

China CITIC Bank Corporation Limited

2013 Interim Results Briefing



August 2013



I. Financial Performance

II. Business Development

III. Outlook

● Part One

Financial Performance

In RMB100 mn

Scale indicators	At the end of June	Change from the beginning of 2013	Growth rate	
Total assets	34369	4770	↑	16.1%
Deposits from customers	26139	3588	↑	15.9%
Loans to customers	18246	1617	↑	9.7%

Quality indicators	At the end of June	At the end of 2012	
Non-performing loans	163.7	122.6	
NPL ratio	0.90%	0.74%	
Provision coverage ratio	223.9%	288.2%	
Provision to loan ratio	2.01%	2.12%	

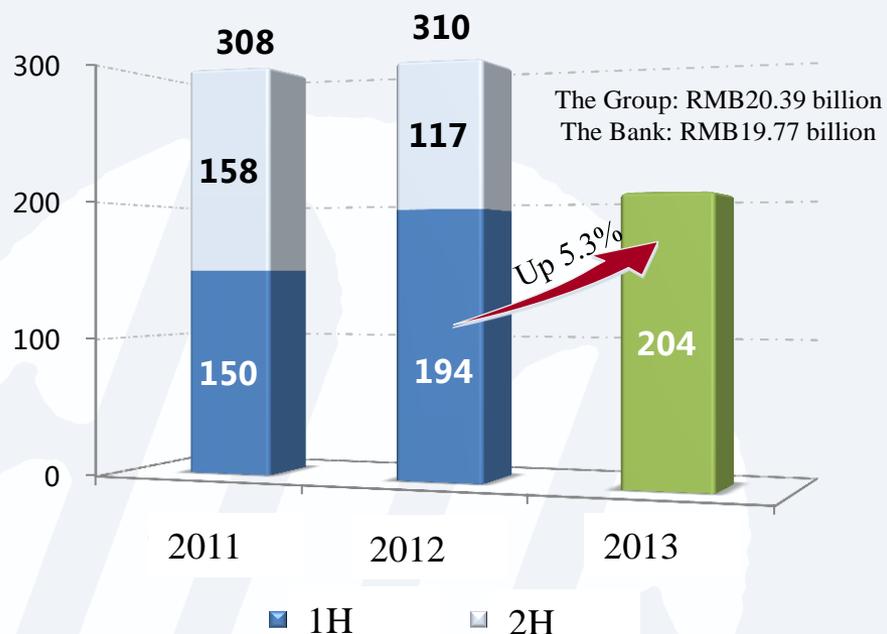
Performance indicators	Jan-June 2013	Yoy increase	Yoy growth rate	
Profit before provisioning	321.3	37.3		13.1%
Net profit attributable to shareholders	203.9	10.2	↑	5.3%
Net interest income	406.8	37.5	↑	10.1%
Net non-interest income	92.0	19.6	↑	27.1%
Percentage of non-interest income	18.5%	↑ +2.1 percentage points		
Net interest margin	2.59%	-0.3 percentage point		
Cost to income ratio	28.7%	+0.3 percentage point		

Regulatory indicators	At the end of June	At the end of 2012	
Capital adequacy ratio	11.47%	12.42%	
Loan to deposit ratio (Bank, time point)	69.20%	73.59%	

I. Steady improvement of operational effectiveness

1H net profit

In RMB100 mn



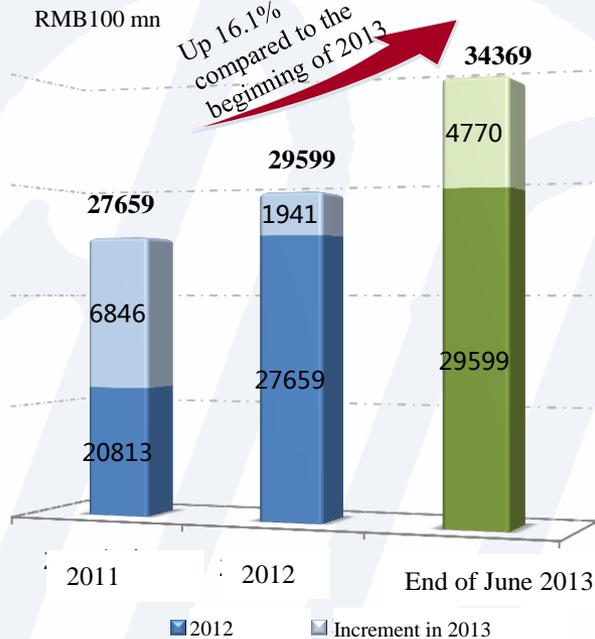
Rate of return and book value per share

	1H 2013	2012	2011
ROA	1.30%	1.10%	1.27%
ROE	19.8%	16.7%	21.1%
Book value per share	RMB4.5	RMB4.2	RMB3.7

II. Rapid expansion of business scale

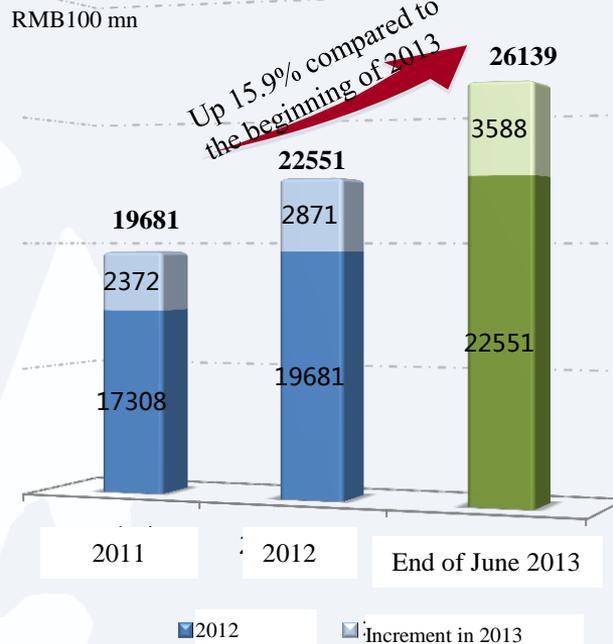
Total assets

RMB3,436.9 billion
RMB+477 billion +16.1%



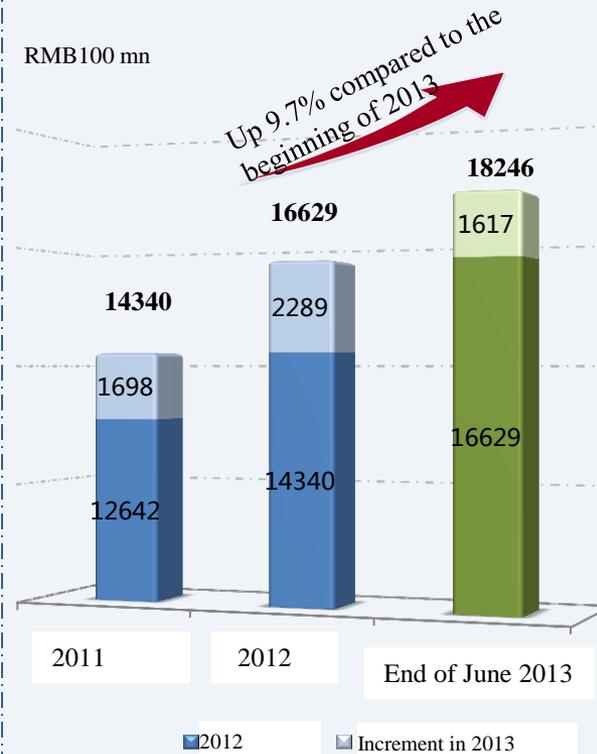
Customer deposits

RMB2,613.9 billion
RMB+358.8 billion +15.9%



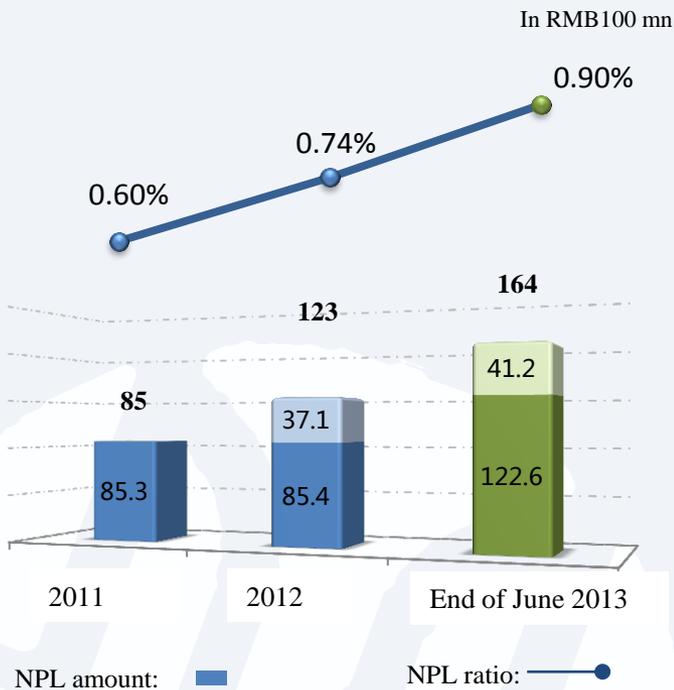
Customer loans

RMB1,824.6 billion
RMB+161.7 billion +9.7%

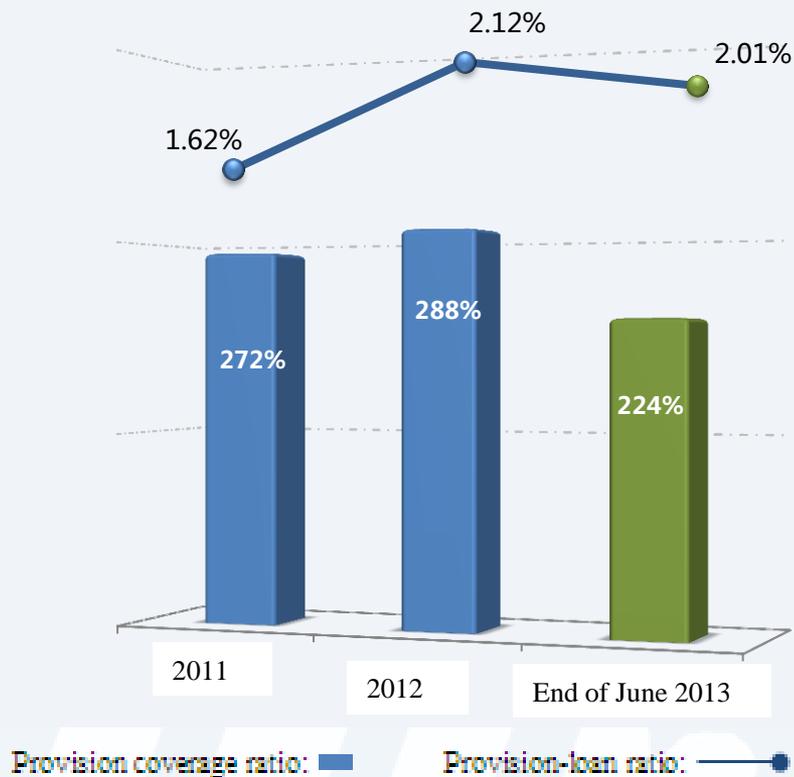


III. Non-performing assets increased but risks controllable overall

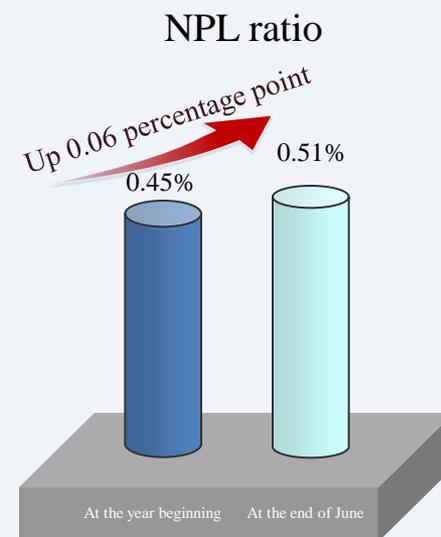
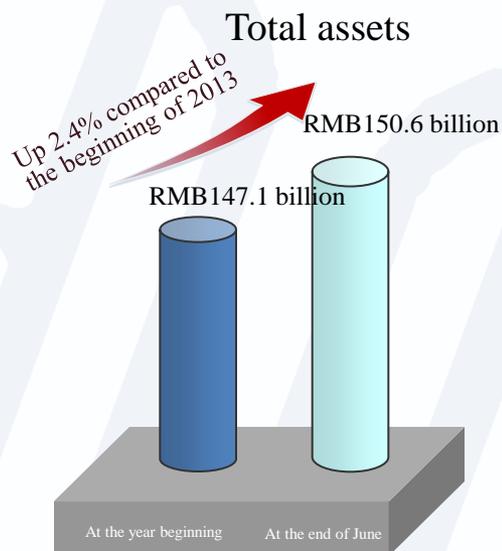
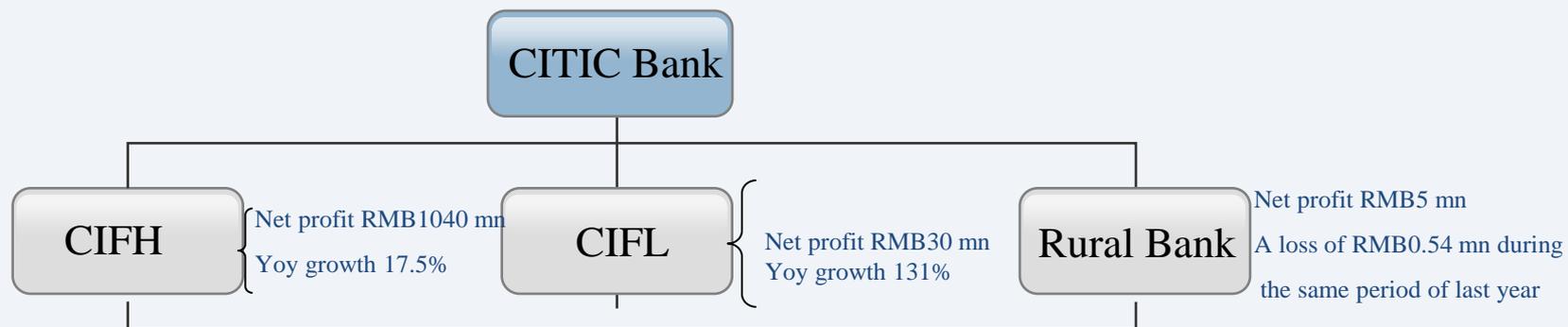
NPLs and NPL ratio



Provision coverage ratio and provision to loan ratio



IV. Steadily improved profitability of subsidiaries



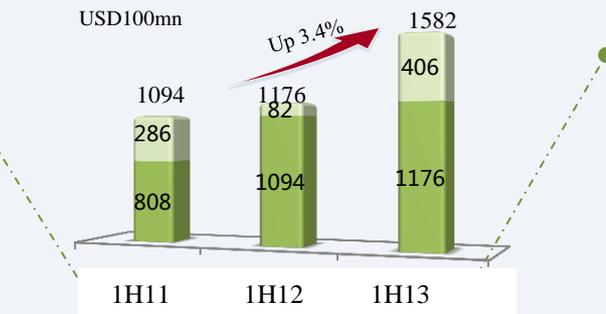
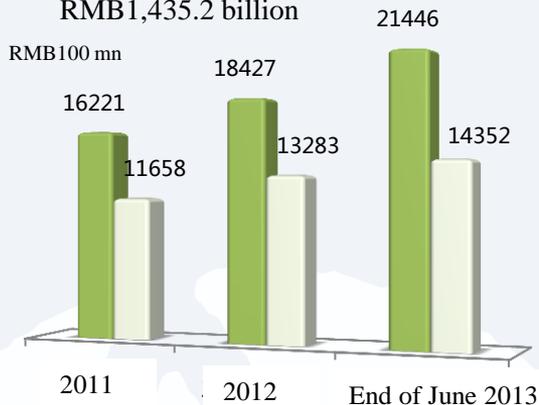
● Part Two

Business Development

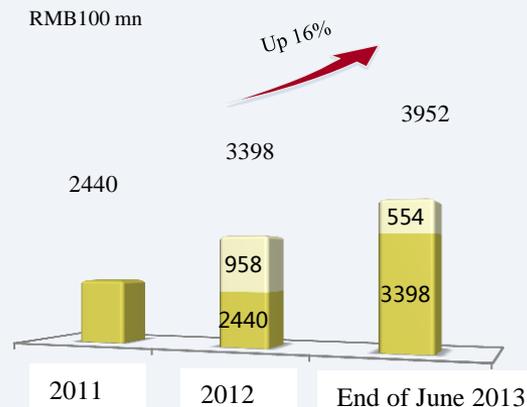
1. Continuously consolidated traditional business edges

Volume of international forex receipts and payment

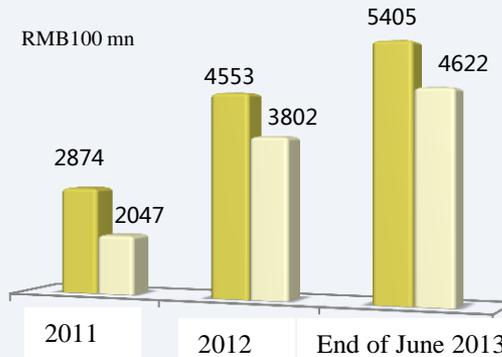
Corporate deposits increased by 16% to RMB2,144.6 billion
Corporate loans increased by 8% to RMB1,435.2 billion



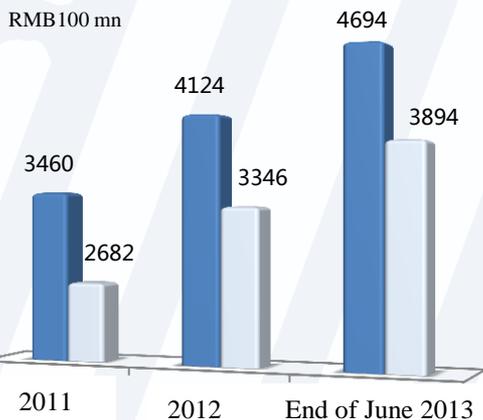
Bond investment



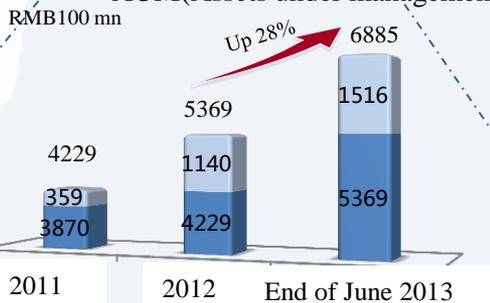
Inter-bank assets on average daily increased by 19% to RMB540.5 billion
Inter-bank liabilities on average daily increased by 22% to RMB462.2 billion



Personal deposits increased by 14% to RMB469.4 billion
Personal loans increased by 16% to RMB389.4 billion

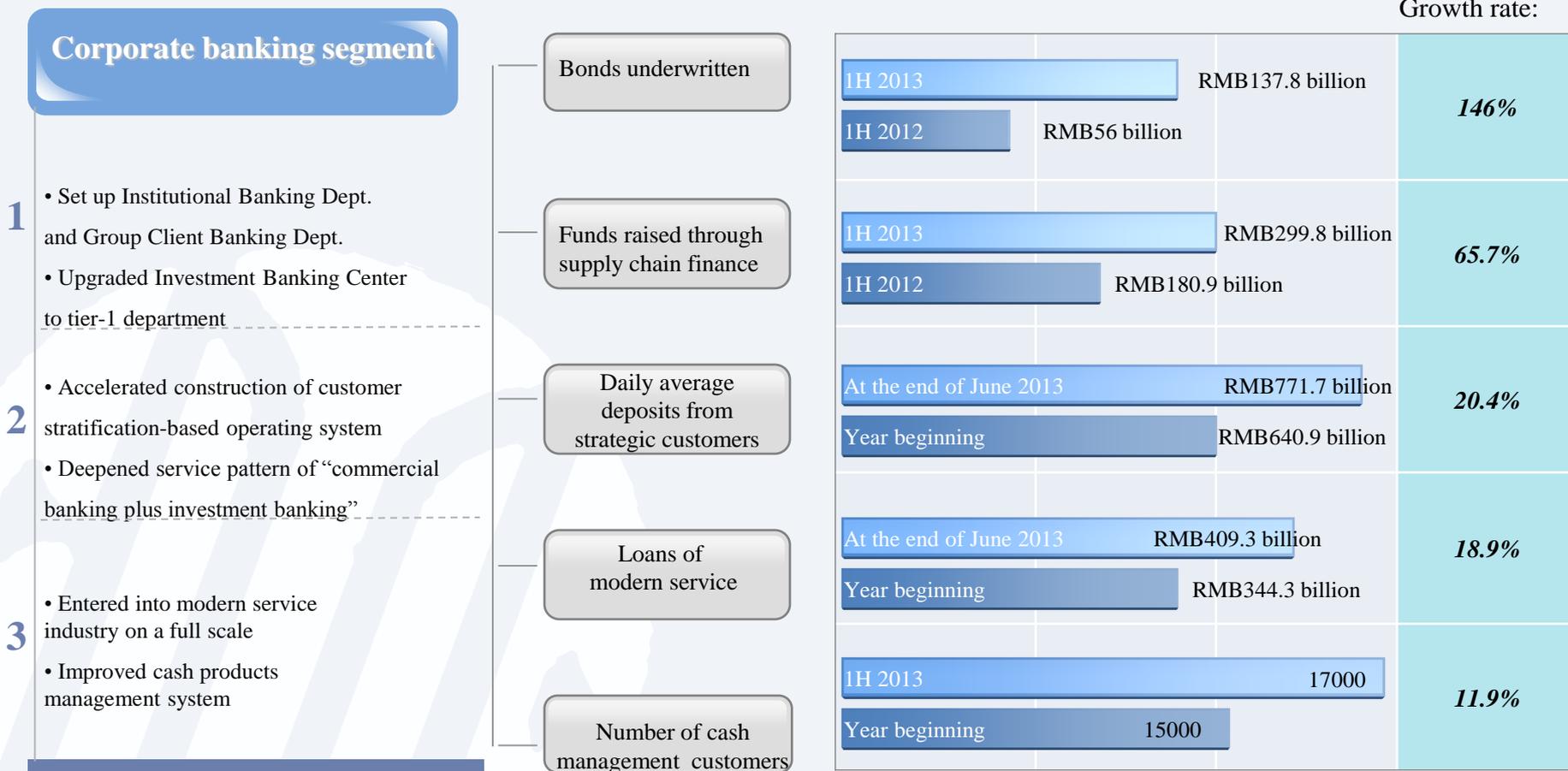


AUM(Assets under management)



2. Solid development in key strategic business areas-corporate banking segment

✓ Highlighted specialized and differentiated operation and management



Note: **Modern service sector** 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

2. Solid development in key strategic business areas-retail banking segment

✓ Straightened out retail banking segment functions

Retail banking segment

- 1**
- Set up Consumer Finance Dept.
 - Set up Wealth Management and Private Banking Department
 - Included Small Enterprise Banking Department into retail segment

- 2**
- Set up Retail Strategy Transformation Office
 - Vigorously advanced outlet transformation
 - Carried out flagship stores construction and Improved outlet functions

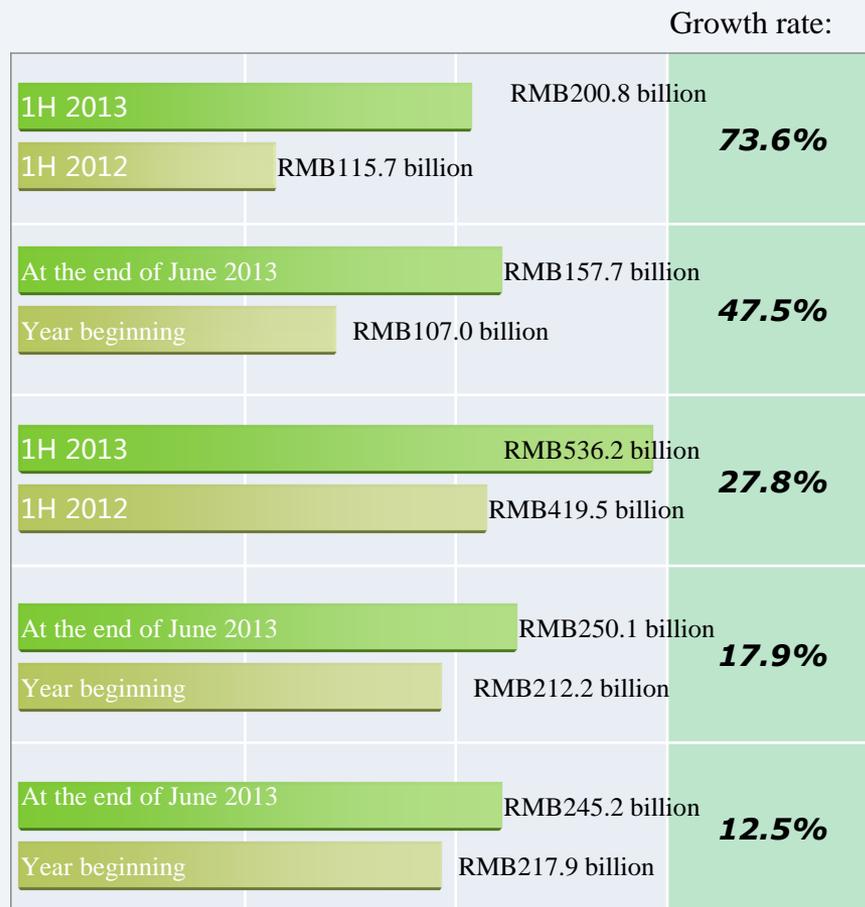
Credit card transaction volume

Assets managed by private banking

Agency sales volume of retail banking

Micro and small-enterprise loans

Consumer finance loans



2. Solid development in key strategic business areas-custody & wealth management

Custody assets

✓ Achieved an income of RMB0.407 bn, yoy growth of 77.7%



Up 102% compared to the beginning of 2013

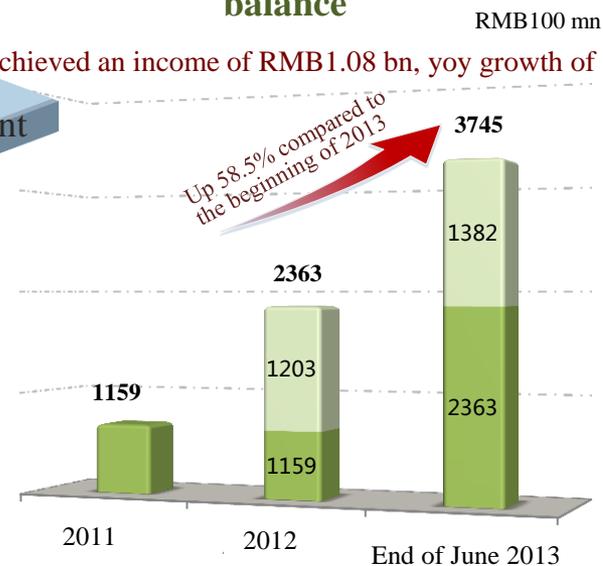
■ .2012 ■ Increment in 2013

■ Maintaining rapid growth, custody service doubled compared with the year beginning

■ Ranked the second based on custody asset among domestic joint-stock banks

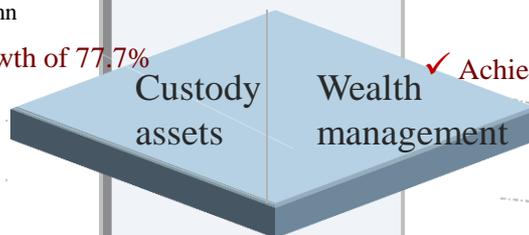
Wealth management products balance

✓ Achieved an income of RMB1.08 bn, yoy growth of 159%



Up 58.5% compared to the beginning of 2013

■ .2012 ■ Increment in 2013



1. Credit structure

Changes in loan structure

In RMB100 mn

		Balance			Balance percentage		Increment percentage
		At the end of June	Cumulative increment	Growth rate	At the end of June	Year beginning	
Loans		17310	1544	9.8%	100.0%	100.0%	100.0%
By product	Personal loans	3750	549	17.2%	21.7%	20.3%	35.6%
	Incl.: Credit card loans	695	155	28.8%	4.0%	3.4%	10.1%
	Personal mortgage loans	2050	191	10.3%	11.8%	11.8%	12.4%
	Personal business loans	799	164	25.7%	4.6%	4.0%	10.6%
By enterprise	Medium enterprise loans	5300	496	10.3%	30.6%	30.5%	32.1%
	Micro and small enterprise loans	2501	379	17.9%	14.4%	13.5%	24.5%
By industry	Modern service industry loans	4093	650	18.9%	23.6%	21.8%	42.1%
	Real estate loans	1190	-82	-6.5%	6.9%	8.1%	-5.3%
	Iron & steel enterprise loans	433	-22	-4.9%	2.5%	2.9%	-1.4%
	Photovoltaic industry loans	22	-5	-19.6%	0.1%	0.2%	-0.3%
Other	LGFV loans	1555	-139	-8.2%	9.0%	10.7%	-9.0%
	Overcapacity industry loans	456	-11	-2.4%	2.6%	3.0%	-0.7%

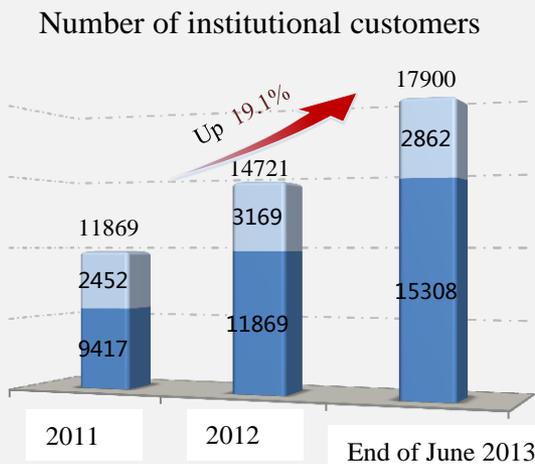
Notes: 1. Data herein refer to the Bank.

2. The increment of iron & steel enterprise loans refers to the increase from the end of March, as the statistics on iron & steel enterprise customers start from March 2013.

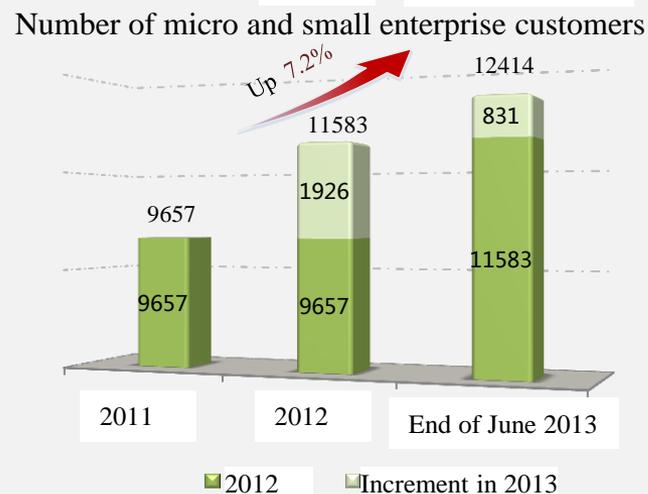
2. Customer structure



Corporate customers



Retail customers



3. Income structure

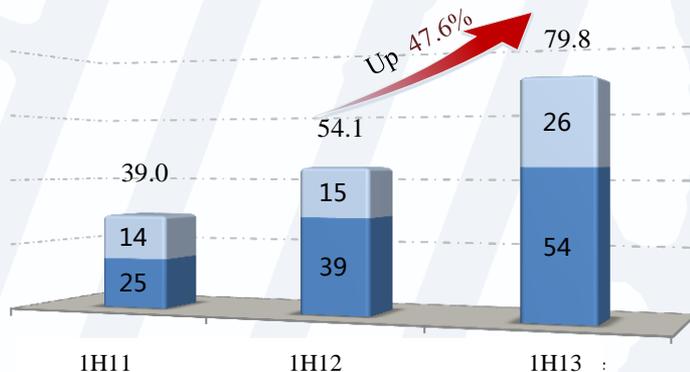
Percentages of non-interest income

In RMB100 mn

	1H	Yoy growth rate	Percentage	Change in percentage points
Net operating income	499	12.9%	100.0%	-
Net interest income	407	10.1%	81.5%	-2.05
Non-interest income	92	27.1%	18.5%	+2.05
Include: net fee income	80	47.6%	16.0%	+3.75

Net fee and commission income

In RMB100 mn



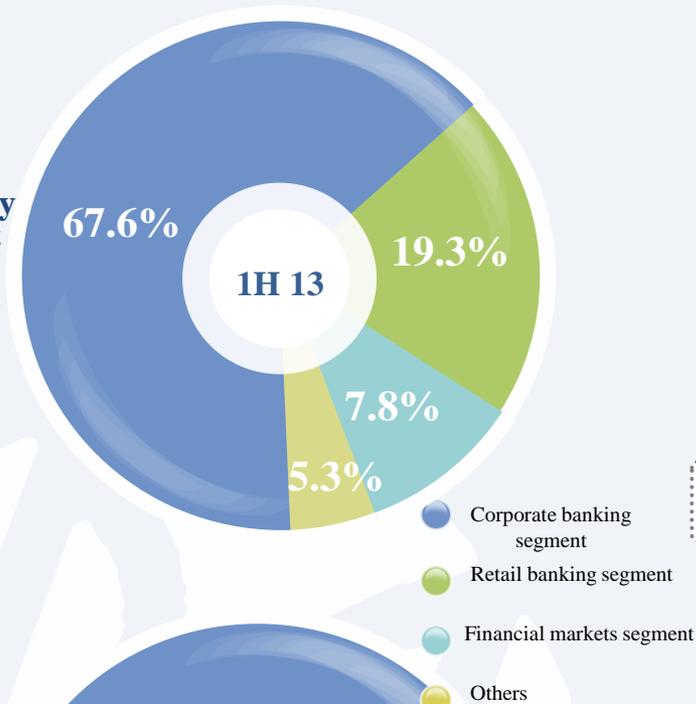
Composition of fee and commission income

In RMB100 mn

	1H 2013	Yoy increase	Yoy growth rate
Fee and commission income	85.8	+27.6	47.5%
Of which:			
Bank card fees	24.5	+8.2	50.6%
Consultancy and advisory fees	25.0	+10.0	66.3%
Settlement fees	12.6	-1.9	-12.9%
Agency fees and commission	5.4	+0.8	16.6%
Commission for wealth management services	9.5	+6.7	239.3%
Commission for custodian business	4.1	+1.8	77.7%
Guarantee fees	4.7	+2.0	77.6%

4. Segment structure

Operating income by segment



■ Corporate banking segment

- Realized operating income of RMB33.73 billion, contributing 67.6%, down 8.7 percentage points
- Realized operating profit of RMB19.77 billion, contributing 73.0%, down 9.0 percentage points

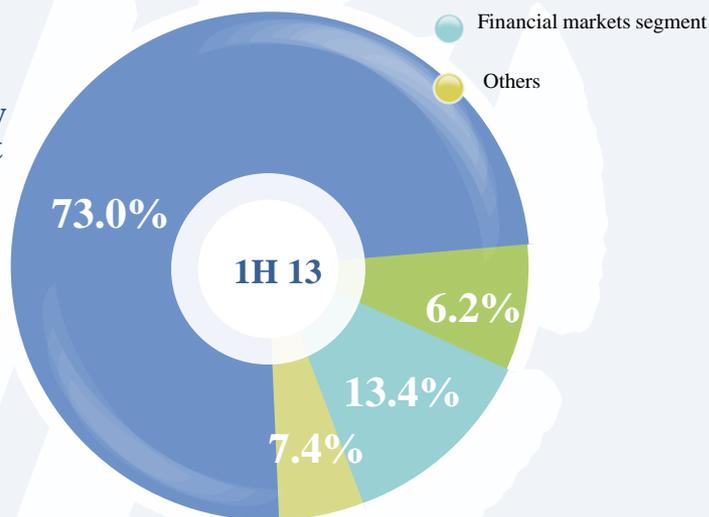
■ Retail banking segment

- Realized operating income of RMB9.61 billion, contributing 19.3%, up 4.1 percentage points
- Realized operating profit of RMB1.68 billion, contributing 6.2%, up 1.2 percentage points

■ Financial markets segment

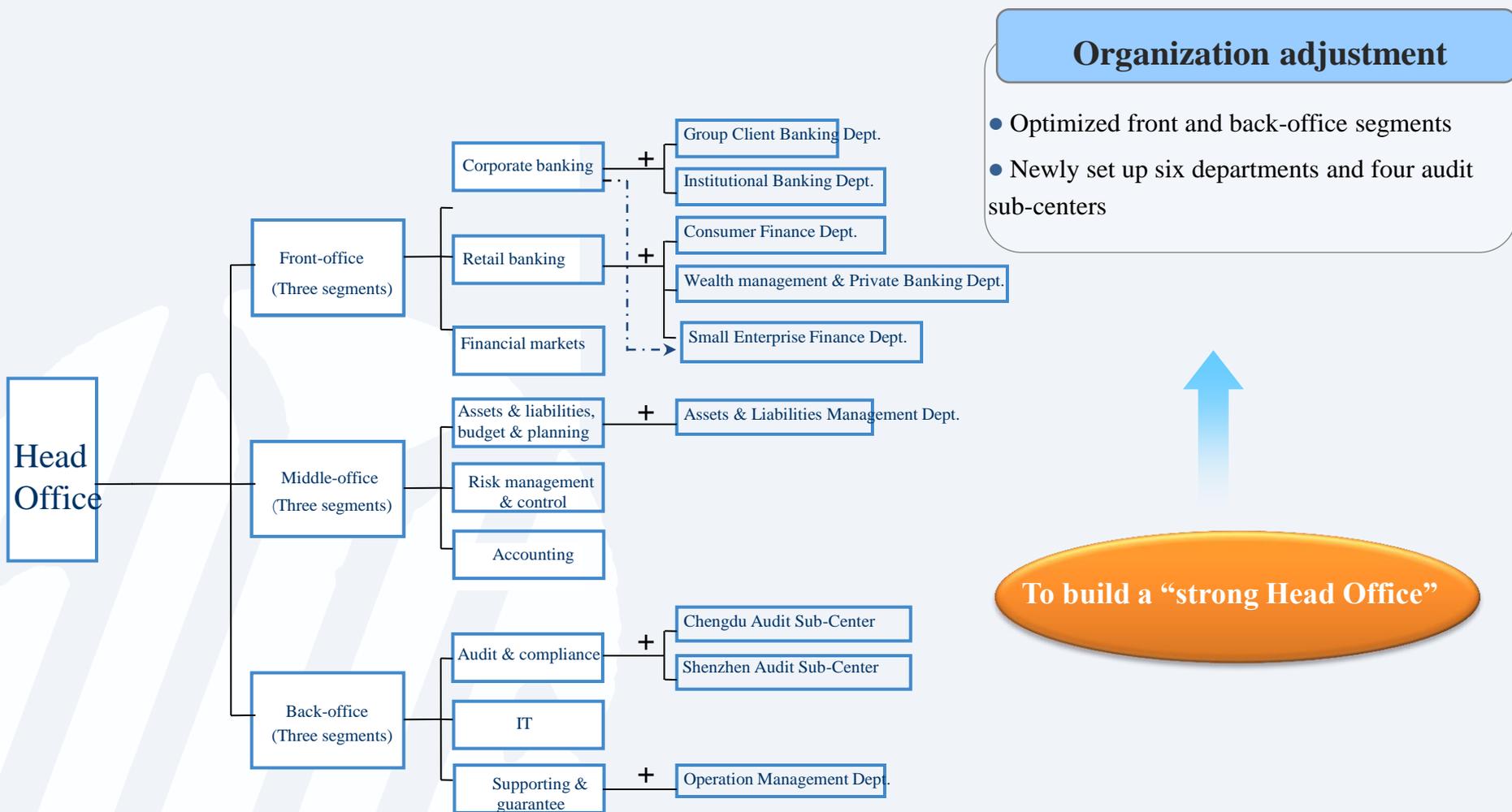
- Realized operating income of RMB3.91 billion, contributing 7.8%, down 0.8 percentage point
- Realized operating profit of RMB3.62 billion, contributing 13.4%, down 0.6 percentage point

Operating profit by segment



Note: The bank shift small enterprise finance from corporate banking to retail banking segment

1. Organizational structure adjustment and optimization



Organization adjustment

- Optimized front and back-office segments
- Newly set up six departments and four audit sub-centers



2. Higher refined management level



Risk management reform

- Issued Risk Management System Reform Plan
- Highlighted dual-line reporting and bi-directional assessment of Chief Risk Officer
- Introduced new system on vertical management and whole coverage of enterprise risk



Innovation in technology systems

- Set up Testing Room of Internet Products Innovation
- Advanced new core system construction



Dynamic allocation of resources

- Reformed and reinforced market-oriented resource allocation
- Facilitated liability growth and structure improvement through FTP guidance
- Advanced full-scale application of management accounting



Promotion of assessment and guidance

- The Head Office carried out comprehensive quantitative assessment on branches for the first time
- Carried out rating plus KPI assessment

2. Improvement of refined management - rid of the liquidity trouble stably

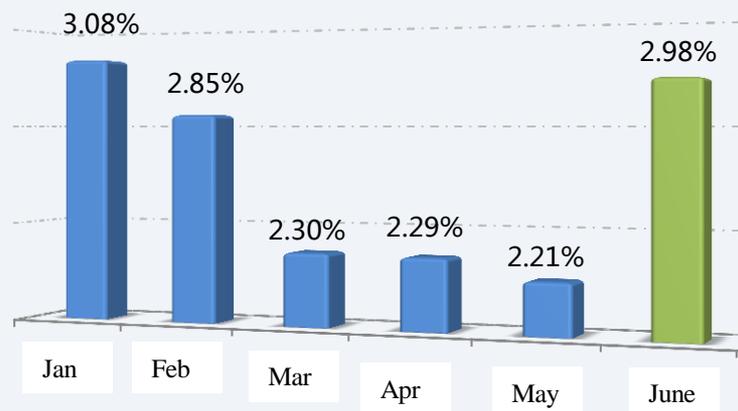
Being confronted with liquidity squeeze

- Improved the 3-tier liquidity reserve management system
- Initiated liquidity group mechanism
- Dynamically adjusted yield curve of FTP
- More efforts towards liability promotion
- Diversified allocation of liquidity asset

Effectively controlled liquidity risk



Excess reserve withing the target



Liquidity ratio complied with regulatory requirements

	Regulatory value	End of June	Up to standard or not
Liquidity ratio	$\geq 25\%$	51.0%	Yes
Liquidity gap ratio	$\geq -10\%$	-9.8%	Yes
Loan to deposit ratio	$< 75\%$	69.2%	Yes

3. Orderly promotion of resource integration of urbanized branches



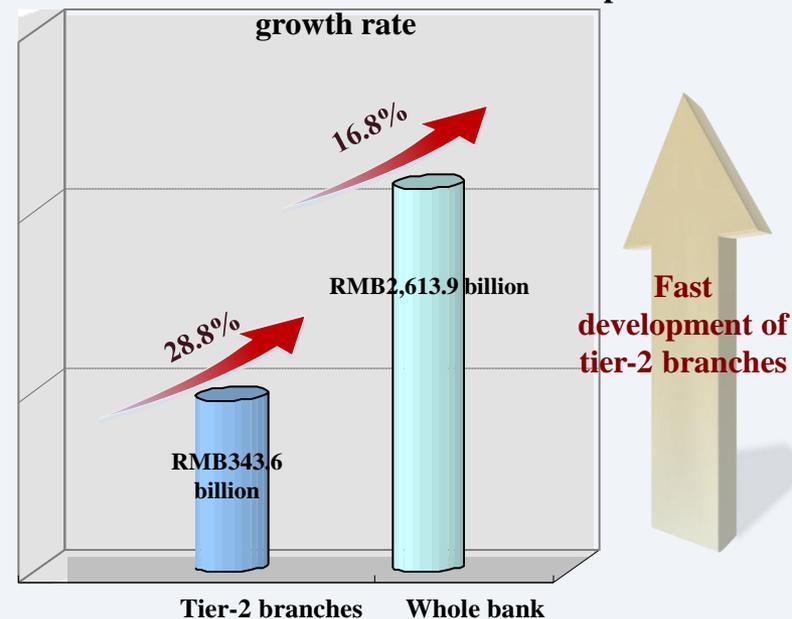
● Outlets covers 107 important medium and big-sized cities nationwide
● 77% coverage ratio of national economic aggregate

	Increase in 1H	Total number of institutions
Tier-1 branches	2	42
Tier-2 branches	3	59
Sub-branches	33	822
Total	38	923

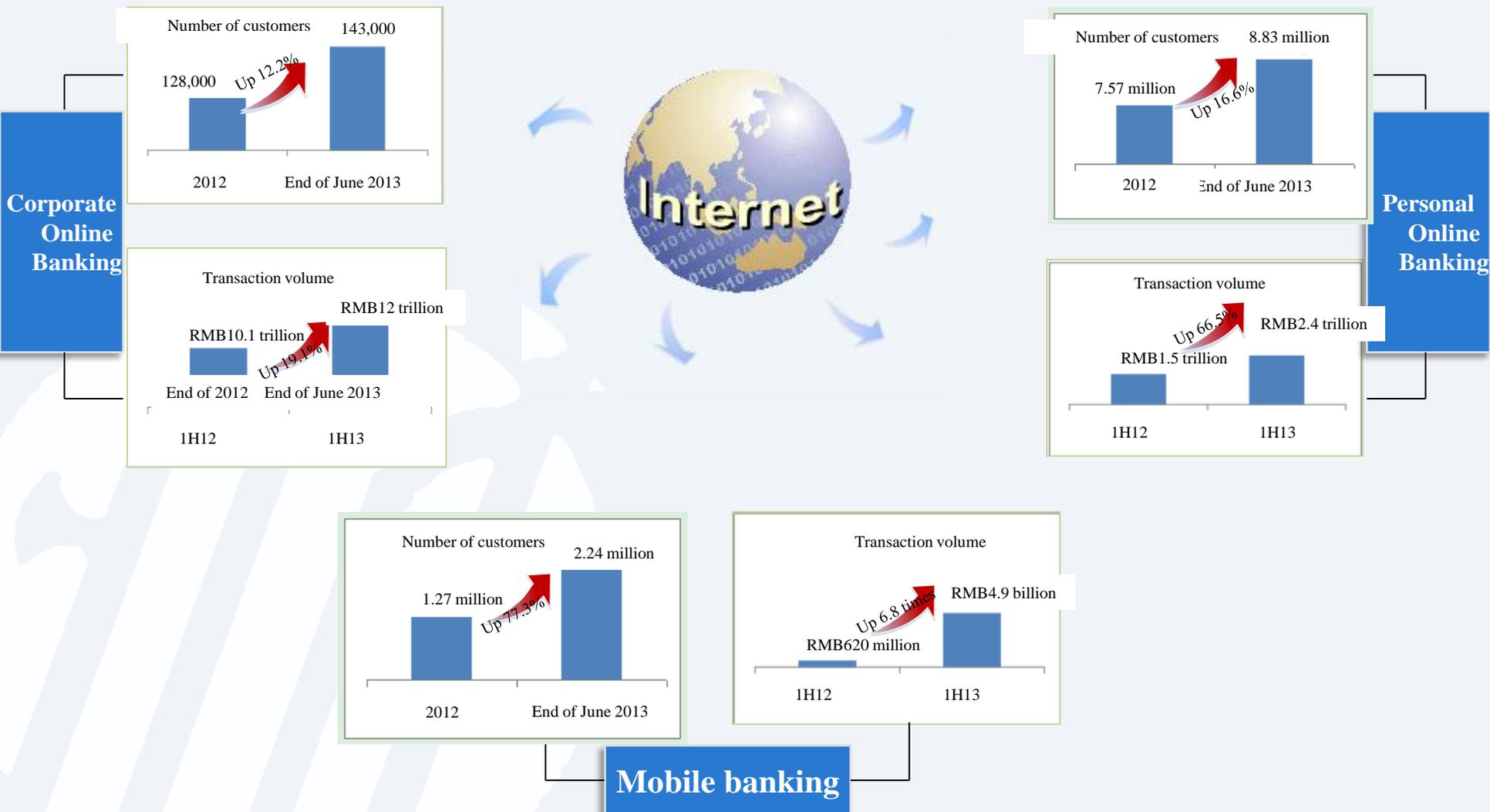
Quicker implementation of “urban bank” strategy

- Flat reform of institutions reduced management tiers of Head Office, branches and sub-branches
- After upgrading, Wenzhou, Quanzhou, Wuxi and Foshan branches are directly controlled by the Head Office
- Operation network covers 33 provinces, autonomous regions and municipalities except Tibet

Tier-2 branches vs. whole bank in terms of 1H deposits and growth rate

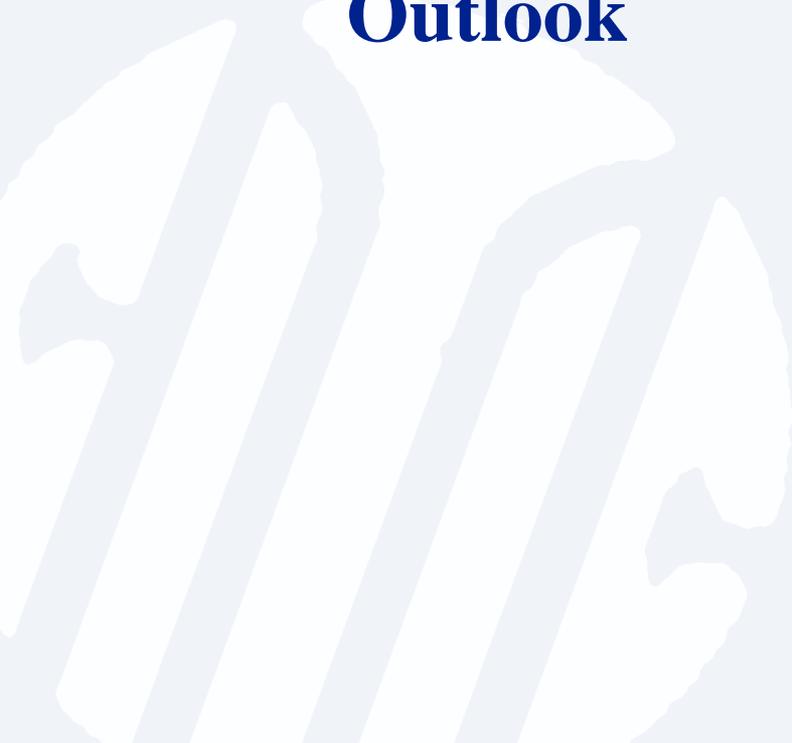


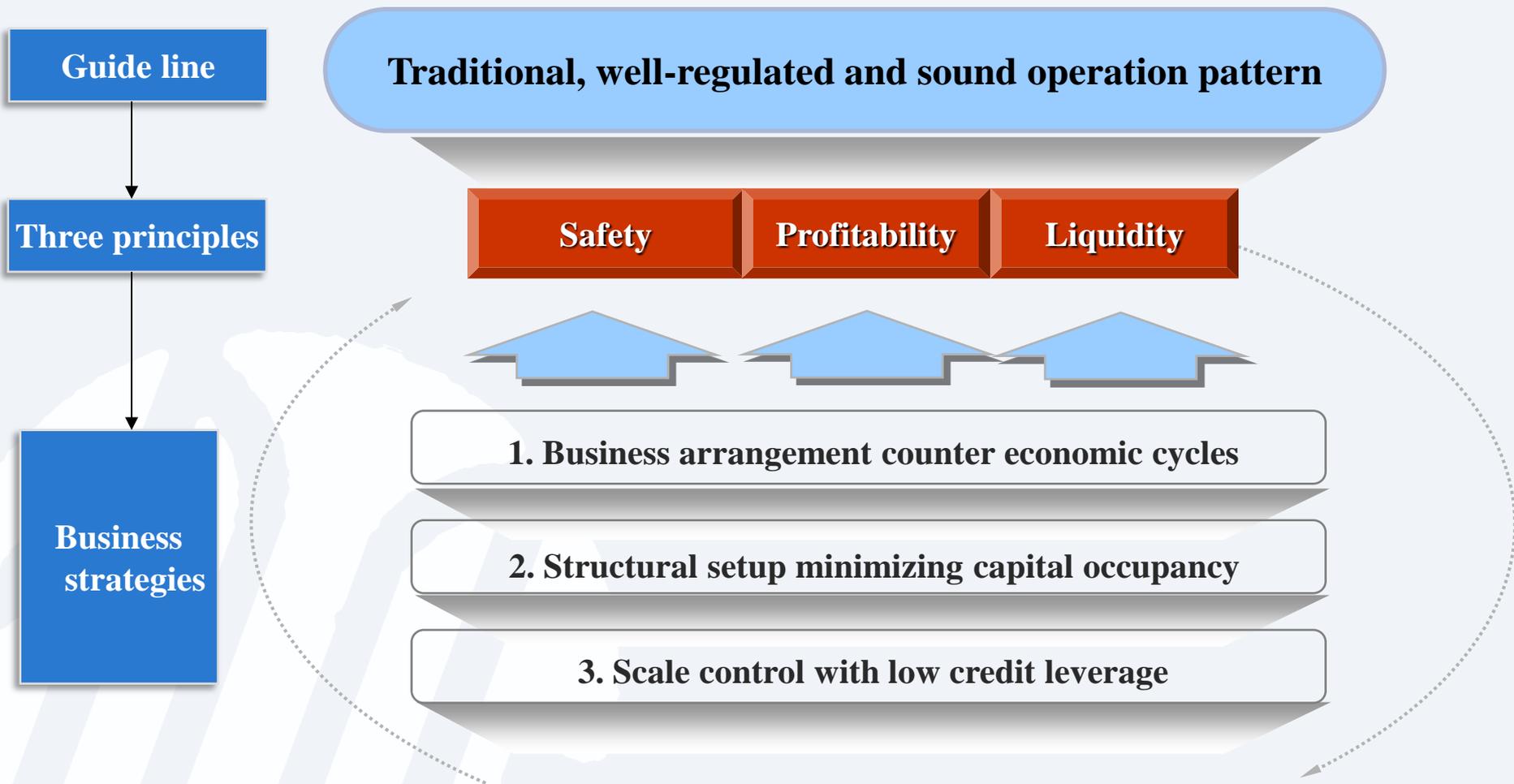
4. Accelerated development of internet finance



● Part Three

Outlook







Thank you!
(Q&A)