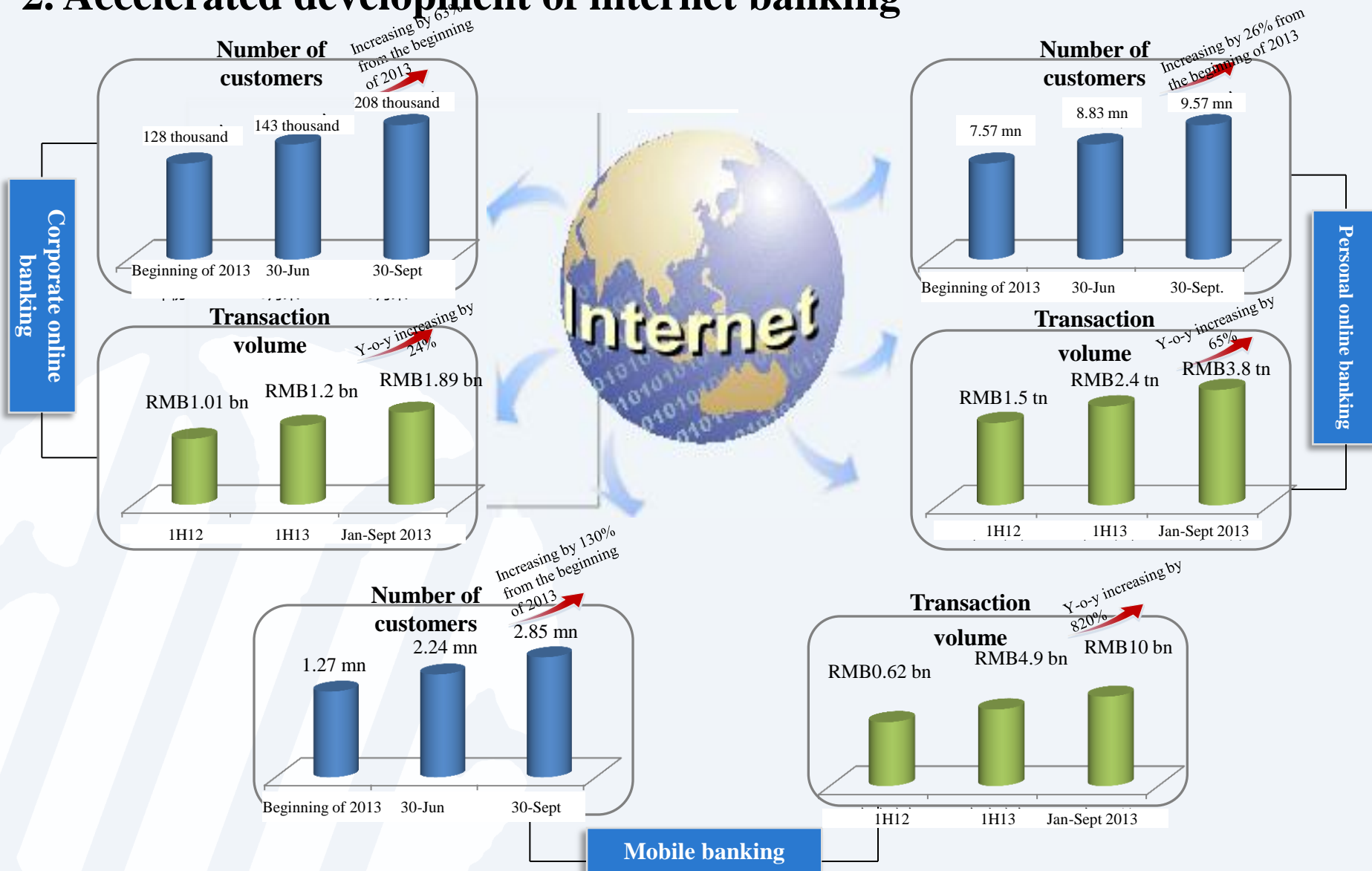
Modern service industry loans



Data on core sub-industries of modern service industry



2. Accelerated development of internet banking



3. Orderly promotion of “mainstreaming of non-mainstream businesses”

Planning

- The Working Conference has passed the *Planning on Intermediate Business Development in 2013-2016*

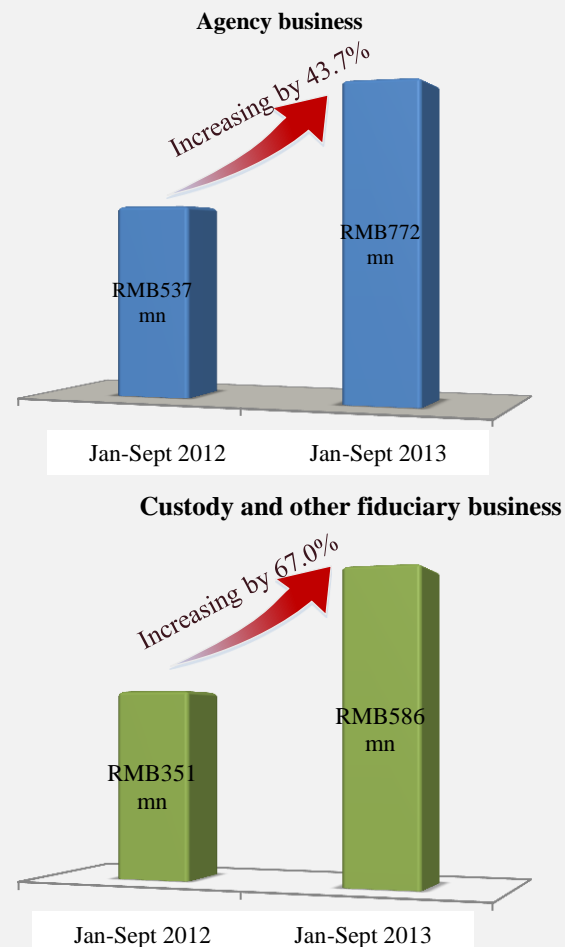
Focus on promoting

- Corporate banking segment: factoring, domestic L/Cs
- Retail banking segment: agency business, go-abroad finance, safe deposit box
- Financial market segment: bills, precious metals
- Asset Custody Department: asset custody and annuities

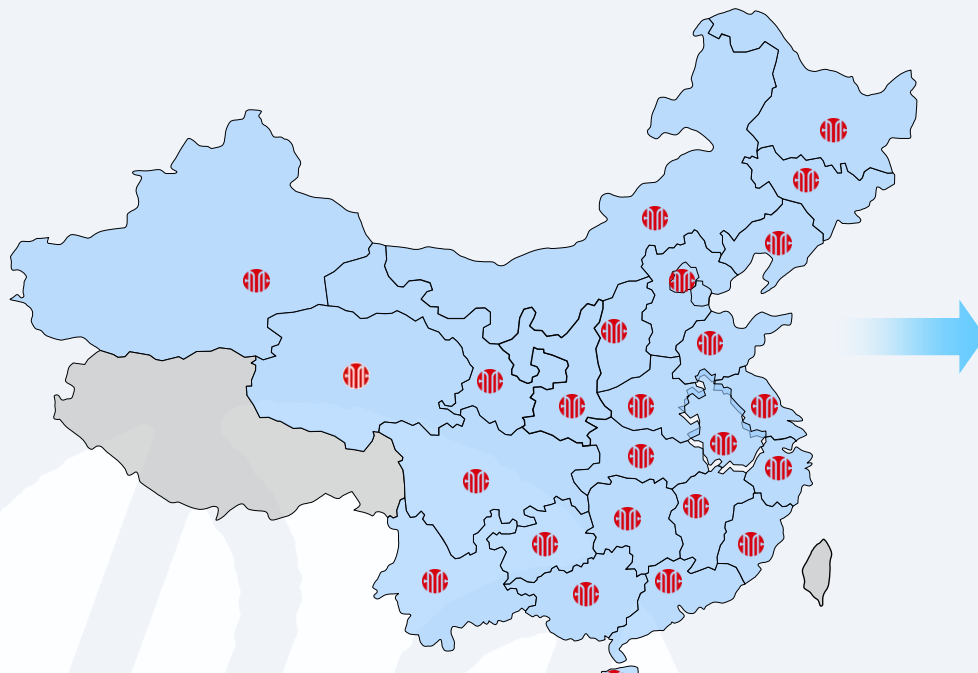
Actions

- Set up the Factoring Center and Bills Center
- Developed business plans by banking departments
- Strengthened promotion by the Head Office and branches

Income growth of non-mainstream business



iii. Increasingly quicker construction of institutions



- Integration of institutional outlet resources is accelerated
- Number of new institutions increases ever faster quarter by quarter
- Outlets cover 111 medium and big cities nationwide

Steadily promoting the “urban bank” strategy

	Increase in Q1	Increase in Q2	Increase in Q3	Cumulative increase	Total number of institutions
Tier-1 branches	—	2	—	2	42
Tier-2 branches	—	3	3	6	62
Sub-branches	17	16	31	64	853
Total	17	21	34	72	957

Note: The new tier-1 branches do not include Wuxi, Wenzhou, Quanzhou and Foshan branches.

● Part Three

Outlook

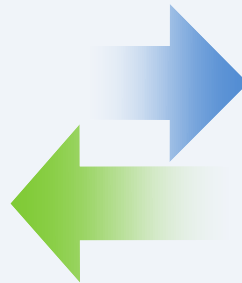


Economic and financial situations

- The Central Bank accelerates interest rate liberalization
- China (Shanghai) Free Trade Zone started operation formally
- CBRC solicited comments on the new *Measures for Liquidity Risk Management of Commercial Banks (Provisional)*
- National Development and Reform Commission initiated a nationwide special inspection upon enterprise-related charges

Measures to be taken by the Bank

- Actively participate in the centralized quotation and release of benchmark interest rates of RMB loans
- Prepare for establishing Shanghai Free Trade Zone Branch
- Earnestly study the New Measures and strengthen liquidity risk management
- Actively carry out self-inspection on charges, reexamine fee lists and regulate fee exemptions



II. Subsequent working arrangement

➤ **Guideline:** Implement the strategy firmly to ensure fulfillment of the business plan of the Bank

1. Strengthen deposits marketing and spare no effort to stabilize and increase deposits

2. Highlight structural adjustment in terms of corporate banking and accelerate exploitation of potential productive forces of retail banking

3. Quicken promotion of risk management system reform and ensure completion of NPL control task

4. Accelerate development of intermediate business and scale up non-mainstream businesses

5. Expedite construction of physical outlets and ensure accomplishment of targets

6. Carry out self-inspection on charges and regulate fee exemptions



Thank you!
(Q&A)