

China CITIC Bank 2009 Interim Results Presentation



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Overview on Major Indicators

Unit: RMB 100 million

Scale Indicators	Total	Increment	Growth rate	Increment of YoY
Total asset	14,015	2,137	18%	1,077
Deposit from customers	11,733	2,300	24.4%	1,648
Among: Corporate Deposit	9,801	2,073	26.8%	1,049
Savings Deposit	1,932	227	13.3%	599
Loans	9,887	3,238	48.7%	2,652
Among : Ordinary loan	8,001	1,787	28.8%	1,228
Discount	1,886	1,451	333.6%	1,424
International Settlement (USD 100 mn)	569	Down by 21 bps YoY		
Asset quality indicators	Total	Increase or decrease Compared with the beginning of 2009		
NPL	97.92	7.46		
NPL ratio	0.99%	Down by 0.37 bps		
Provisioning Coverage	150.05%	Up by 0.02 bps		
Capital Adequacy Ratio	12.04%	Down by 2.28 bps		
Profitability/Efficiency indicators	Total	YoY increase or decrease	Growth rate	
Net profit	70.47	-13.70	-16.28%	
Net operating income	171.04	-31.46	-15.54%	
NIM	2.47%	Down by 95 bps YoY		
Non-interest income proportion	12.22%	Up by 2.23 bps YoY		
Cost/income ratio	30.75%	Down by 0.75 bps YoY		

Total assets and customer deposits increased rapidly

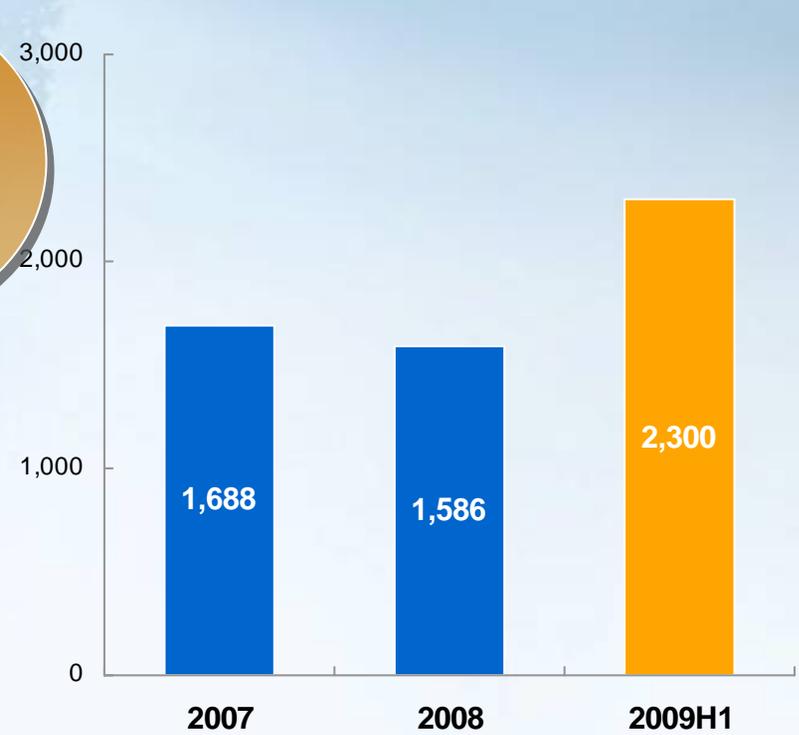
Total assets increased 213.6 bn compared with the beginning of 2009

Customer deposits increased 230 bn compared with the beginning of 2009

RMB 100mn

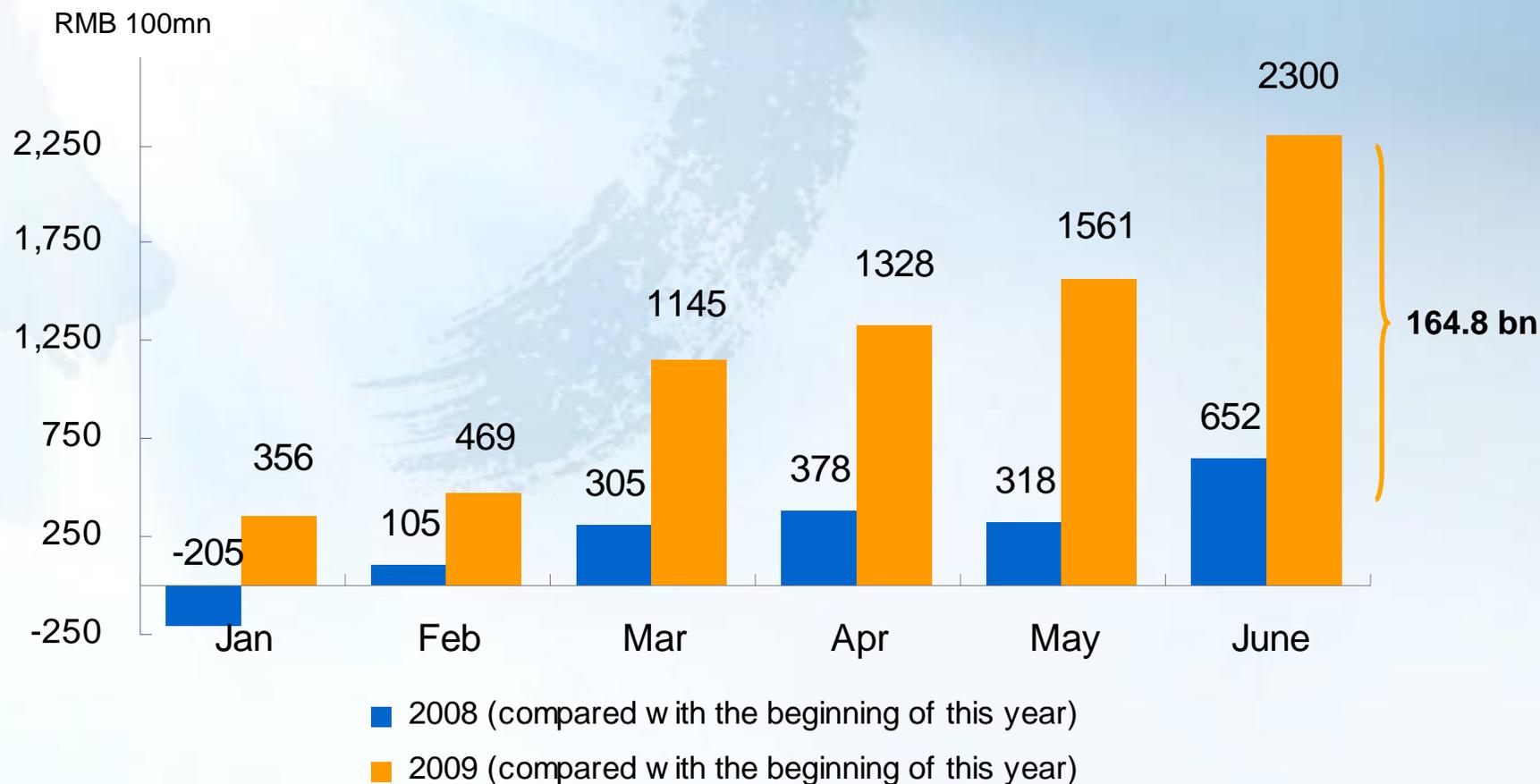


RMB 100mn



Customer deposits increased YoY

Customer deposits increased by 230 bn, up by 24.4%

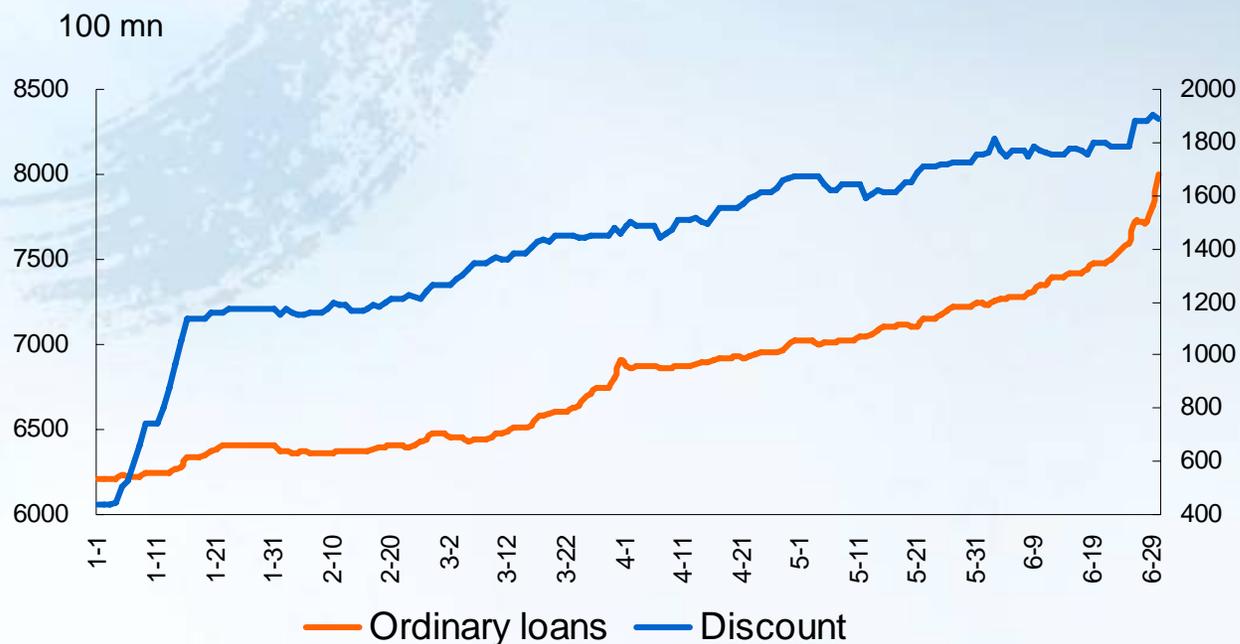


Loan issuance increased rapidly

Promoting through management measures

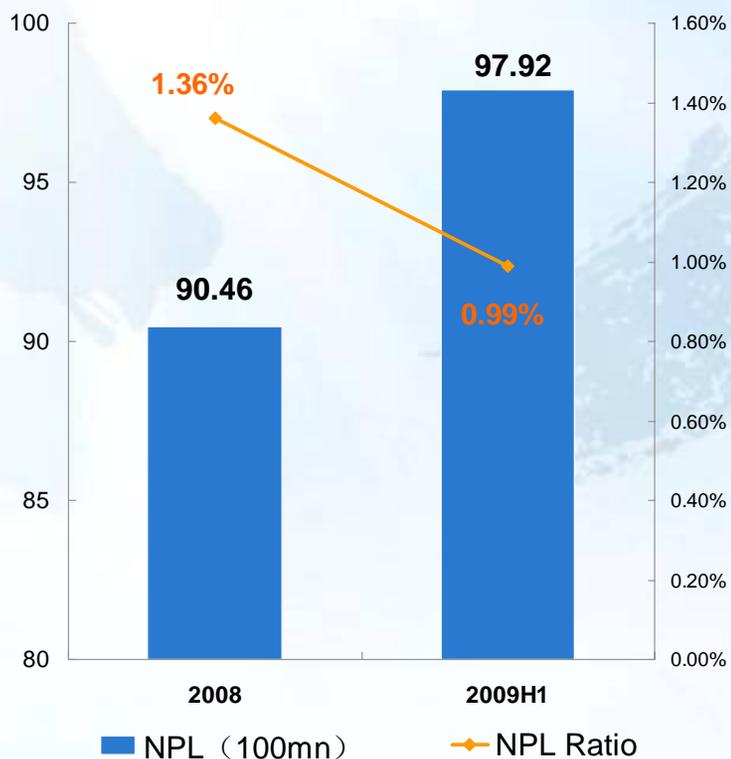
Ordinary loans increased rapidly

- ◆ The balance of loans was 988.7 bn, increased by 323.8 bn, up by 48.7%, 265.2 bn more than the YoY growth over the previous year
- ◆ The balance of ordinary loans was RMB 800.1 bn, increased by 178.7 bn, up by 28.8%, 122.8 bn more than the YoY growth over the previous year
- ◆ The discount balance was 188.6 bn, increased by 145.1 bn, up by 333.6%, 142.4 bn more than the YoY growth over the previous year

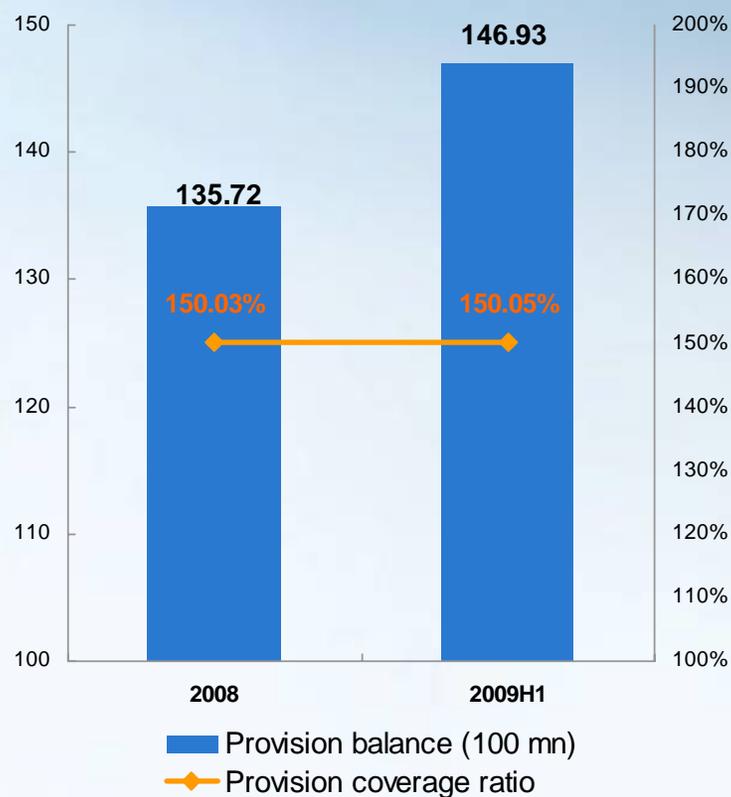


Asset quality kept stable

The NPL ratio continued to decline



Provision balance increased



Economic benefits in line with expectations

NIM in the first half was 2.47%, declined by 95 bps

by RMB 1.37 billion YoY, or 16.28%

Cost/income ratio was 30.75%, declined by 75BPS YoY

Operational net income reached 17.104bn, decrease of 3.146 bn YoY, down by 15.54%

Operational expenses was 7.747 bn, decrease of 1.36 bn YoY, down by 14.9%

Net interest income was 15.014bn, a YoY decrease of 3.214bn, down by 17.63%

Net fee and commission income was 1.658bn, increase of 277mn YoY, up by 20.06%

Net non-interest income was 2.091bn, increase of 69mn YoY, up by 3.41%

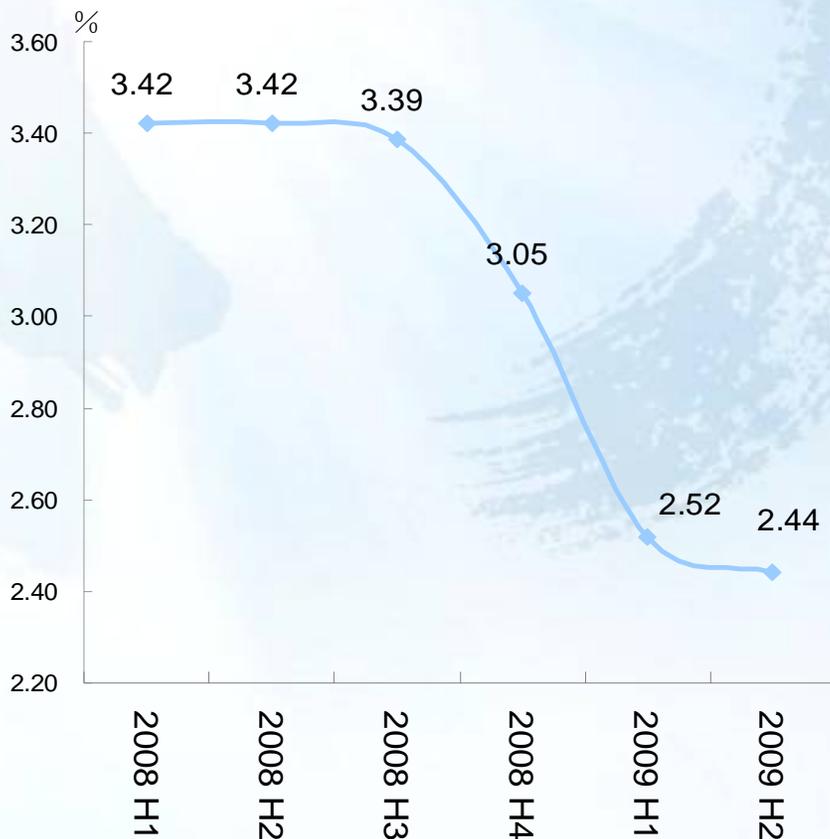
Operational expenses were 5.26bn, decrease of 1.118bn YoY, down by 17.53%

Operation taxation was 1.25bn, a YoY decrease of 80mn, down by 6.02%

Provision was 1.264bn, a YoY decrease of 158mn, down by 11.11%

NIM recovered stably

NIM Trend from 2008 H1 to 2009 H2



Influencing factors for stable recovery of NIM

A series of policies and measures were timely launched to promote the quick issuance of ordinary loans

The increase in term deposits was brought under control under guidance of internal funds transfer pricing

The effect of lagged deposit re-pricing was gradually released

Fast growth in Net Fee & Commission Income

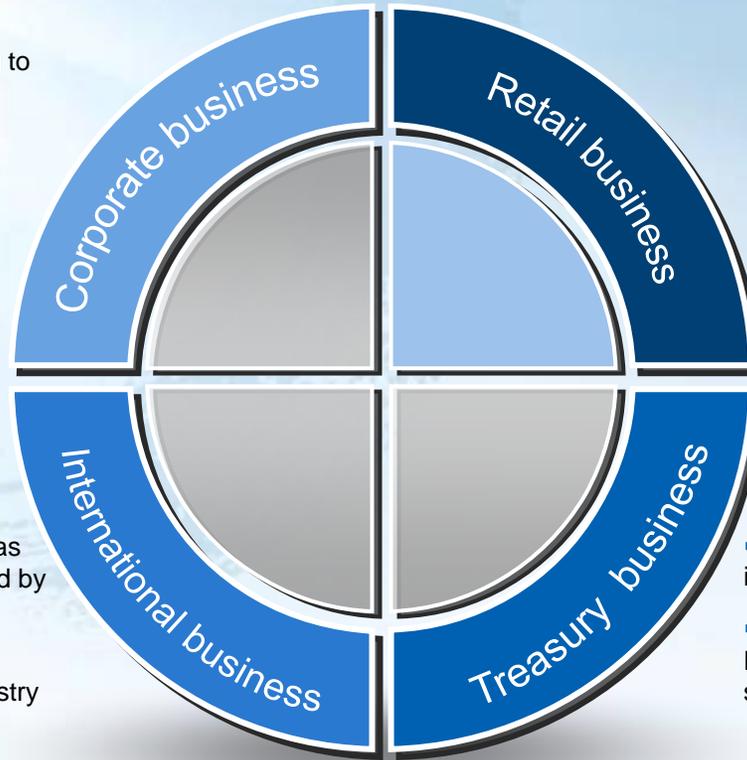
Growth rate top 3: agency, guarantee and bank card

The Net Fee and Commission Income Increased by 277mn, up by 20.06%

RMB 100 mn

	2009 H1	2008 H1	Increment	Growth rate (%)
Agency	2.84	1.41	1.43	101.42%
Guarantee	3.17	1.96	1.21	61.73%
Bank card	5.15	3.67	1.48	40.33%
Consultancy	3.8	3.13	0.67	21.41%
Wealth management	1.7	1.83	-0.13	-7.10%
Settlement	1.44	1.98	-0.54	-27.27%
Custodian	0.49	1.11	-0.62	-55.86%
Others	0.09	0.42	-0.33	-78.57%
Subtotal	18.68	15.51	3.17	20.44%
Expenditure	-2.1	-1.7	-0.4	23.53%
Net income	16.58	13.81	2.77	20.06%

Further improving of business lines



- Take initiative to build a “head office to group” cooperation platform with strategic clients, and promote unified credit granting to groups
- There were 145 newly-added cash management projects, up by 19.8%; 1,059 newly-added cash management clients, increased by 23.9%

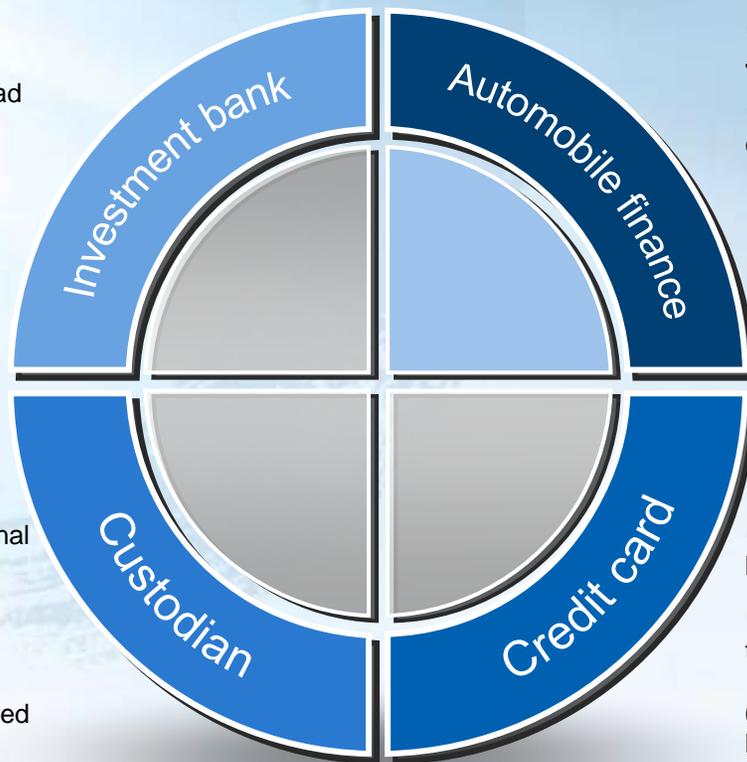
- The amount of international settlement was USD 57bn, although the amount decreased by 21.1% YoY
- Constantly taking the lead amongst the medium and small-sized banks in the industry

- The balance of retail management assets was 254.7bn, increased by 18.8bn
- The balance of mortgage was 75.7bn, an increase of RMB 8.5bn compared with the beginning of the same year, up by 12.7%
- The amount of wages distribution agency in the first half was 40.3bn, up by 4.9%YoY

- FX Business was in the front rank in the industry
- Formulate Disposal Measures on Agency Derivatives Transactions, specify the flow and strictly control the risk

Further improving of business lines (Cont'd)

- The accumulative underwriting amount of short-term financing bonds hit RMB 90 bn, steadfastly ranking fourth among all the lead underwriters.



- There were 1,020 distributors at the end of June, increased by 8.5% YoY
- The financing amount of automobile distributors in the first half-year exceeded RMB 50 bn, rose by 27.7% YoY

- Internationally certified by custodian internal control SAS70 Standard (the seventh domestically and the second among joint-stock banks)

- The total amount of custodian assets hit RMB 67.9 bn, increased by 41.9% compared with the beginning of 2009

- There were 163 custody products, up by 64.7% compared with the beginning of 2009

- 8.235 mn credit cards were issued by our bank, rose by 45.6% YoY
- The transaction amount and loan balance in the first half year were RMB 36.7 bn and RMB 11.4 bn respectively, increased by 65.7% and 70.1% respectively on a YoY basis
- The service charge income hit RMB 450 mn, up by 46.6% YoY

Strengthening risk management

Timely adjusting the credit policy

- Implement target-oriented industry, client and product policies
- Adhere to the basic principle of “controlling total volume, choosing good projects, conducting proper credit granting, and operating in compliance with regulations”

Strengthening credit granting management and preventing credit risks

- Improve the approval procedures of industrial loan approval and credit granting
- Reinforce the risk management over credit granting of the “both-ends out” export-oriented enterprises
- Adjust the credit granting of steel financing business

Risk-adjusted returns

Intensifying the supervision and approval of loan issuance centers, and forestalling risk loans

Arranging for risk investigation, timely prompting and dissolving risk, and constantly strengthening the risk monitoring over major clients

Improving internal control measures

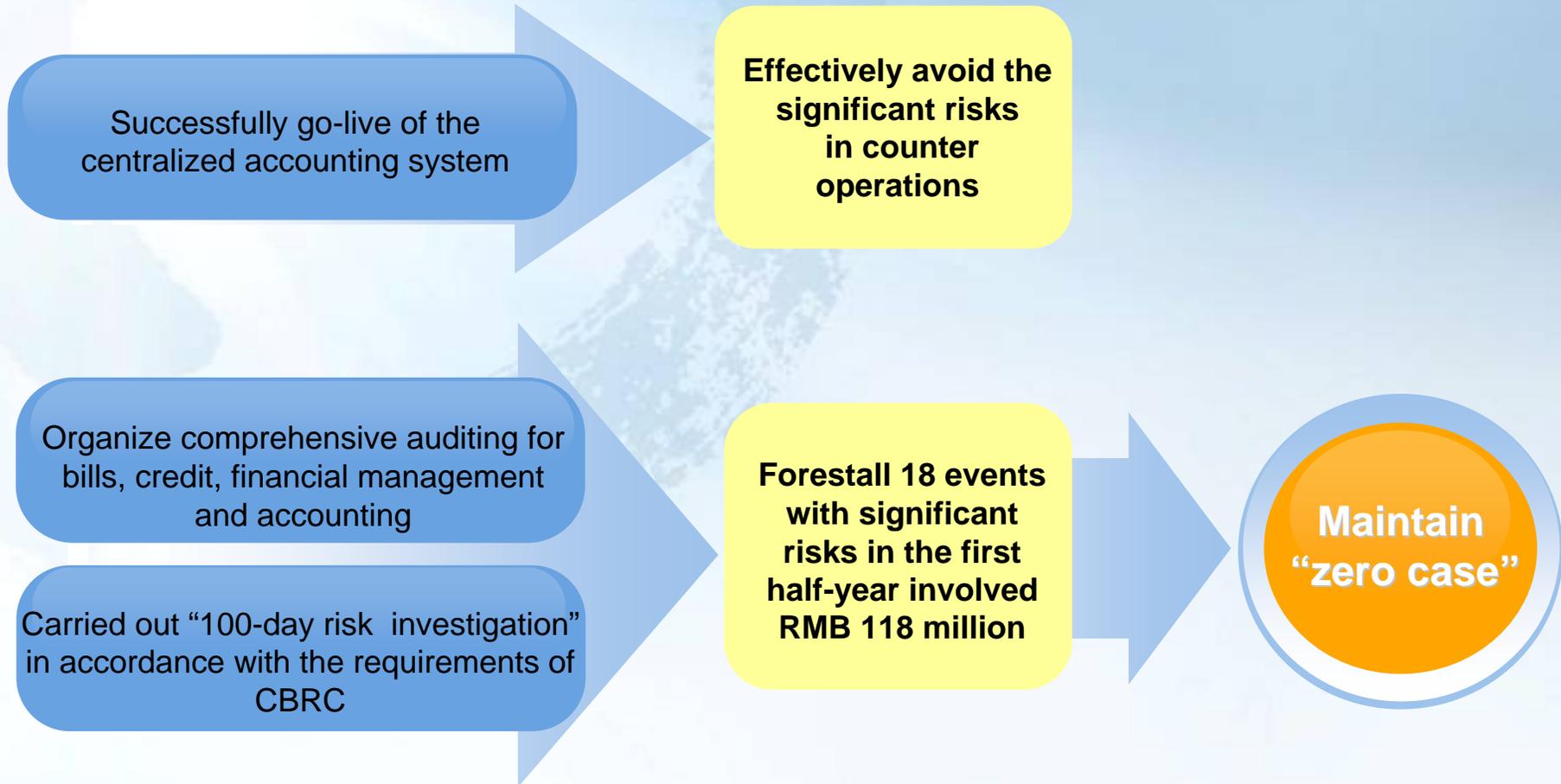


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Intensify the efforts to adjust credit amount and structure

Amount control and Structure adjustment

- Reasonably plan the loan issuance of the whole bank,
- appropriately cut the discounted assets with lower returns, and keep the constant and sound growth of good ordinary loans to improve the income level

Intensify structural adjustment of ordinary loans

- Treat differentially and highlight priorities and restrictions in loan issuance

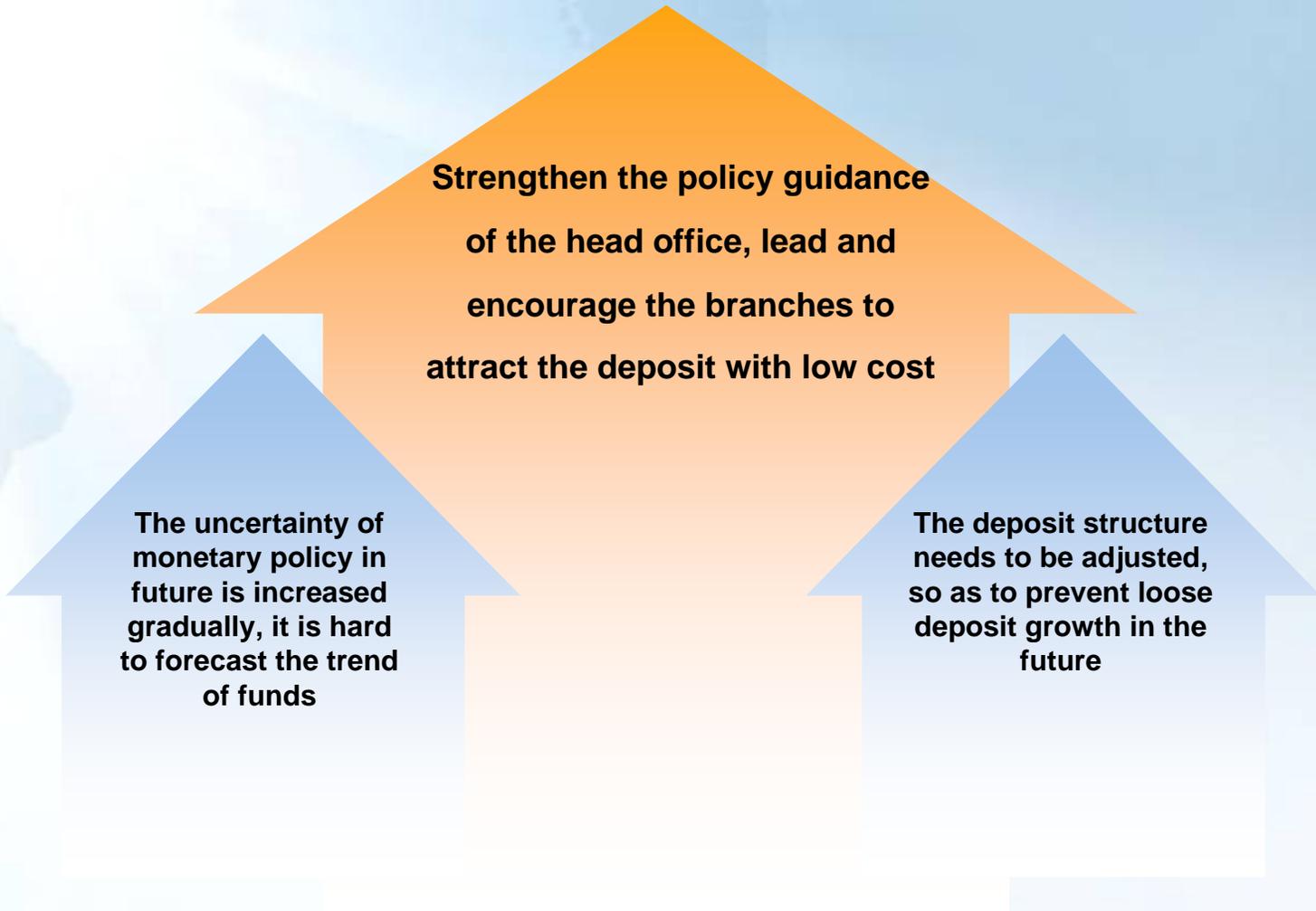
Prudent credit approval standards

- Ensure that the credit granting standard will not be lowered and the risk control conditions will not be loosened under the conditions of fast increasing loans
- Unswervingly carry out the housing loan policies of regulatory authorities; Strictly forbid the loans from being invested into the house market and stock market in violation of relevant regulations; Exercise strict control over the credit granting to the financing platform of local governments

Focus on post-loan inspection and strictly guard against NPLs

- Organize comprehensive risk investigation, and give priority to the inspection of loan and bill business, so as to eliminate possible risks

Continue to intensify the liability marketing efforts, and optimize the deposit structure



Continue to perform cost reduction and efficiency improvement work



First Half-Year

- Positively promoted centralized procurement in expense management, and built a permanent mechanism of cost control
- 60 centralized procurement projects across the bank were stably implemented in two batches
- At present, most of the projects in the first batch has enter into the completion stage, thus effectively controlling and reducing the expenditure

Second Half-Year

- Highlighting priorities and restrictions in loan issuance to reduce expenditure and improve efficiency
- Moderately raise the expense for efficiency improvement
- The expenses will be focused on key businesses and fields
- Strictly curb extravagance and waste
- Further promote centralized procurement projects

Actively develop new branches

- **The first half year, newly established 3 inter-city tier-2 branches: Guiyang, Lanzhou and Xiangfan and 19 inner-city networks there. The construction of institutional outlets will go on in the second half of 2009.**
- **At present Changchun Branch, Urumqi Branch and Wuhu Branch have been approved by CBRC, and the preparation of establishment is smoothly in process.**

Expand the cooperation with CKWB and maximize the synergy effects

Purchased 70.32% stakes of CIFH

A major strategic measure after IPO

Announced on
May 10

Overwhelmingly
approved by
General Meeting
of Shareholders
on June 29

On-site and
online road
shows since
May 18

- Through this acquisition, our bank will obtain Hong Kong, Macao and the United States banking licenses owned by CITIC Ka Wah Bank and entry the overseas banking market
- CITIC International Financial Holdings Limited as a strategic platform of overseas market of China CITIC Bank is conducive to the implementation of the strategy of internationalization and diversification.
- This acquisition will make China CITIC Bank lead in the internationalization pace of Sino-funded banks and provide an advance layout of the broad market brought about by China's economic internationalization



**Thank you for
your attention!**

Q & A



中信銀行

CHINA CITIC BANK