



# Mainland China Banking Survey 2017

August 2017

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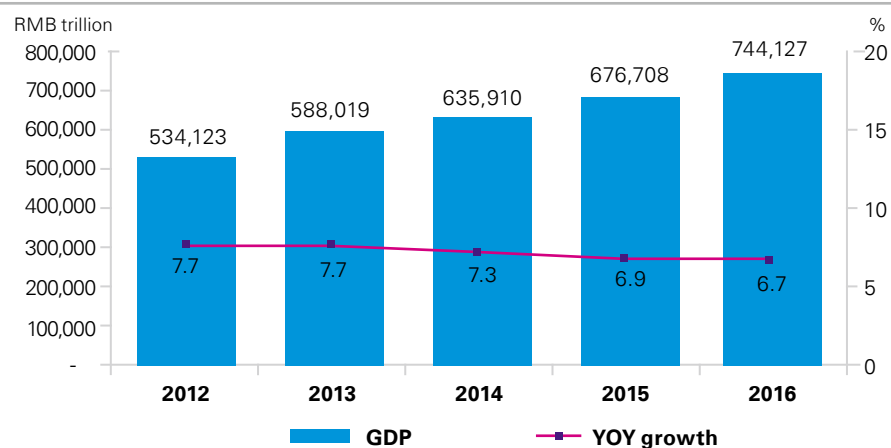
# 01

## Overview

China's economic growth was slow but steady in most respects in 2016. GDP grew at an annual rate of 6.7 percent, which was slower than in 2015. As China was confronted with challenges to economic growth both at home and abroad, the government continued to make progress while working to keep performance stable. The new approach to development focused on strengthening supply-side structural reform, and promoting innovation-driven development, as well as economic transformation and upgrading. The overall national economy remained stable, with progress made and performance improved.

China's economy is now undergoing profound structural changes. The Belt and Road Initiative, as one of China's key national initiatives, is expected to have a significant impact on China's economic development. China will no longer pursue a development mode characterised by simple capacity export, financing or investment, but one that promotes an overall liberalisation of the financial market, which will enable a rapid increase in investment and trade in the future.

### GDP growth rate



Source: National Bureau of Statistics and Wind Info



In 2016, the scale of total assets and liabilities in the banking sector continued to expand steadily, and the increase widened. In the meanwhile, with the macroeconomic situation stabilising, profit continued to grow at a faster pace, representing a larger year-on-year (YOY) increase compared to that in 2015. In addition, economic structural adjustments continued to be made. Highly leveraged enterprises were mainly from industries with overcapacity. The effects of the economic structural adjustments resulting from deleveraging and cutting overcapacity were further seen in 2016, as both the scale and level of non-performing loans (NPL) in the banking sector continued to rise.

To promote steady economic development, the Chinese Government continued to implement proactive fiscal policies and prudent monetary policies to create a financial environment with a reasonable liquidity level, where the sector took active measures to adapt to the 'new normal' economic development, accelerate business structural adjustments, strengthen risk control, and seek steady growth and risk control.

### Scale of assets and liabilities continues to expand at a faster pace

The banking sector remained steady in 2016, and total assets and liabilities continued to expand. According to the

information disclosed by the CBRC, at the end of 2016, commercial banks'<sup>1</sup> total assets reached RMB 181.7 trillion, representing an increase of RMB 25.9 trillion and a YOY increase of 16.6 percent compared to the 2015 year end, a rise of 1 percentage point compared to 2015. Total liabilities were RMB 168.6 trillion, representing an increase of RMB 24.3 trillion and a YOY increase of 16.9 percent, a rise of 1.6 percentage points compared to 2015.

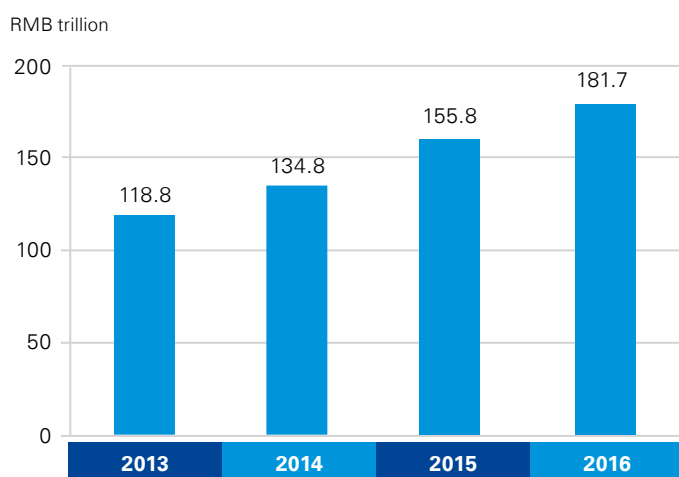
1. The analysis is based on statistics published by CBRC on its website.

2. Commercial banks comprise large commercial banks, joint stock commercial banks, city commercial banks, rural commercial banks and foreign banks.

RMB trillion	2013		2014		2015		2016	
	Amount	Increase	Amount	Increase	Amount	Increase	Amount	Increase
Assets	118.8	13.6%	134.8	13.5%	155.8	15.6%	181.7	16.6%
Liabilities	110.8	13.4%	125.1	12.9%	144.3	15.3%	168.6	16.9%

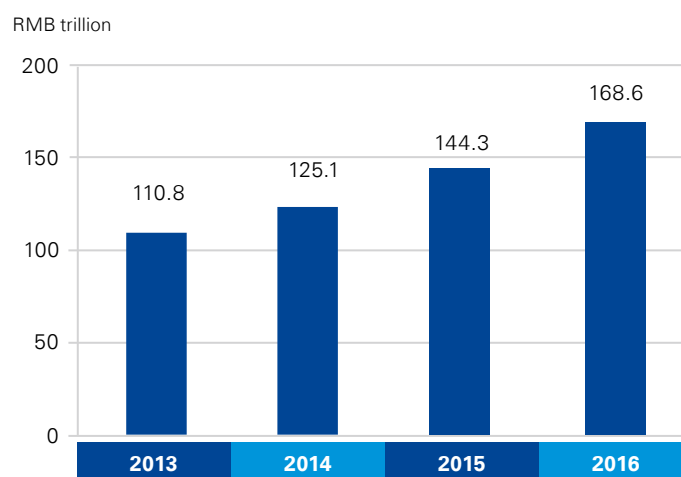
Source: CBRC website

**Chart 1.1 Scale of total assets**



Source: CBRC website

**Chart 1.2 Scale of total liabilities**





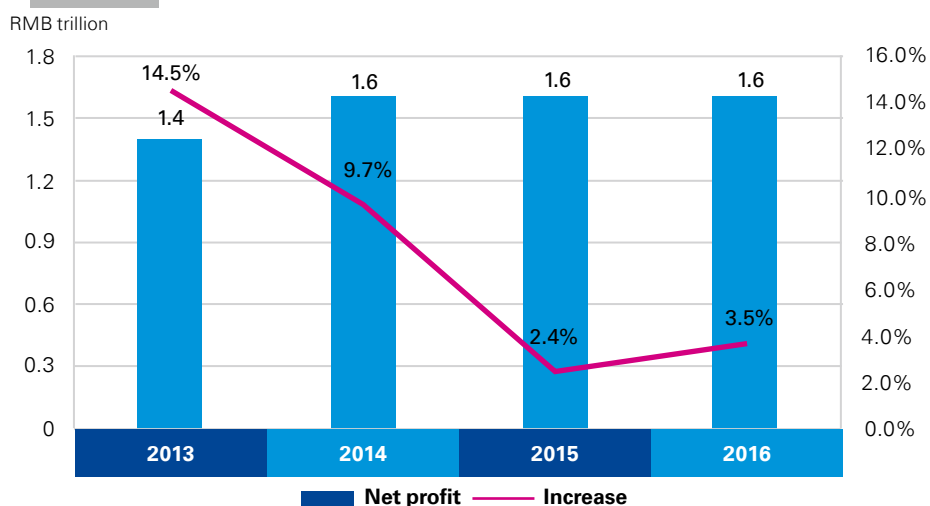


### Profit grows at a faster pace

Profit growth for commercial banks was sluggish because of downward pressure on the economy, while internet finance continued to penetrate the core banking services. Continuous progress was being made in the reform of interest rate liberalisation, and profitability for commercial banks dropped further. However, profit continued to grow because commercial banks began adjusting their strategies, which resulted in an increase in the proportion of non-interest income, and at the same time, the cost-to-income ratio was well controlled in 2016.

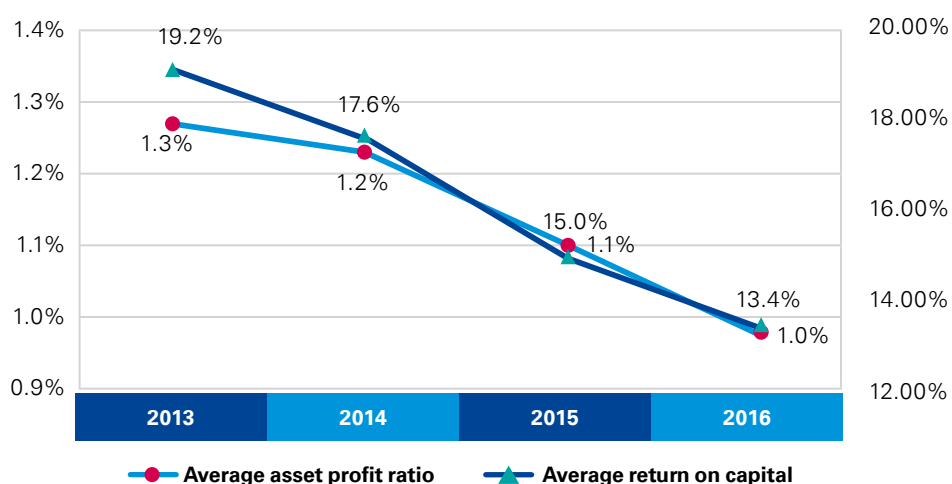
Commercial banks' annual total net profit reached about RMB 1.6 trillion in 2016, representing an increase of RMB 56.4 billion and a YOY increase of 3.5 percent compared to 2015, a rise of 1.1 percentage points. In addition, due to the regulatory requirements for capital expansion and slower net profit growth, commercial banks' net profit grew at a slower pace than that of capital. Therefore, the average asset profit ratio and return on capital for commercial banks continued to decline over the past three years.

**Chart 1.3 Increase in net profit**



Source: CBRC website

**Chart 1.4 Average asset profit ratio and return on capital**



Source: CBRC website

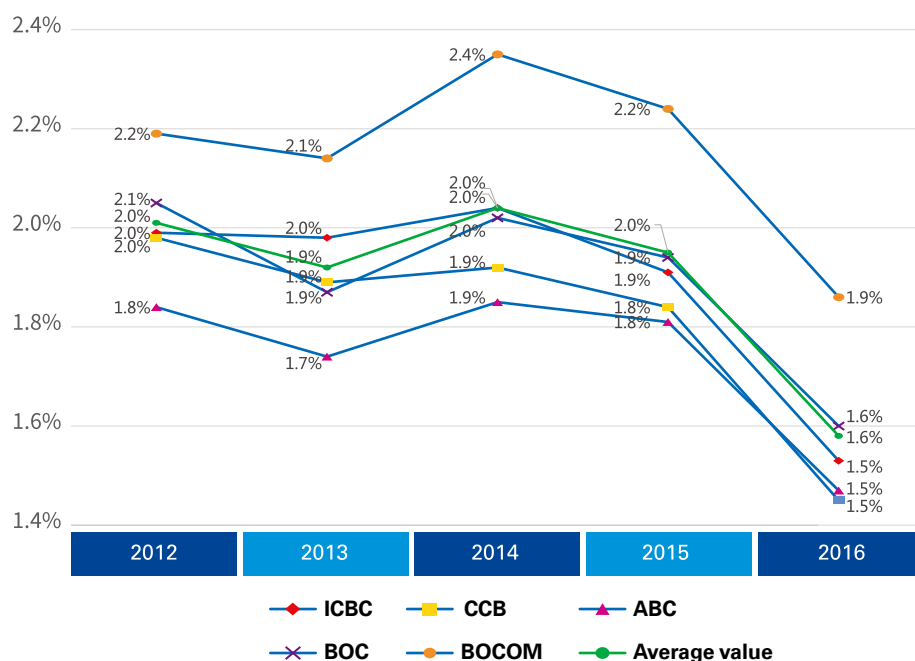


## Interest rate liberalisation speeds up and net interest margin continues to decline

Affected by the downward market interest rate due to the fact that the PBOC lowered the interest rate five times and opened the upper limit of the floating range of deposit interest rate in 2015, there was a substantial decrease in the cost of interest-bearing deposits from customers in the banking sector from the previous year, as shown in Chart 1.5.

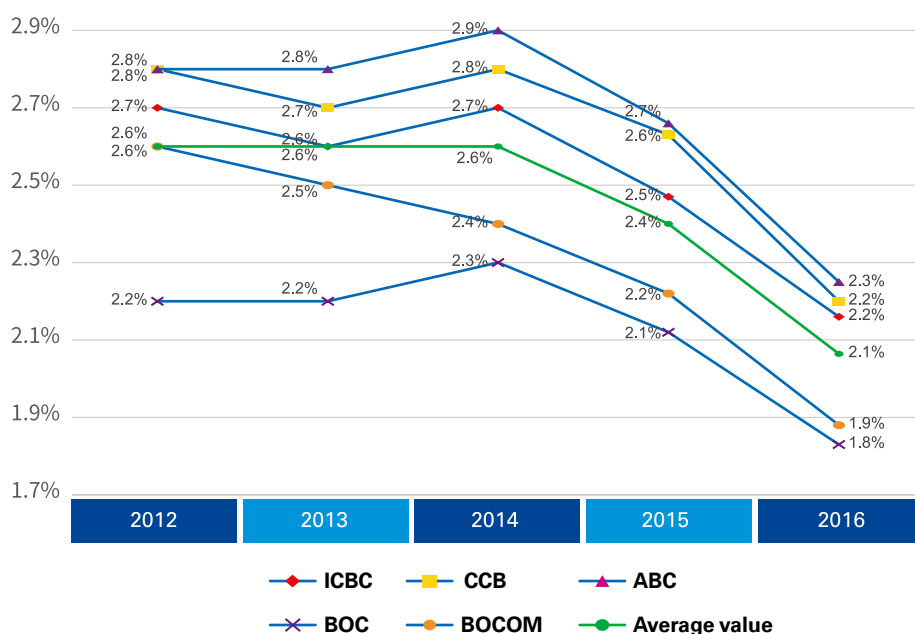
With interest rate liberalisation continuing to speed up in China, and affected by the policy of replacing business tax with value-added tax enforced on 1 May 2016, the yield rate of interest-generating assets of commercial banks also declined substantially. Interest spread for commercial banks decreased slowly under the stable liquidity and increasingly fierce competition in the market, and therefore the average net interest margin for commercial banks continued to decline, as shown in Chart 1.6.

**Chart 1.5 Cost of interest-bearing deposits from customers of the five state-owned commercial banks from 2012 to 2016**



Source: CBRC website

**Chart 1.6 Net interest margin of the five state-owned commercial banks from 2012 to 2016**



Source: CBRC website



## Exposure to credit risk slows down, NPL scale and ratio grow at slower pace

According to information disclosed by the CBRC, the various loan balances of commercial banks' asset portfolios were RMB 86.7 trillion at the end of 2016, representing an increase of RMB 10.6 trillion and a YOY increase of 13.9 percent compared to the 2015 year end, a rise of 8.7 percentage points.

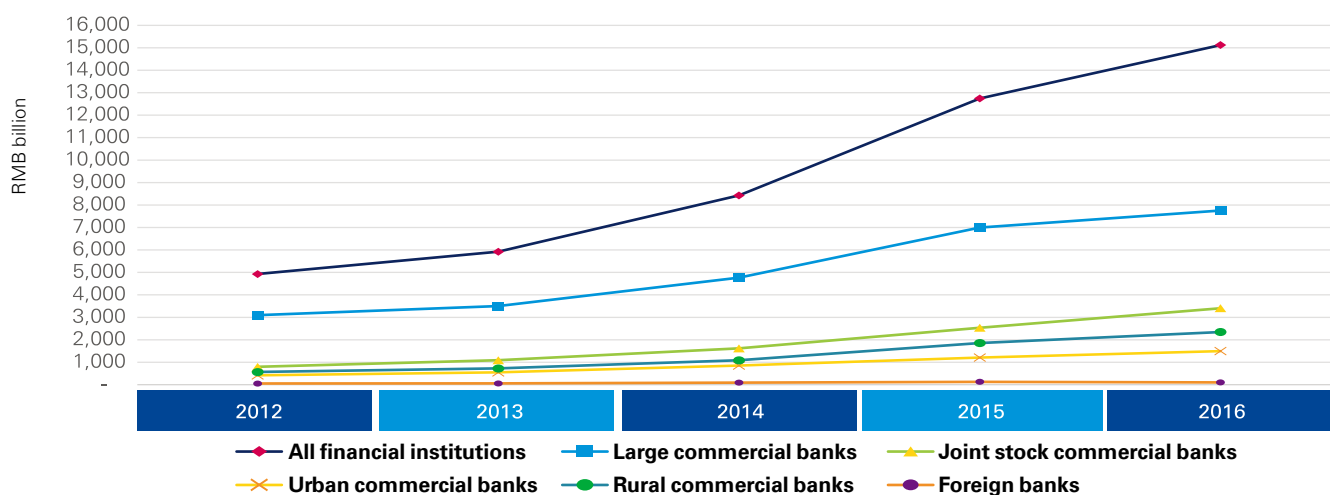
In 2016, commercial banks continued to be exposed to credit risk, albeit at a slower pace, and the quality of credit assets continued to decline as a whole. At the end of 2016, the NPL balances of commercial banks were RMB 1.51 trillion, representing

an increase of RMB 237.7 billion, up 18.7 percent compared to the 2015 year end, a fall of 32.7 percentage points; the NPL ratio increased to 1.74 percent, a rise of 0.07 percentage points from the 2015 year end.

As shown in Charts 1.7 and 1.8, both the NPL balance and ratio of commercial banks grew further, but at a slower pace than in 2015 when many potential credit risks were exposed. The NPL ratio stabilised for various commercial banks except joint stock commercial banks, for which there was an obvious rise in the NPL balance, as well as a further increase in the NPL ratio. On the contrary, the NPL balance for foreign banks decreased and their NPL ratio fell to below 1 percent.

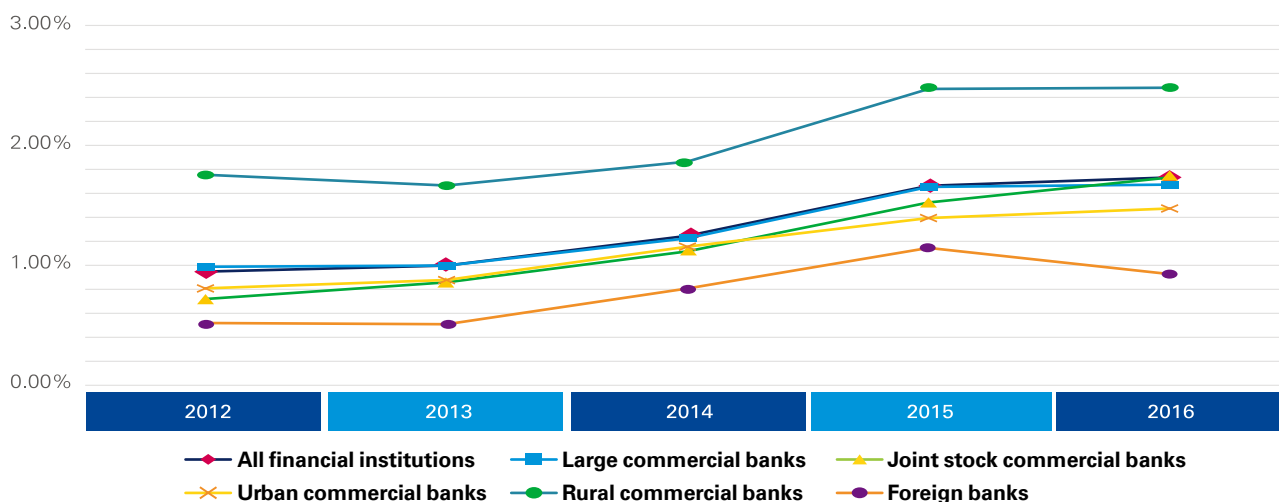
In the meanwhile, the provision ratio of commercial banks rose slightly, but the provision balance grew more slowly than the NPL balance, and the provision coverage ratio began to fall. At the end of 2016, the balance of the loan loss provision of commercial banks was RMB 2.7 trillion, representing an increase of RMB 358.7 billion, up 15.5 percent compared to the 2015 year end; the loan provisioning ratio increased to 3.08 percent, an increase of 0.05 percentage points from the 2015 year end; and the provision coverage ratio fell to 176.4 percent, a decrease of 4.8 percentage points from the 2015 year end, mainly due to an increase in the NPL balance.

**Chart 1.7 NPL balance of commercial banks**



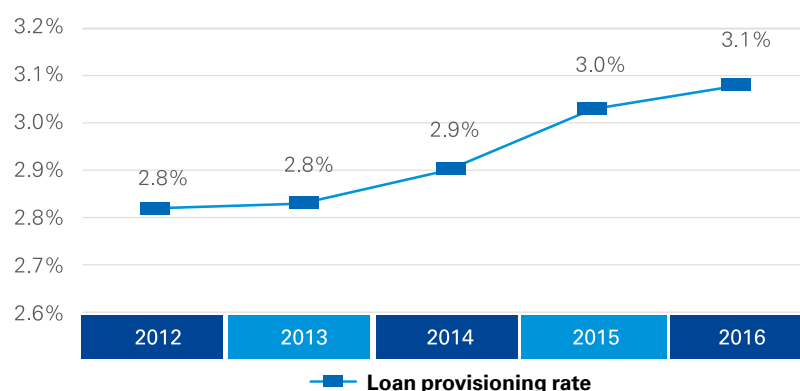
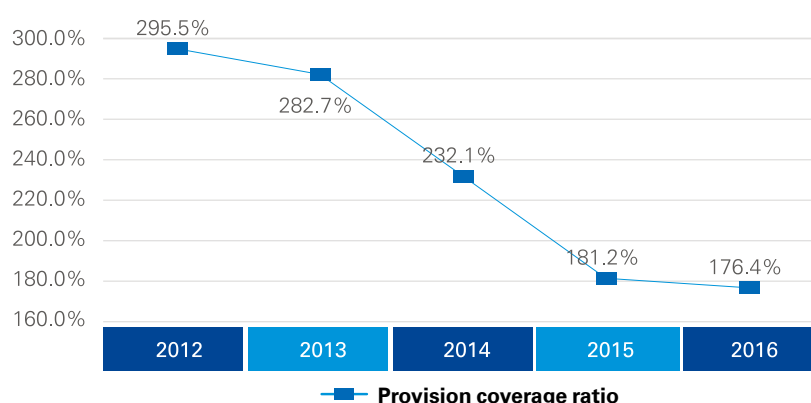
Source: CBRC website

**Chart 1.7 NPL ratio of commercial banks (%)**



Source: CBRC website

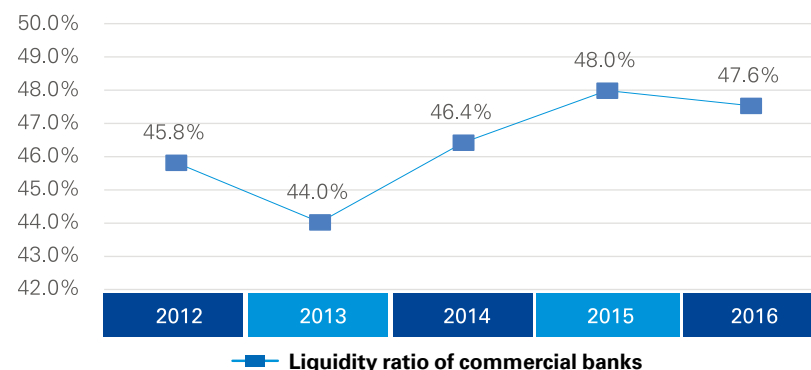
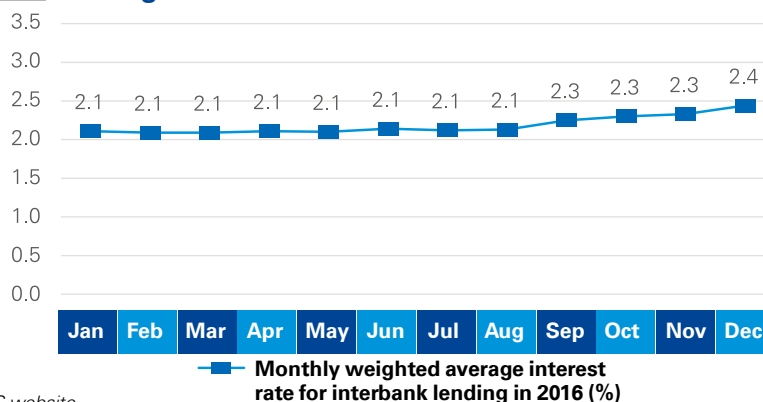


**Chart 1.9** Loan provisioning rate of commercial banks**Chart 1.10** Provision coverage ratio of commercial banks

Source: CBRC website

### Interbank liquidity adequate and interest rate relatively stable

China's central bank lowered the deposit reserve ratio multiple times and removed the upper limit of the floating range of deposit interest rate in 2015, which had further effects in 2016, as interbank market liquidity and interest rate remained stable. As shown in Figures 1.11 and 1.12, at the end of 2016, the liquidity ratio of commercial banks was 47.6 percent, down 0.4 percentage points year-on-year. At the same time, the monthly weighted average interest rate for interbank lending in 2016 was relatively stable.

**Chart 1.11** Liquidity ratio of commercial banks from 2012 to 2016**Chart 1.12** Monthly weighted average interest rate for interbank lending in 2016

Source: CBRC website



## Rigid regulatory policies & changing industry environment

Against a backdrop of rigid regulatory policies and a changing environment, the banking sector is still facing new challenges.

Since 2016, the CBRC promulgated the documents below in succession to address the potential risks in financial markets:

- Notice on Further Strengthening the Management of Credit Risks
- Guidelines on Comprehensive Risk Management of Banking Institutions
- Guiding Opinions on Risk Prevention and Control of Banking Industry

To further clarify VAT reform concerning the banking industry, the MOF and SAT released the following documents:

- Notice on Clarification of VAT Policies for Finance, Real Estate Development, Education Support Services, etc.
- Supplementary Notice on Issues Concerning VAT Policies for Asset Management Products

- Notice on Issues Concerning VAT Policies for Asset Management Products

To standardise payment, settlement and account management, the PBOC issued:

- China's Financial Mobile Payment – Technical Specifications of Payment Tagging
- Notice on Carrying out a System Separating the Administration of Individual Bank Accounts
- Notice on Issues Regarding the Implementation of Centralised Deposits of Client Provisions of Payment Agencies
- Operating Guidelines for Payment Agencies to Lodge Partial Client Provisions with the PBOC

The PBOC, MOF and five other ministries and commissions jointly issued Guiding Opinion on Establishing a Green Finance System to support and promote ecological civilisation construction.

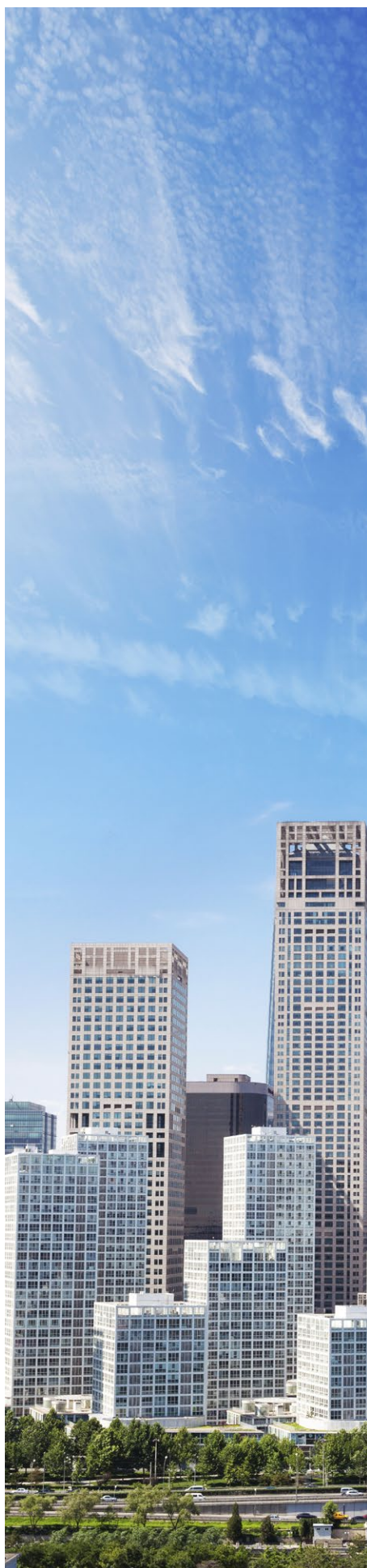
Meanwhile, the CBRC and other regulatory authorities issued the following regulatory requirements and guiding opinions:

- Notice on Enhancing Administration of Creditworthiness Compliance
- Notice on Guidelines for the Administration of Record-filing and Registration of Online Lending Information Intermediaries
- Notice on Certain Businesses Conducted by Foreign Banks
- Guiding Opinions on Improving the Quality and Efficiency of the Banking Industry in Serving the Real Economy
- Guiding Opinions on Supporting Banking Financial Institutions to Intensify Innovation Efforts and Launch Investment and Loan Linkage Pilots among Technological and Innovative Enterprises

Since 2016, stricter requirements on risk management and standardised operation in the banking sector were issued by regulatory authorities. By releasing a series of regulatory measures, the authorities have guided commercial banks to strengthen their functions to serve the real economy and support the adjustment of the economic structure and sustainable development with an overall economic vision.







Below are more hot topics in 2016 resulting from the ever-changing banking sector and tightening regulatory environment:

#### **A path for bank branches to follow**

In recent years, with the continuous development of internet finance and mobile payment, consumer behaviour patterns and consumer demand have been changing. Consumer finance integrated with mobile marketing is becoming more popular. Transformation is vital in the banking sector, since banking business models are moving online, promoted and supported by leading information technology such as mobile computing, high-speed wireless networks, big data and cloud computing. The banking sector needs to start accepting internet thinking, and initiate its transformation by detecting and resolving the 'core spots' and weak links of client services and banking development.

Branches should be designed in line with customer behaviour and service requirements in terms of location, scale, products and service models. Systematic research and quantitative assessment should take place that considers demands from various groups. This can help branches become more personalised, offering customers a more comfortable environment and the ability to generate sustainable profits.

#### **Implementation of the new standards for financial instruments**

In July 2014, the International Accounting Standards Board (IASB) issued IFRS 9 – Financial Instruments (IFRS 9). The new standard simplifies the classification of financial assets, introduces the expected credit loss method as the basis of impairment of financial instruments, simplifies the accounting treatment of embedded derivatives, and improves the applicability of hedge accounting.

On 31 March 2017, MOF revised and promulgated the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, Accounting Standards for Business Enterprises No. 23 – Transfer of Financial Assets, and

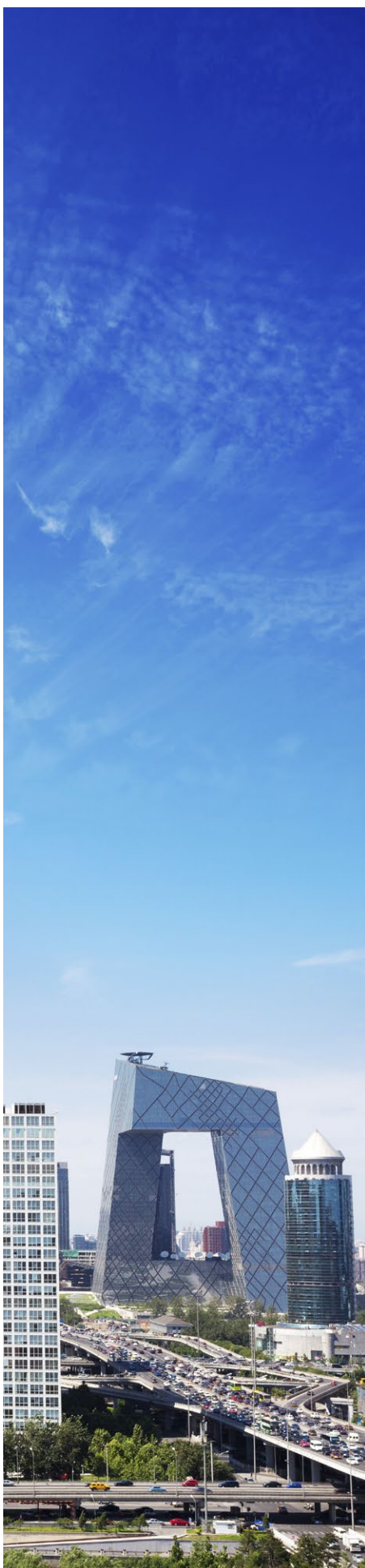
Accounting Standards for Business Enterprises No. 24 – Hedge Accounting. The timelines for implementation of the new standards by different kinds of Chinese enterprises were also released, in a sign that the China Accounting Standards for Business Enterprises were converging with IFRS 9 with regard to financial instruments.

#### **China's evolving anti-money laundering regulatory landscape**

Financial institutions are on the front line of a rapidly changing regulatory environment. While anti-money laundering (AML) has always been a regulatory concern, it is quickly climbing the political, regulatory and business agenda internationally, and has become a key area of focus. With AML regulators worldwide ramping up oversight in their jurisdictions, financial institutions are under growing pressure to develop and implement a robust and effective AML compliance programme that is consistent with industry-leading practices and meets local regulatory expectations. Currently, three issues are having a significant impact on AML compliance developments within Chinese financial institutions: the implementation of PBOC Decree No. 3, FATF mutual evaluation programme, and overseas regulatory developments.

#### **Analysis of securitisation of non-performing assets**

On 16 February 2016, the PBOC, together with seven other ministries and commissions, jointly issued Opinions on Financial Support for Maintaining Industrial Growth, Adjusting Industrial Structure and Improving Industrial Efficiency, requiring intensified efforts and improved efficiency in non-performing asset (NPA) disposal, and encouraging qualified financial institutions to participate in the pilot programmes for NPA securitisation. Regulatory bodies selected six banks to conduct pilot programmes – Industrial and Commercial Bank of China, Agricultural Bank of China, Bank of China, China Construction Bank, Bank of Communications and China Merchants Bank.



China Asset Securitization White Paper (2017) issued in April 2017 clearly points out that the pilot of the securitisation of NPAs will be expanded. Twelve banks, including China Development Bank, China CITIC Bank, China Everbright Bank, Hua Xia Bank and China Minsheng Bank were included in the second pilot list. The issuing banks have become more diversified. As NPA-backed securities issuers, banks need to take the following key matters into consideration: comply with strict requirements for information disclosure, ensure stable cash flows can be generated from the underlying assets, consider diversified ways for credit enhancement, consider the impact of the local legal enforcement environment on NPA recovery, and consider appropriate incentives and monitoring mechanisms for NPA servicers.

### **The decade of development of foreign banks in China**

In 2017, foreign banks marked their first decade of their incorporation in China. During this decade, they experienced challenges facing the new market and also a decline in market share under the rapid development and competition of Chinese local peer banks. At the end of 2006, the State Council issued the Regulations of the People's Republic of China on the Administration of Foreign-funded Banks ("the Regulation"), which allowed foreign banks to be incorporated in China. Foreign banks were allowed to submit an application to restructure their then branches into an incorporated bank registered in China and enjoy equal treatment as their Chinese peers.

After the issuance of the Regulation, foreign banks showed their great ambition in the China market. In 2007, foreign bank incorporation advanced rapidly, with the asset scale of foreign-funded banks undergoing rapid expansion. However, capital shares of foreign-funded banks declined due to the global financial crisis and the rapid development of local banks. Meanwhile, policies made by Chinese regulatory authorities applicable to

foreign-funded banks are gradually relaxing. Compared with Chinese banks, foreign banks usually possess a broad overseas network, professional industry practices, more comprehensive experience in financial services and in the adoption of financial technologies, etc. These advantages are helpful for foreign banks to succeed in some businesses and accurately target their positions in China's banking industry.

### **Impact on the banking sector arising from new regulation on tax-related information of non-residents' financial accounts**

On 19 May 2017, the SAT along with the MOF, PBOC, CBRC, CIRC and CSRC jointly released the final public version of China's Common Reporting Standard (CRS) rules called the Measures on the Due Diligence of Non-resident Financial Account Information in Tax Matters, Announcement (2017) No. 14, dated 9 May 2017 (hereinafter referred to as "Announcement 14").

Announcement 14 stipulates the principles and procedures that financial institutions established in China must follow, and that they must identify any reportable non-residents of China who hold financial accounts with the institutions and collect the required financial account information for the Chinese authorities. Announcement 14 has been in force since 1 July 2017, with the first online registration deadline being 31 December 2017, followed by an annual reporting deadline of 31 May of the following year.

Announcement No. 14 will have a significant impact on the whole financial services industry, with all business units of financial institutions undertaking business in China affected.







02

A path  
for bank  
branches  
to follow



## 2.1 Is there still a place for bank branches in the digital age?

In recent years, with the continuous development of internet finance and mobile payment, consumer behaviour patterns and consumer demand have been changing. Consumer finance integrated with mobile marketing is becoming more popular. For the banking sector, mobile computing, high-speed wireless networks, big data, cloud computing and other leading information technology have also driven banking from offline to online. This has resulted in heated debate about whether bank branches are still necessary. The two main points of view are summarised below:

### 1. Branches will likely die out:

One view is that fintech, supported by mobile internet and artificial intelligence, is bringing disruption, which may result in branches eventually dying out. Banks that do not have branches include WeBank and MYbank. Affected by the impact of mobile payment (e.g. Tenpay and Alipay) and direct banking, branches are gradually transforming from profit centres to cost centres, due to their lack of efficiency, high use of

resources and inability to attract high-value customers.

### 2. Branches simply need to transform:

The other view is that although the speed of adding newly set up branches has been dropping, this does not mean they are useless – rather, they need further transformation. At present, many banks are beginning to focus on the strategic transformation of their business networks. Branches are also offering financial products in addition to payments, deposits, lending and other traditional functions. They are seeking to provide more convenient, personalised and diversified customer financial services by using innovative technology, facilities, models, processes and personnel.

## 2.2 Why branches may still be needed

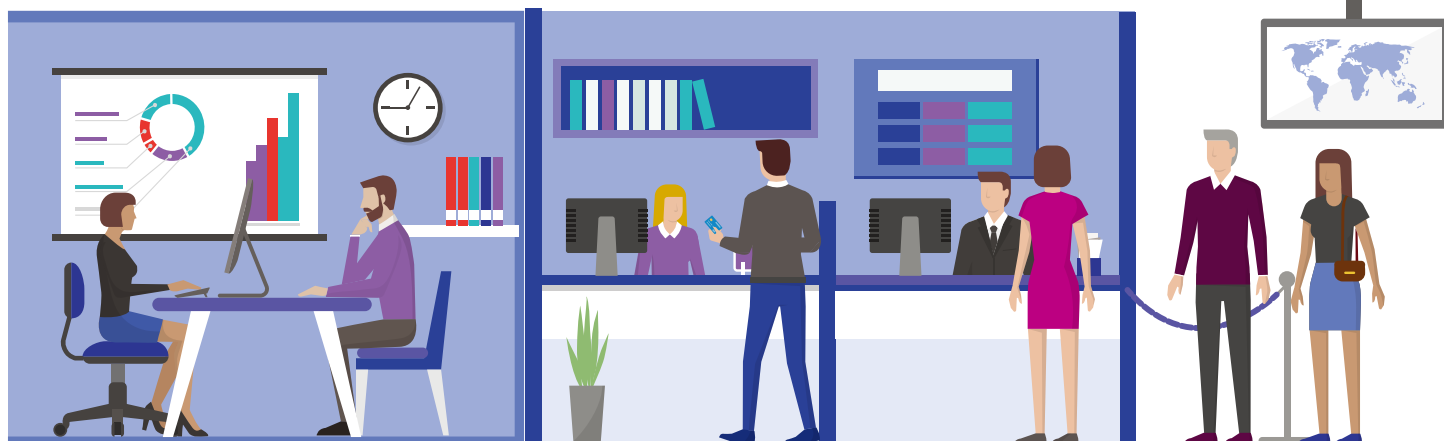
It is necessary to set up bricks-and-mortar banks, such as community banks and rural banks, to meet the demands of some special localities where internet access is comparatively limited. Moreover, branches are a good place to interact with customers and better educate investors, which is difficult to achieve

online. Therefore, it is necessary for some banks to continue setting up new branches, though transformation is vital. To bring long-lasting benefits, branches must cater to consumer behaviour and demand in the era of Internet Plus.

Local economic development and industrial upgrading have resulted in rural consumers increasing their spending. More are migrating to urban areas to pursue education, search for jobs, buy houses or retire, which has stimulated the development of education finance, automobile finance, pension finance and real estate finance.

We believe that banks should consider the market, users, products, value chain and the entire business ecosystem when deciding whether to set up branches. The question is not just about the number of branches, location, profit or loss, but also about analysing customers' pain points and improving products and services to solve these. Therefore, setting up branches is only one way to solve customer pain points.

Urbanisation and accumulated wealth have caused an explosive demand for financing, bringing about internet finance. However,



China is a vast country with uneven regional development, so full penetration of internet finance cannot happen overnight. This is a pain point in the banking sector. Nowadays, economic, financial and technological development is so fast that it is hard for people to adapt. As a result, it is difficult for internet-based consumption channels to take over in some regions and for some customers.

Internet usage is prevalent in first- and second-tier cities. Customers rely on mobile payment, direct banking and other channels to make payments and take out small loans, for example. However, wealth management, large loans, investor education and other complex matters that require direct communication cannot be easily addressed through online channels. Branches can provide more targeted service to these customers.

### 2.3 What should modern branches look like?

Consumers' need for financial services varies depending on geography, age and customer behaviour. With special functions such as word-of-mouth advertising, offline promotion and direct investor education, branches can help

people adapt to the fast economic development. For example, as the main consumers of financial products, middle-aged and older adults are still hesitant to accept digital financing. Staff at branches can advise on wealth management, investment, asset management and so on based on customer demand, in addition to pitching financial products. Such customised services can help build customer trust and therefore loyalty. In other words, branches should be designed in line with customer behaviour and service requirements in terms of location, scale, services and so on to let customers experience professional, personalised services, and add value to consumer finance.

In the Internet Plus age, branches should design products and services that address customers' pain points, cater to customer behaviour and highlight customer experience. In addition, they should also be integrated with advanced technologies and mobile marketing. ING, for example, is a global financial institution that provides comprehensive financial services. ING Direct, a direct banking brand of ING, does not have any branches, and was originally established to

expand overseas retail business for ING and provide business support to the parent company. ING Direct has cafés that offer customers an appealing experience where they can conduct banking business on public computers, while waiters/waitresses who also act as advisors are available to assist those who want to discuss their banking matters. This is an example of upgrading branches, changing them from impersonal counters, to more relaxed, friendly spaces for customers.

### 2.4 Conclusion

Despite the popularity of internet technology, the boom in fintech and the industrialisation of artificial intelligence, it is still uncertain whether bricks-and-mortar banks can be completely replaced. Banks should do systematic research and quantitative assessment to help branches become personalised based on different customer needs, to offer customers a more inviting and comfortable atmosphere and generate sustainable profits.











# 03

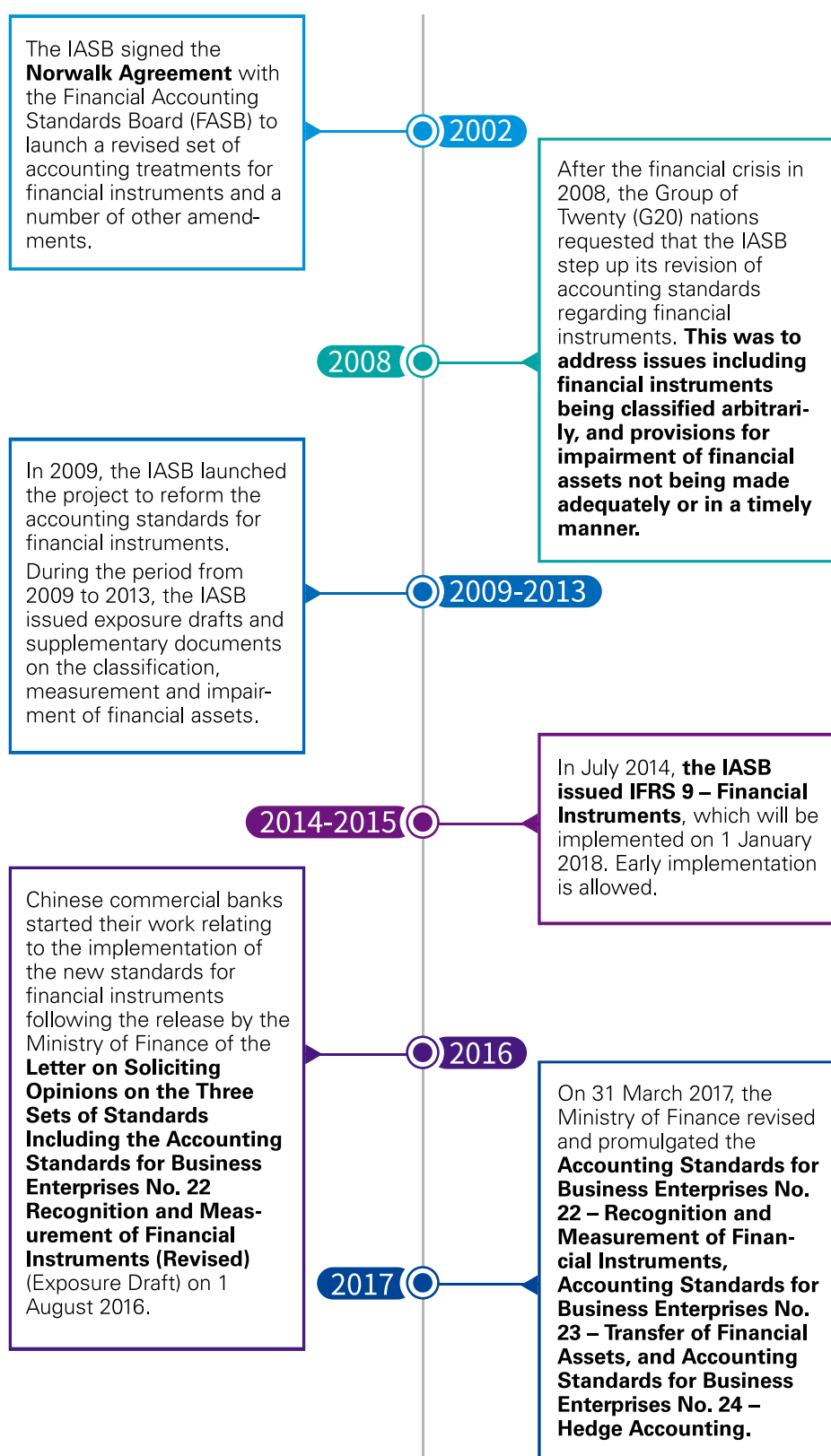
## Implementation of the new standards for financial instruments



### 3.1 Background



#### International Accounting Standards Board (IASB)



#### IFRS 9

In July 2014, the IASB issued IFRS 9 – Financial Instruments (IFRS 9). The new standards have simplified the classification of financial assets, introduced the expected credit loss method as the basis of impairment of financial instruments, simplified the accounting treatments of embedded derivatives, and improved the applicability of hedge accounting.

#### China standards

On 31 March 2017, the Ministry of Finance revised and promulgated the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, Accounting Standards for Business Enterprises No. 23 – Transfer of Financial Assets, and Accounting Standards for Business Enterprises No. 24 – Hedge accounting. The timelines for implementation of the new standards by different kinds of Chinese enterprises were also released, in a sign that the China Accounting Standards for Business Enterprises were converging with IFRS 9 with regard to financial instruments.

### 3.2 The new standards for financial instruments: Key revisions and timeline



#### Major revisions in the new standards

- Financial assets will be classified into three instead of four categories.
- The impairment of financial assets will be accounted for using the expected loss method instead of the incurred loss method.
- Hedge accounting will more faithfully reflect enterprises' risk management activities.

#### Implementation timetable

- Enterprises listed in both China and abroad, and enterprises listed on global stock exchanges, which adopt IFRS or the Accounting Standards for Business Enterprises are required to adopt the new accounting standards for financial instruments starting from 1 January 2018.
- Other domestically listed enterprises are required to adopt the standards starting from 1 January 2019.
- Unlisted enterprises adopting the Accounting Standards for Business Enterprises are required to implement the new standards for financial instruments starting from 1 January 2021.
- Enterprises that have the ability to implement the new standards in advance are encouraged to do so.



### 3.3 Challenges in classification and measurement of financial instruments

#### Impact

- For many banks, the impact of the new classification and measurement of financial instruments will be on certain special financial instruments in which the contractual cash flows do not pass the SPPI test ("Solely Payments of Principal and Interest" test).
- The measurement of financial assets and the structure of balance sheets are broadly unchanged under the new financial instrument standards. As a result, financial instruments will mainly be classified as amortised cost. However, some parts of financial assets will be reclassified as fair value through profit or loss at amortised cost or at fair value through other comprehensive income.

#### Obstacles

##### SPPI test

- Requires individual assessment of contracts with non-standard terms (Heavy workload and time-consuming)
- Test of benchmarking cash flow (The frequency of interest repricing may not be consistent with the frequency of interest collection, or average/lagging interest rate value may be used)
- Evaluation of cash flows of special products (It is not clear whether the SPPI test is satisfied if any early repayment terms or contract link instruments are contained in the product)

##### Evaluation of business model

- It is mainly reflected in the definition of 'non-frequent and non-material disposal' under the new standards. Assets should be appropriately classified and measured based on subjective judgements.

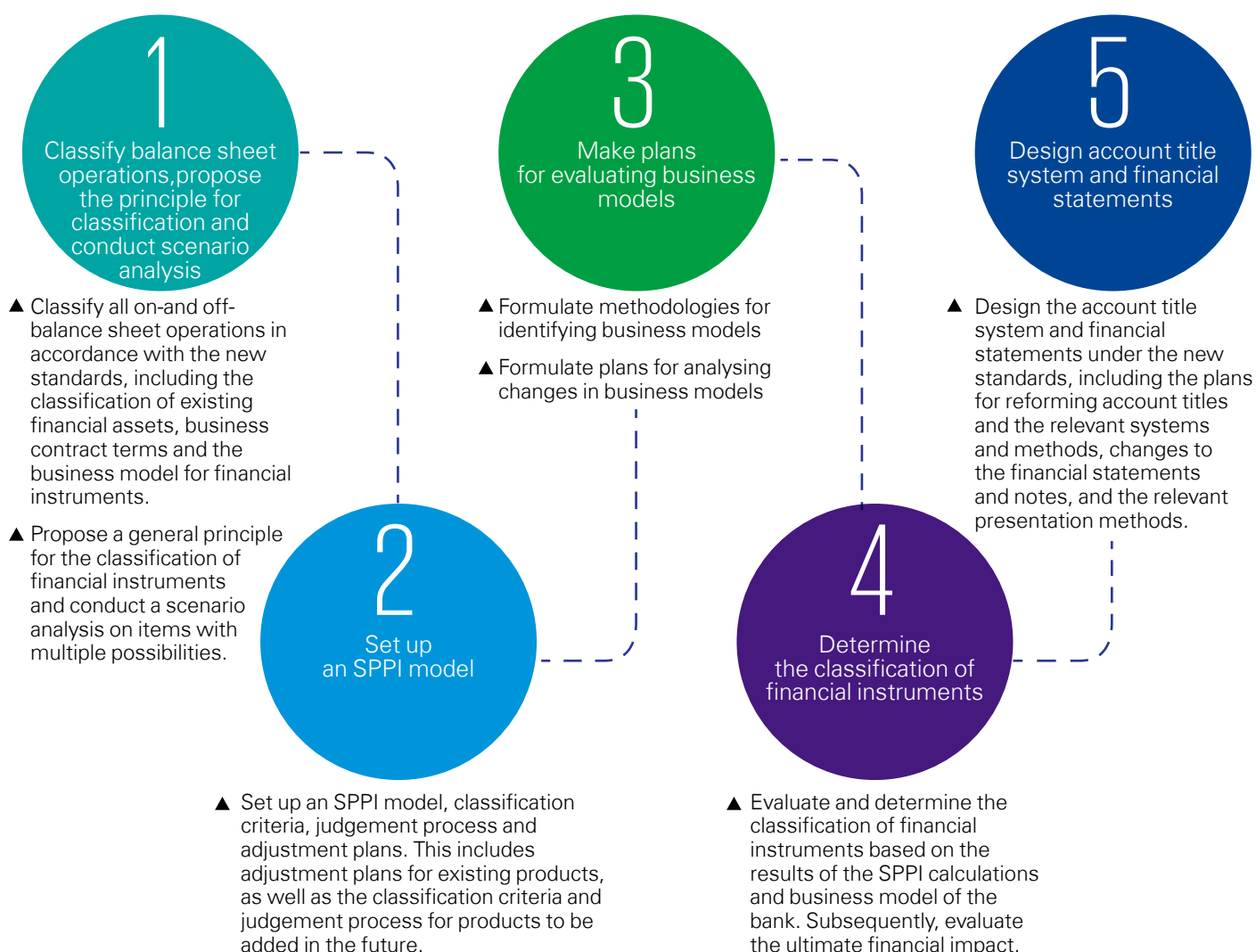
##### Valuation

- Post-reclassification valuation

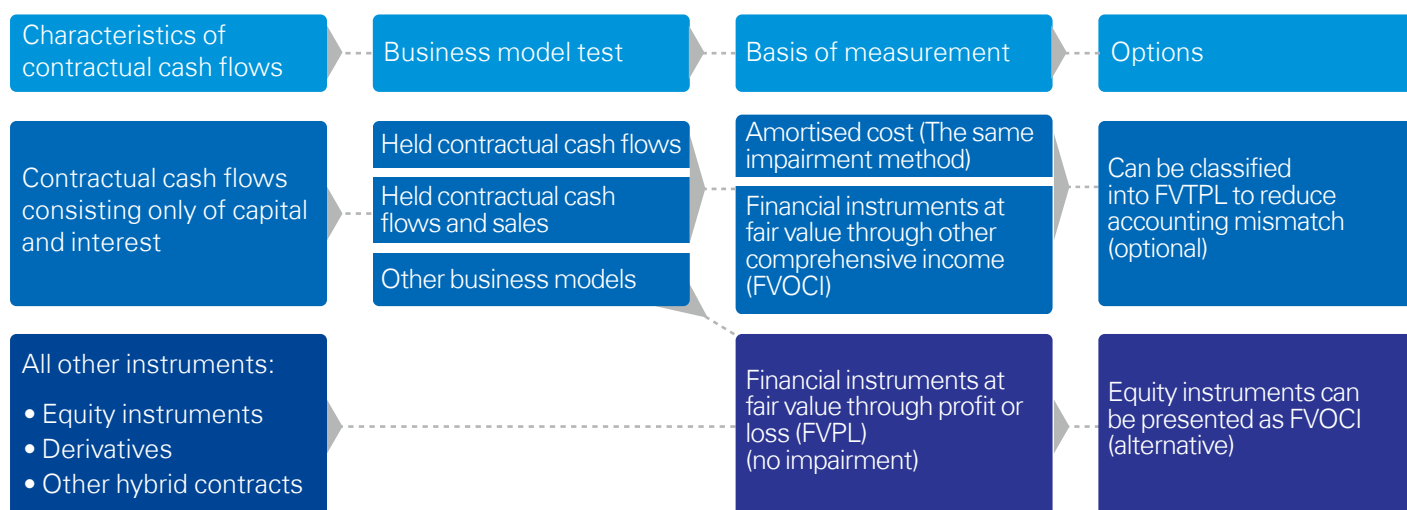
#### Summary

For banks, the impact of the new classification and measurement of financial instruments under the new rules is highly dependent on their business model and products. The more standardised or conventional their products are, the fewer problems they will encounter in the SPPI test.

### 3.4 Classification and measurement of financial instruments



#### Overview of classification and measurement of financial instruments

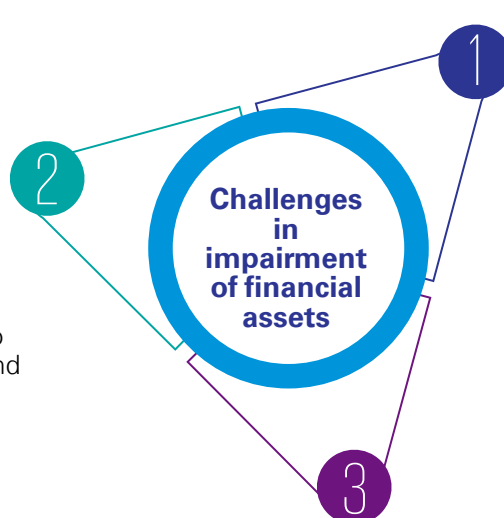




### 3.5 Challenges in impairment of financial assets

#### Transfer and update of the existing model

- To fulfil the requirements of measuring expected credit loss under the new standards, it is better for financial institutions to improve their existing models and processes instead of creating a new model.
- Transferring away from existing models requires a significant amount of evaluation and development. Forward-looking adjustments would have to be made to the results from the existing model.



#### Classification at different loss-making stages

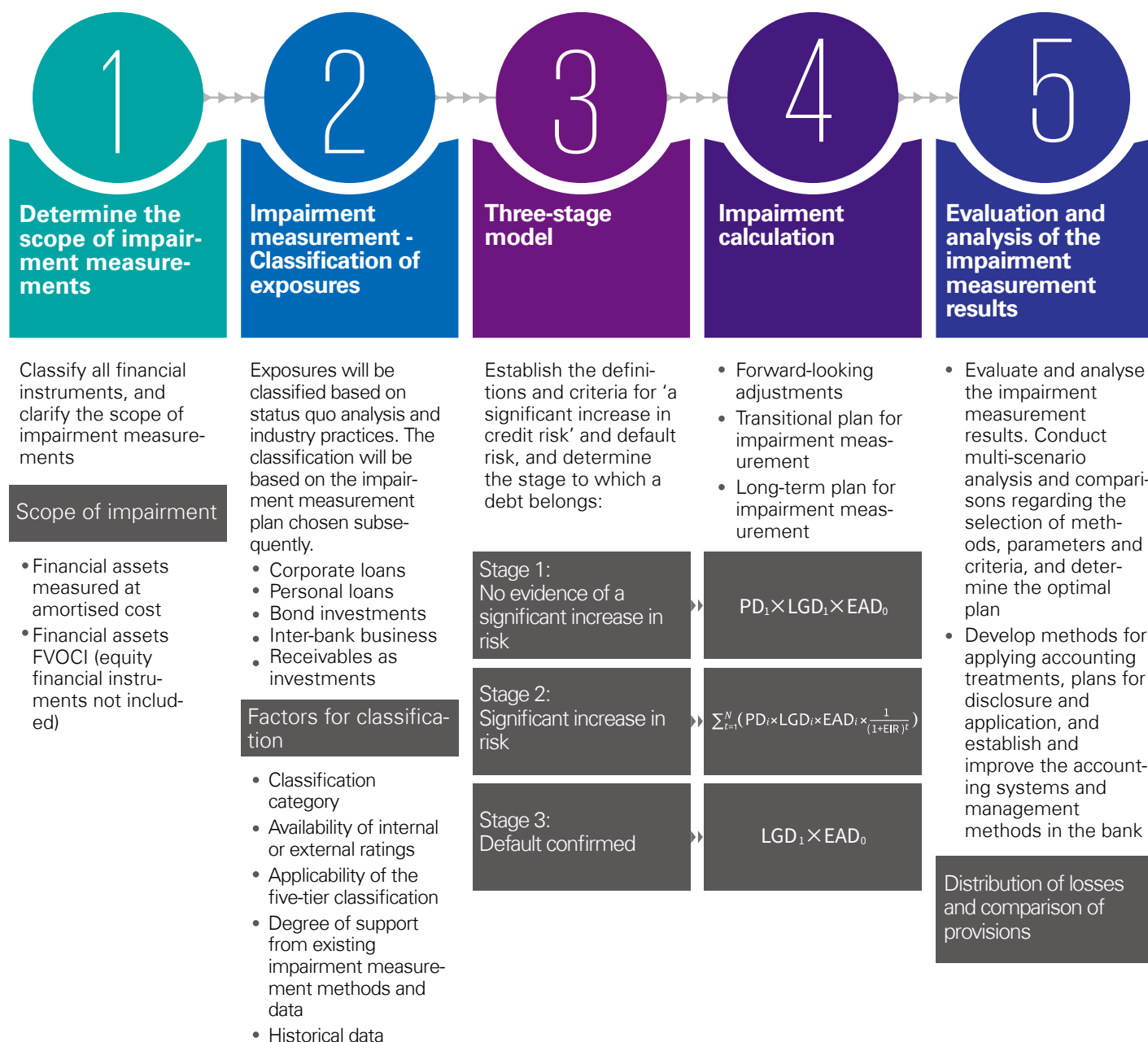
- Classification standards at different loss-making stages (different levels of credit risk) will lead to different impairment measurement results.
- The status and changes in different loss-making stages, and their impact on the balance sheet and income statement need to be closely monitored.
- The interplay between the five-level classification standards and the classification standards based on different loss-making stages must be established.

#### Data and system

- Extensive and detailed data and well-rounded systems are required to calculate 12 months of expected credit loss as well as for the entire duration.



### 3.6 Impairment of financial assets



#### Determine whether there is a significant increase in credit risk

##### Stage 1

Includes financial instruments that have not had a significant increase in credit risk since initial recognition. For these assets, provision for impairment losses is calculated based on 12-month expected credit losses.

##### Stage 2

Includes financial instruments that have had a significant increase in credit risk since initial recognition. For these assets, provision for impairment losses is calculated based on lifetime expected credit losses.

##### Stage 3

Includes financial instruments that have objective evidence of impairment. For these assets, provision for impairment losses is calculated based on lifetime expected credit losses.







# 04

## China's evolving anti-money laundering regulatory landscape

**Financial institutions are on the front line of a rapidly changing regulatory environment. While anti-money laundering (AML) has always been a regulatory concern, it is quickly climbing the political, regulatory and business agenda internationally, and has become a key area of focus.**

With AML regulators worldwide ramping up oversight in their jurisdictions, financial institutions are under growing pressure to develop and implement a robust and effective AML compliance programme that is consistent with industry-leading practices and meets local regulatory expectations.

Currently, three issues are having a significant impact on AML compliance developments within Chinese financial institutions: the implementation of the People's Bank of China's (PBOC) No. 3 decree, the Financial Action Task Force's (FATF) mutual evaluation programme, and overseas regulatory developments.





#### 4.1 Effective implementation of No. 3 Decree

Promulgated by the PBOC on 28 December 2016, the No. 3 Decree is an important milestone in China's AML regulatory development. A highlight of the No. 3 Decree is a set of requirements pertaining to the reporting of suspicious transactions. The decree has repealed the previous prescriptive transaction monitoring parameters and thresholds, which were universally applied to all financial institutions in 2007. Instead, the No. 3 Decree requires every financial institution to develop their own transaction monitoring rules and implement them by 1 July 2017. In addition, all financial institutions will need to:

- Conduct ongoing tuning and assessment of the effectiveness of their transaction monitoring rules
- Perform detailed analysis of alerts
- Keep detailed records of the decision-making process during an alert review such as the rationale behind why an alert was cleared or why further investigation was initiated.

The decree also mandates that a suspicious transaction report (STR) is filed when the financial institution knows or has reasons to suspect that their client, client's funds or assets, or transactions conducted or attempted by their client may involve potential money laundering or terrorism financing-related criminal activity, regardless of the amount involved.

In order to ensure the quality of the alerts, financial institutions will need to develop an effective set of transaction monitoring rules, while taking into account their money laundering risk profile (products, services, customers, transactions and geographic locations) and risk appetite. This can be a challenge for the following reasons:

- Excessive low-quality alerts can cause financial institutions to invest unnecessary human and capital resources through the hiring of more compliance staff

to analyse the alerts. It could also lead to relationship managers having to spend more time on gathering information to explain a customer's transactional behaviour, which may adversely affect a customer's experience. On the other hand, if a financial institution's aim is to minimise the number of alerts in a bid to save compliance costs, it defeats the purpose of developing the transaction monitoring rules in the first place.

- The establishment and tuning of the transaction monitoring rules such as parameters, thresholds and algorithms require ongoing and substantial testing and analysis, which is a long-term task. For example, this could include the analysis of the upper and lower threshold, as well as the analysis of potentially vast amounts of historical data.
- The effectiveness of transaction monitoring relies on and is influenced by various components of the AML compliance programme. This includes the adequacy of institutional risk assessment (covering all business lines, products, services, customers, transactions and geographic locations of the institution), robustness of the know-your-customer (KYC) process, and the sophistication of the transaction monitoring system and KYC system (whether it can link customer segmentation with the threshold setting). In addition, data management (including data integrity, data flows and the interplay between upstream and downstream systems), detailed alert management and analysis procedures, STR decision-making and the reporting process, continuing activity and post-STR filing actions, and the experience and competency of compliance personnel are important elements as well.

The key challenge will be how to utilise and improve a financial institution's existing processes and IT infrastructure in order to implement

the No. 3 Decree efficiently and effectively.

## 4.2 FATF mutual evaluation to accelerate AML regulatory reforms

The FATF is an intergovernmental agency that sets global AML standards and is in the process of conducting its fourth round of mutual evaluation of its member countries' AML regimes. The FATF mutual evaluation is an independent assessment of a country's AML system.

While China received a favourable outcome from the previous round of FATF mutual evaluation, the upcoming assessment contains a few additional areas of focus, including the Designated Non-Financial Businesses or Professions (DNFBPs), cross-border activities, and the effectiveness of the implementation of AML measures such as their practicality in the real world.

Our analysis of other jurisdictions' FATF mutual evaluation reports and their preparation work in this round showed that regulation formulation and enforcement measures tend to move swiftly towards leading global practices before or after the mutual evaluation.

- Regulation formulation refers to the enhanced application of 'risk-based' principles, and more regulatory guidance was rolled out to align with international standards.
- Enforcement measures, on the other hand, refer to examination efforts to increase the level of scrutiny and enforcement actions for non-compliance (cease and desist orders, fines, and prosecutions). The supervisory and enforcement powers of regulators were found to have increased before or after a mutual evaluation.

With China scheduled to undergo its FATF mutual evaluation in 2018, we are expecting the pace of China's AML regulatory development to quicken from 2017 onwards. This includes having more regulatory

guidance, stricter supervision and stronger enforcement.

## 4.3 Overseas regulatory developments

However, Chinese financial institutions operating overseas will not only have to be aware of regulatory developments domestically, but also keep track of the changes in foreign jurisdictions. That is because they also need to strictly adhere to local AML requirements, which can have different requirements to those in China. The challenge is particularly great in relation to complying with US and UK requirements where financial institutions face potentially severe enforcement actions if they do not comply with local regulations.

In addition, foreign regulators are also raising the bar for individual accountability. For example, a UK law requiring annual compliance certification from a designated 'senior manager' came into effect in March 2016. The Department of Financial Services (DFS) in New York also implemented AML regulations in January 2017 that require annual compliance certification from the board of directors or senior management. The increased focus to hold senior leadership accountable for AML compliance will impact how the head office oversees its overseas operations.

## 4.4 How should Chinese financial institutions react to the changes?

Both China's AML regulatory philosophy and regulatory measures are developing in line with international standards and practices. Financial institutions should therefore keep pace with and anticipate any regulatory changes in order to strategically develop an effective and sustainable AML compliance programme that is consistent with international standards.

The following recommendations are meant to help financial institutions utilise their resources in the most efficient manner, whether they are developing their transaction monitoring rules, undergoing relevant

system upgrades, or enhancing internal controls based on the newly issued guidelines:

- Conduct an institutional risk assessment covering all business lines, products, services, customers, transactions and geographic locations of the institution. The assessment should also seek to understand an institutions' inherent risks, existing internal controls and mitigating measures, and subsequent residual risks.
- Develop or enhance the AML compliance programme (including transaction monitoring rules) and relevant systems based on the results of the above risk assessment.
- Conduct a gap analysis, and benchmark the institution's existing AML compliance programme against the relevant Chinese laws and regulations, international standards, and leading market practices. Enhance the AML compliance programme based on the gap analysis findings and recommendations.
- Build an AML compliance target operating model or road map, which takes into account future business developments. Adopt a phased approach to deploy and improve the institution's AML compliance programme.
- Provide AML training to relevant personnel at all levels; including the board of directors, senior management, compliance, internal audit, front-line business units and operations divisions. In addition, increase efforts to improve their understanding of the importance of AML compliance, knowledge of regulations and internal procedures, and relevant experience.

As China's AML regulations continue to evolve, financial institutions that act now and are proactively preparing themselves for the inevitable change will stand to benefit the most in the future.







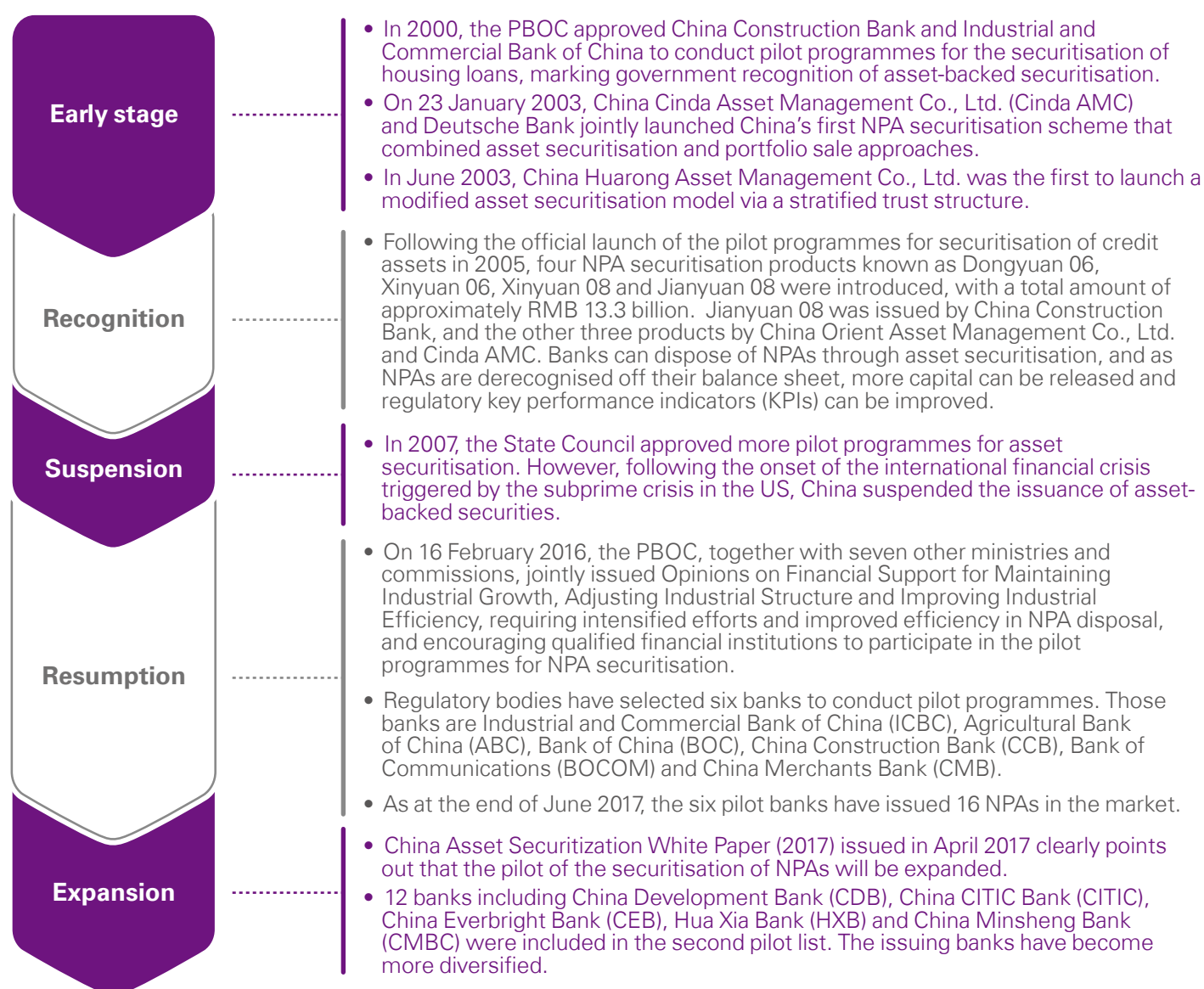


# 05

## Analysis of securitisation of non- performing assets



## 5.1 Background of securitisation of non-performing assets (NPAs)



### What does it mean and why is it important?

The resumption of NPA securitisation in 2016 is a critical move for the following reasons:

- 1 It indicates China's intention to continue NPA securitisation pilot programmes to dispose of NPAs through diversified channels and to maximise returns. This would help banks improve regulatory KPIs, and attract more investors to participate in improving the effectiveness and efficiency of NPA disposal.
- 2 It allows banks to dispose of NPAs through special securitisation schemes. The banks can charge service fees by providing services such as NPA management and collection. This can bring new sources of income to banks.
- 3 It helps banks diversify the approaches and channels of NPA disposal. More importantly, asset securitisation allows more buyers to participate – in particular the qualified investors on the interbank bond market – which can help optimise the China NPA market and increase the banks' NPA recovery rates.

## 5.2 Key focuses of NPA securitisation

Following the resumption of NPA securitisation pilot programmes, one of the key issues is to expand the demand for investment, and strengthen investor confidence. As the issuers of securitised assets, banks need to consider the following key areas:

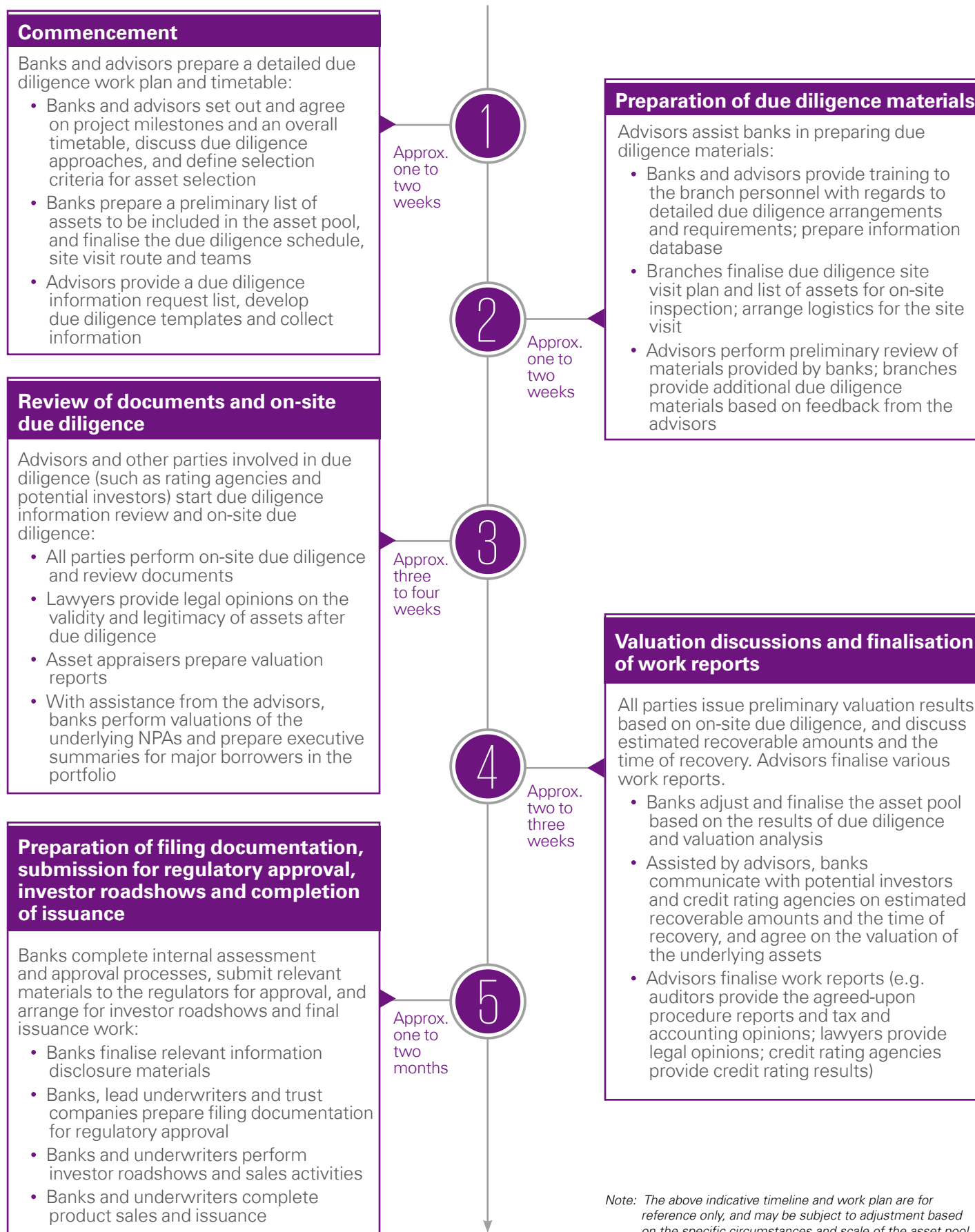
Key focus areas	Description
Comply with strict requirements for information disclosure	Asset securitisation involves the transfer of credit information and cash flows to investors. Therefore, an issuer is required to <b>make complete and detailed disclosures</b> to the investors on the underlying assets, due diligence on the NPAs, valuation methodologies, review opinions of lawyers and accountants, credit enhancement arrangements, liquidity risk management and other matters. The issuer is also required to regularly disclose to the market <b>information related to asset recovery and major changes in the underlying assets</b> .
Ensure stable cash flows can be generated from the underlying assets	<ol style="list-style-type: none"> <li>1. An NPA pool should mainly consist of <b>loans that are classified as sub-standard and doubtful</b>;</li> <li>2. Loans in the NPA pool <b>should be based on each drawdown made under a loan contract</b> so that each drawdown with different risks of recovery and repayment can be separately monitored and managed, with the purpose of ensuring the overall quality of the asset pool.</li> <li>3. The asset pool should <b>contain diversified assets in terms of geographic locations and sector distribution</b>.</li> </ol>
Consider diversified ways for credit enhancement	<p>A simplified two-tranche (senior tranche and junior tranche) structure should be adopted.</p> <p><b>Liquidity support:</b> As the amount and timing of NPA recovery are uncertain, banks might need to consider extra liquidity support by setting up a <b>cash reserve account or seeking external liquidity support from the junior investors or third-party organisations</b>.</p>
Consider the impact of the local legal enforcement environment on NPA recovery	Cash flows of NPAs mainly rely on the disposal of collateral, which is closely linked to <b>local environments, government-enterprise relationships, legal systems, local market sentiment in relation to the disposal of collateral, etc.</b>
Consider appropriate incentives and monitoring mechanism for NPA servicers	As future cash flows of securitised assets depend on whether loan service providers (usually banks that initiate asset securitisation) perform their duties diligently, the establishment of an incentive and monitoring mechanism for loan service providers is critical. For instance, as an incentive, a proportion of extra up-side recovery might be shared between the investors and the servicer.

Source: China Business News Daily 30 March 2016;  
KPMG analysis



Key focus areas	Recommendations
<p>With regulators imposing strict requirements on information disclosure relating to NPA securitisation, and a large number of professional firms taking part in the due diligence process, <b>it takes a great deal of time and effort for banks to prepare materials on the underlying assets.</b> This material includes information memorandums, scanned loan documents and status reports.</p>	<ul style="list-style-type: none"> <li>• Agree on a plan and timetable as early as possible</li> <li>• Provide <b>adequate training for branch personnel, allowing branches to have sufficient time to prepare required materials</b>, such as property and land records kept at the Land Resources and Housing Administrative Bureau, and registration files with industrial and commercial registries</li> <li>• Appoint <b>experienced professional advisors</b> to assist banks in preparing these materials</li> </ul>
<p>As uncertainties exist in NPA recovery, it is critical to have proper asset selection criteria in place. It is advisable to <b>avoid selecting loans for which parties</b> (such as banks, advisors, rating agencies and investors) <b>might have differing views in terms of valuation and estimated recoverable amount and time.</b></p>	<ul style="list-style-type: none"> <li>• <b>Select loans with collateral for which banks have clear titles and rights</b></li> <li>• Avoid selecting loans that involve a complex and lengthy restructuring process which is likely to bring more uncertainty during the recovery process</li> </ul>
<p>As NPA recovery is highly dependent on the enforcement of collateral and legal proceedings, in general, <b>a shorter recovery time frame can be expected if legal proceedings are moving towards the later stage in the process.</b></p>	<ul style="list-style-type: none"> <li>• <b>Select loans with enforcement processes or legal proceedings that have already started</b></li> <li>• Consult <b>experienced professional advisors</b> during the due diligence process to assess the impact on valuation and recovery</li> </ul>
<p>It is not uncommon for investors to carry out due diligence at the same time as sell-side due diligence, and therefore <b>a large number of people are expected during the on-site due diligence process.</b> If not arranged properly, this could create problems in arranging appropriate due diligence for both the sell side and buy side, and could <b>cause potential delays in the process.</b></p>	<ul style="list-style-type: none"> <li>• Plan ahead and prepare early to ensure a reasonable and feasible due diligence plan (including timing, route, etc.)</li> <li>• Arrange for <b>sufficient time and good organisation of due diligence</b> to allow all parties involved to ask questions on-site</li> <li>• Consult and appoint <b>experienced professional advisors</b> to lead the due diligence process</li> </ul>
<p>Due to information asymmetry, different parties involved (such as banks, investors, rating agencies and advisors) may have <b>different views and results on NPA valuation of the underlying assets.</b></p>	<ul style="list-style-type: none"> <li>• Prepare and provide <b>sufficient information to support banks' valuations</b> in a timely manner before and during the due diligence proceedings. This information includes recent sales of a pledged asset in the neighbouring area, information to support the ability and willingness of the borrowers and guarantors to repay, and information in relation to other assets of borrowers and guarantors that can potentially increase the recoverable amount</li> <li>• Appoint <b>experienced professional advisors</b> to assist banks in communicating with credit rating agencies and potential investors</li> </ul>

## 5.3 Indicative timeline for NPA securitisation





## 5.4 Summary of issuance of non-performing assets securitisation

KPMG has assisted ABC, ICBC, CCB, CMBC and CMSB to issue 11 tranches of securitisation of NPAs, with RMB 1,259.8 million issued in total. Among them, several non-performing asset securitisation projects won the 2017 China Securitization Forum 'Outstanding Trade of the Year Award' and 'Top 10 Trade of the Year Award'. The following table demonstrates the issuance of some NPA securitisation.

	Total scale (RMB million)	Expected recovery (RMB million)	Expected recovery ratio	Number of debtors	The proportion of mortgage assets	The proportion of senior tranche
Nong Ying 2016 First Issuance	3,064	4,373	40.77%	204	77.04%	67.30%
He Cui 2016 First Issuance	233	297	14.15%	60,007	0.00%	80.69%
He Cui 2016 Second Issuance	470	612	52.94%	529	100.00%	76.60%
Gong Yuan 2016 First Issuance	1,077	1,789	39.57%	138	77.75%	61.63%
Jian Xin 2016 Second Issuance	1,560	2,621	87.59%	7,980	100.00%	76.92%
He Cui 2016 Third Issuance	643	1,035	43.80%	119	71.24%	62.21%
Jian Xin 2016 Third Issuance	474	677	24.10%	112,076	0.00%	76.79%
Gong Yuan 2016 Second Issuance	351	427	13.66%	146,028	0.00%	74.36%
He Cui 2016 Fourth Issuance	460	622	53.01%	546	100.00%	76.09%
Gong Yuan 2016 Third Issuance	4,080	6,021	79.96%	9,229	100.00%	75.00%
Hong Fu 2017 First Issuance	205	259	10.76%	31,931	0.00%	78.05%

Source: Data from banks' asset-backed securitisation data









# 06

## The decade of development of foreign banks in China

In 2017, foreign banks completed their first decade after the commencement of their incorporation in China. During this decade, they experienced challenges facing the new market and also a decline in market share under the rapid development and competition of those Chinese local peer banks.

At the end of 2006, the State Council issued the Regulations of the People's Republic of China on the Administration of Foreign-funded Banks ("the Regulation"), which allowed foreign banks to be incorporated in China. Foreign banks were allowed to submit an application to restructure their then branches into an incorporated bank registered in China and enjoy equal treatment as their Chinese peers.

After the issuance of the Regulation, foreign banks showed their great ambition in the China market. In 2007, foreign bank incorporation advanced rapidly. At the end of 2007, the total assets of foreign banks increased to RMB 1,250 billion, a 34.98% increase from 2006, and accounted for 2.38% of the total assets of the banking sector according to the CBRC statistics.<sup>1</sup>

However, the growth did not last long. The percentage of assets of foreign banks to total assets of the banking sector started to decline in the following years and never exceeded the historical peak in 2007. According to the CBRC statistics, from 2006 to 2015, total assets of foreign banks increased from RMB 92.79 billion to RMB 2,680 billion, with an annual average growth rate of over 20%. However, the percentage of total assets of foreign banks to total assets of the banking sector recorded a decrease from 2.38% in 2007 to 1.38% in 2015.

1. CBRC, accessed on 17 July, <http://www.cbrc.gov.cn/index.html>



## 6.1 The decade of development of foreign banks in China

According to CBRC statistics, from 2006 to 2015, the total assets of foreign banks increased from RMB 92.79 billion to RMB 2,680 billion, with a compound annual average growth rate of over 20%. However, the statistics show that the percentage of total assets of foreign banks to total assets of the banking sector recorded a decrease from 2.38% in 2007 to 1.38% in 2015.<sup>2</sup> The main reasons for the decrease are as follows:

During the last decade, local Chinese banks experienced a golden era of rapid development and business innovation. However, foreign banks did not manage to seize the market opportunities. In addition, the local Chinese bank's innovation of internet financing, such as cutting-edge mobile banking technology made it more difficult for foreign banks to compete with their Chinese peers.



The parent banks in America/Europe suffered debt crisis and chose a contraction and even exit strategy in China, which also hinders the foreign banks' development in China.



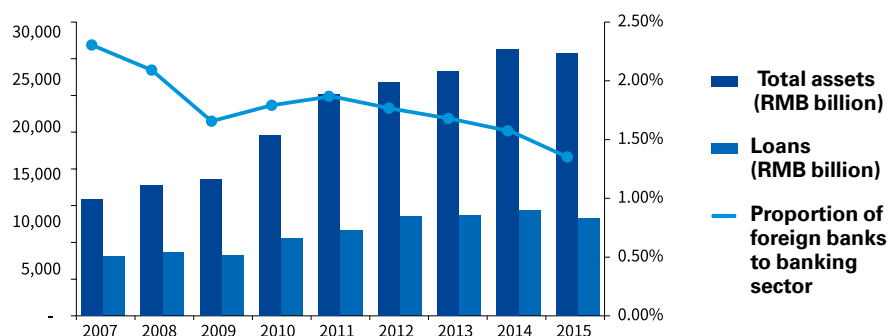
Due to the global financial crisis, some enterprises which deal with exports experienced trouble financing their foreign trades. The rising bad debt ratio affected the expansion of their foreign presence in China.

2. CBRC, accessed on 17 July, <http://www.cbrc.gov.cn/index.html>

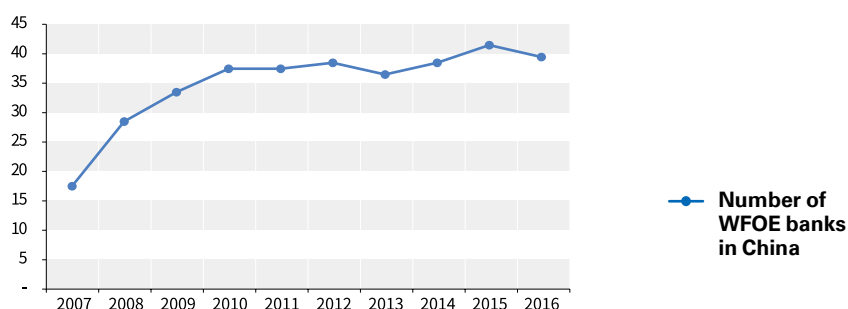
According to data from National Bureau of Statistics of China, since 2007 (and except in 2015), total assets of foreign banks managed to maintain a rising trend, with a compound average annual growth of 10.57%. Due to the global financial crisis and rapid development of local Chinese banks, total assets of foreign banks have never exceeded the 2007 peak proportion of 2.38% to the total assets of the banking sector.

Foreign banks expanded rapidly in the beginning, with the number of banks increasing significantly from 2007 to 2010. In the following years, however, the number of new branches opening each year has decreased. However, given the impact of strict supervision in the retail banking business, among other reasons, the promotion of retail banking services by these foreign banks was slow, and the pace of branch opening slowed down.

**Total assets and loans of WFOE banks (RMB billion)**



**Number of WFOE banks in China**



Source: Data from National Bureau of Statistics of China and CBRC

Since 2007, the non-performing loan ratio of foreign banks continued to be lower than the whole industry level. As at the end of 2016, the non-performing loan ratio of wholly foreign-owned (WFOE) banks in this graph was 0.96%, significantly lower than the national banking average. This is mainly due to the stricter risk control system and mature risk pricing system of foreign banks.

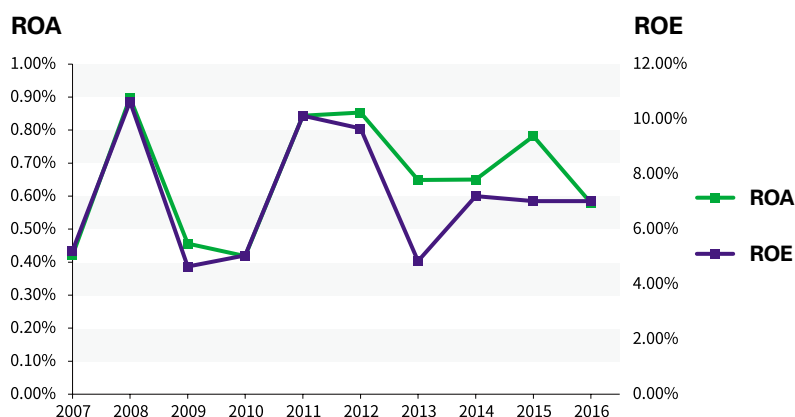
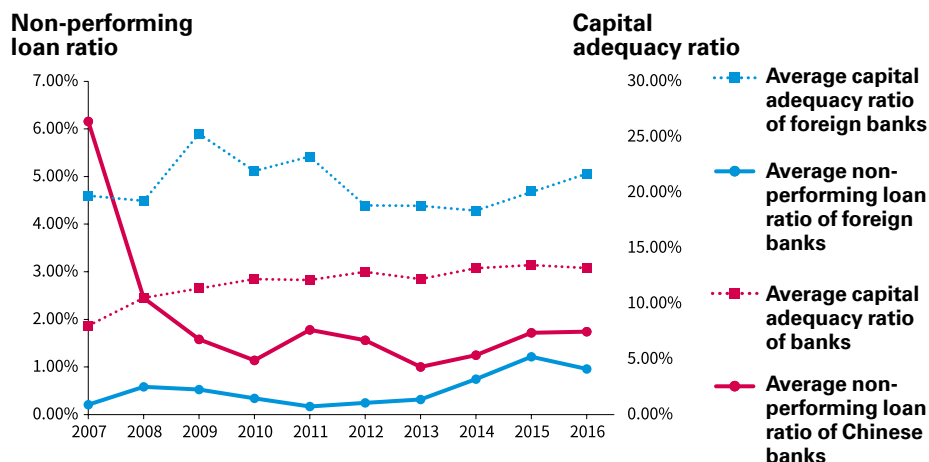
On the other hand, the foreign banks' capital adequacy ratio has always been higher than the industry average, which is also significantly better than regulatory requirements.

As shown above, the rate of return on assets (ROA) and rate of return on equity (ROE) of foreign banks in China has experienced ups and downs in the past 10 years. The main reason is that their earnings are more sensitive to international financial crisis and the international trade environment.

In 2015 and 2016, the ROA of foreign banks in the above chart was around 0.6%, while the ROA of large state-owned commercial banks in the same period was around 1.1%. The ROA of joint stock commercial banks was around 1.0%. The ROE of foreign banks in China was around 7.0%, while the ROE of large state-owned commercial banks was around 15%; the ROE of joint stock commercial banks was around 16%. This shows the returns of the foreign banks were only half that of local Chinese banks.

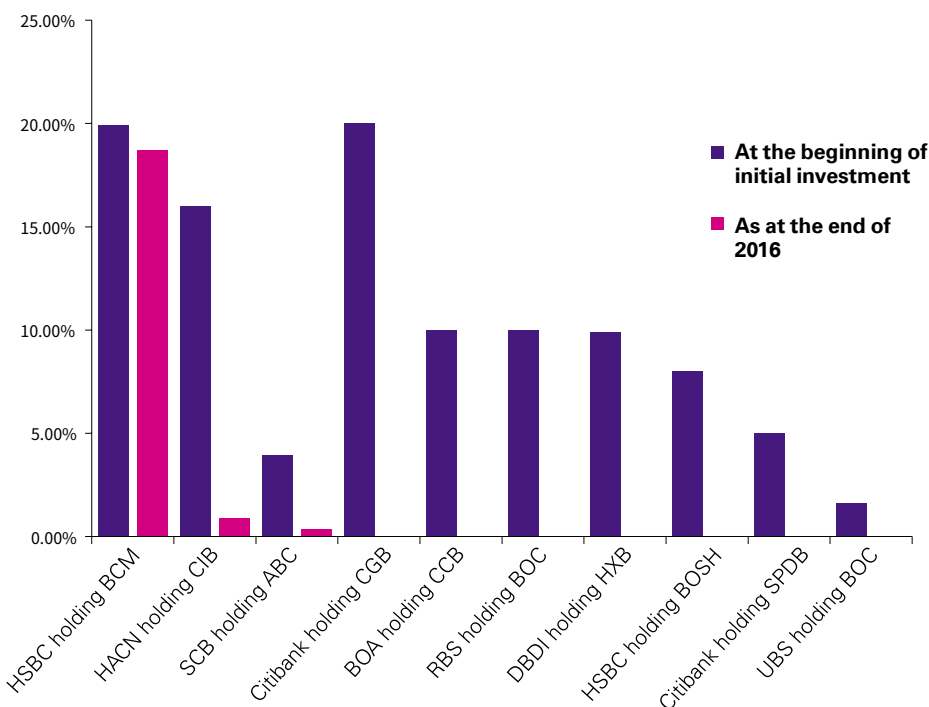
## 6.2 The history of shareholding of Chinese banks by major foreign banks

From the chart above, only HSBC, HACN and SCB continue to hold investment in local Chinese banks; i.e. HSBC has 18.7% shareholdings in Bank of Communications, Hang Seng Bank has 0.88% shareholdings in Industrial Bank, and SCB has 0.37% shareholdings in Agricultural Bank of China. Other foreign banks have already withdrawn from investing in Chinese banks.



Source: Annual report and other public information of 10 major WFOE banks (including HSBC, Citibank, SCB, SMBC, Deutsche Bank, BEA, Bangkok Bank, ANZ, HACN and OCBC) in the past 10 years.

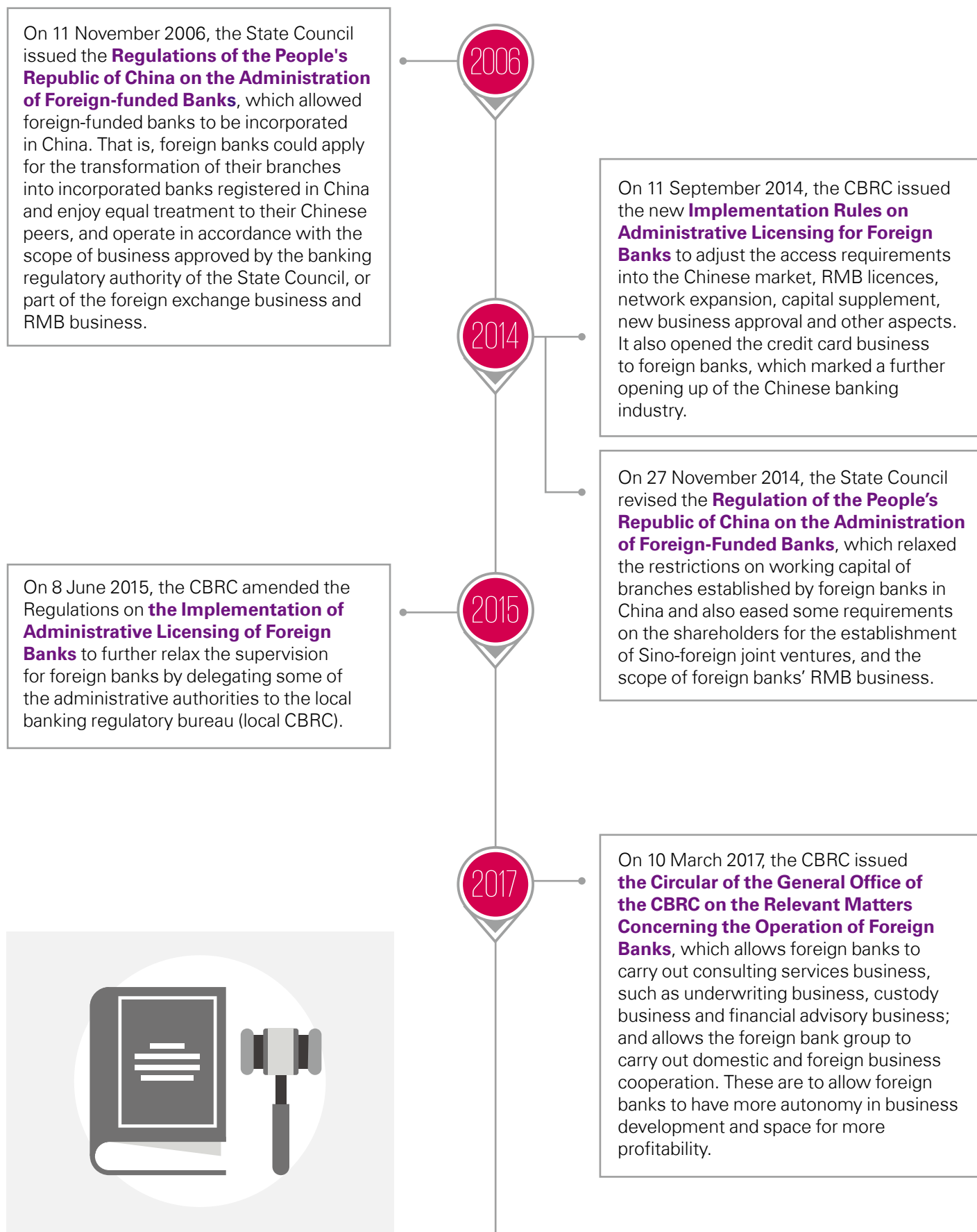
## Changes in shareholding of Chinese banks by major foreign banks



Sources: Banks' annual reports

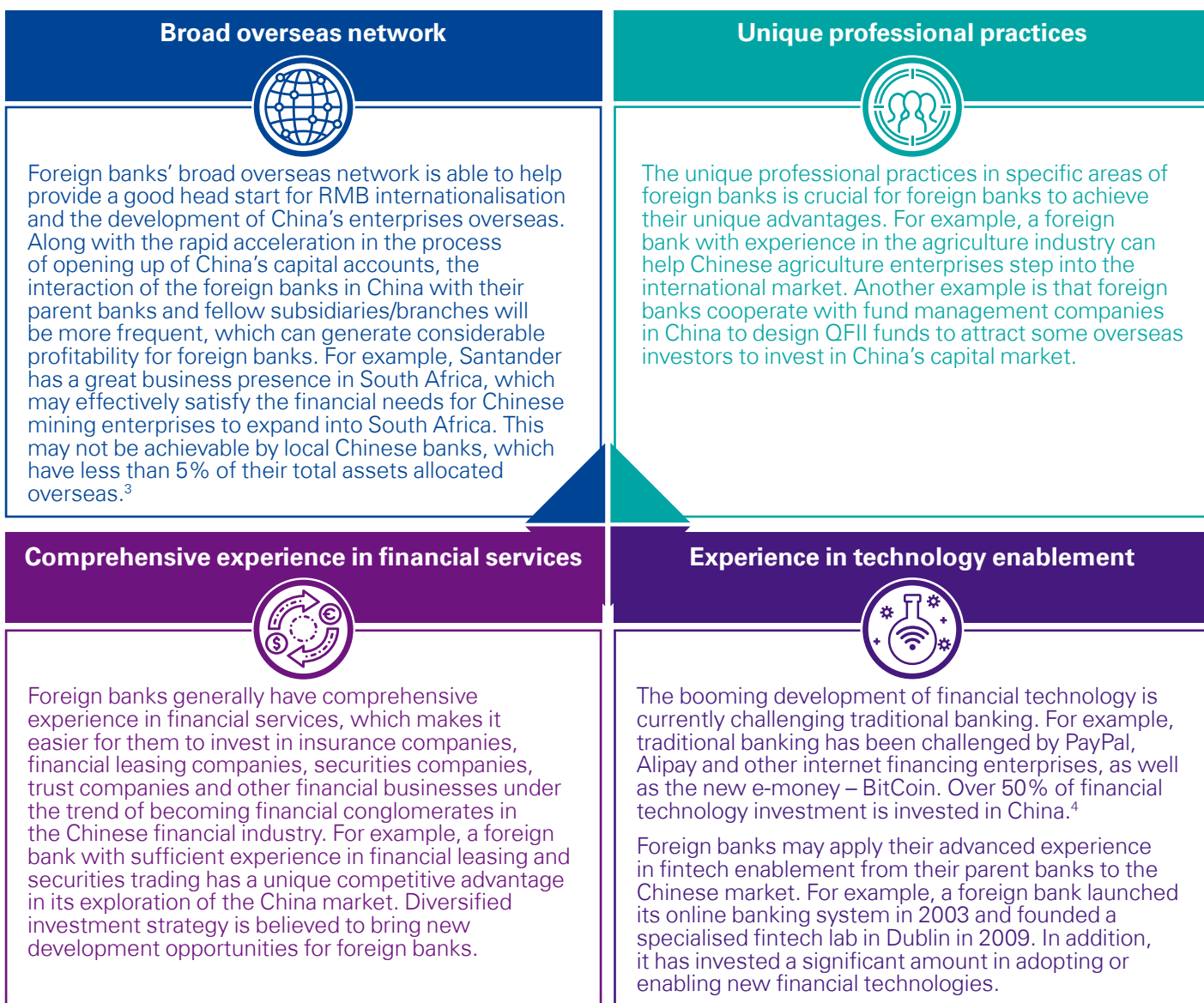


## 6.3 Development of policies for foreign banks over the last decade



## 6.4 Future direction of foreign banks

Even with the rapid growth in China's banking sector, the market share of foreign banks is expected to stay at around 2% in the next several years and is not expected to experience a significant breakthrough. However, compared with Chinese banks, foreign banks usually possess a broad overseas network, professional industry practices, more comprehensive experience in financial services and in the adoption of financial technologies, etc. These advantages are helpful for foreign banks to succeed in some businesses and accurately target their positions in China's banking industry.



3. 'The proportion of overseas assets of commercial banks is small and unevenly distributed', Sina Finance, 16 July 2017, <http://finance.sina.com.cn/meeting/2016-07-16/doc-ifuapvs8580013.shtml>

4. 'Digital disruption: How fintech is forcing banking to a tipping point', Citi GPS, March 2016, <https://ir.citi.com/1UqgbBHte7DqLFT2rbkThAG3dOwJDc8HfuHmEXBVqcpT4eF2aN76D%2F%2B2vEP3D3LJe1cEC0cyj8E%3D>









# 07

## Impact on the banking sector arising from new regulation on tax-related information of non-residents' financial accounts



## 7.1 Background to the Common Reporting Standard (CRS)

The Standard for Automatic Exchange of Financial Information in Tax Matters ("the AEOI Standard") was developed by the OECD to guide participating jurisdictions to collect and periodically exchange financial account information according to unified principles and standards. The AEOI Standard was built upon the previously enacted US FATCA developed by the US Government and the related Intergovernmental Agreements (IGAs) on information exchange, which all aim to increase tax transparency through the strengthening of global tax cooperation and combatting against tax evasion through the use of offshore accounts.

The AEOI Standard comprises two parts: the Model Competent Authority Agreement (MCAA) and CRS. The MCAA is the operational document on how to conduct the automatic exchange of information among tax authorities in different jurisdictions. It also provides the legal basis for those countries or jurisdictions which wish to participate from an operational perspective. The MCAA is further divided into the bilateral and multilateral versions. The CRS stipulates the identification requirements and reporting obligations of financial institutions, as well as the related requirements and procedures on collecting and reporting the information of foreign tax-resident individuals and entities to domestic tax authorities.

As approved by the State Council of the PRC, the SAT signed the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Information in Tax Matters (i.e. the multilateral version of the MCAA) with the OECD in December 2015, where the Chinese Government committed to mutually exchanging the financial account information of foreign tax residents with other tax jurisdictions starting from September 2018.

Since the release of the AEOI Standard, it has attracted attention and support globally. Currently, over 100 countries/jurisdictions have already committed to the automatic exchange of information, of which 50+ 'early adopter' countries/jurisdictions implemented the AEOI Standard with effect from 1 January 2016, while others generally implemented the standard from 1 January 2017.

Due to the commitment to implement the AEOI Standard, the SAT has conducted several rounds of consultation since the beginning of 2016 on the Chinese version of the AEOI Standard with various regulators and representatives from large financial institutions in China to ensure that the unique regulatory and operating environment of the Chinese financial industry will be carefully considered when implementing the AEOI Standard. A draft consultation was also released on 14 October 2016 for public consultation.

On 19 May 2017, the SAT along with MOF, PBOC, CBRC CIRC and

CSRC jointly released the final public version of China's CRS rules called the Measures on the Due Diligence of Non-resident Financial Account Information in Tax Matters, Announcement (2017) No. 14, dated 9 May 2017 (hereinafter referred to as "Announcement 14").

Announcement 14 stipulates the principles and procedures that financial institutions established in China must follow, and that they must identify any reportable non-residents of China who hold financial accounts with the institutions and collect the required financial account information for the Chinese authorities. Announcement 14 has been in force since 1 July 2017, with the first online registration deadline being 31 December 2017, followed by an annual reporting deadline of 31 May of the following year.

## 7.2 Highlights of Announcement 14



Announcement 14 has seven chapters and forty-four articles that provide an overall framework for the due diligence requirements for both newly opened accounts as well as pre-existing accounts, compliance, reporting, and supervision requirements.

The seven chapters of Announcement 14 are:

- 1) General provisions
- 2) Basic definitions
- 3) Individual account due diligence
- 4) Entity account due diligence
- 5) Other compliance requirements
- 6) Supervision and management
- 7) Supplementary provisions



According to Announcement 14, financial institutions operating in China should consider the following key questions and related implications:

 Key questions	 Implications for financial institutions
Why implement CRS in China?	CRS will be implemented in China to increase tax transparency through the strengthening of global tax cooperation and combatting tax evasion through the use of offshore accounts.
How many participating countries or jurisdictions are there around the world?	Over 100 countries/jurisdictions have already committed to the AEOI Standard, of which 50+ 'early adopter' countries/jurisdictions implemented the AEOI Standard with effect from 1 January 2016, while the others, being the 'late adopters' have implemented the standard since 1 January 2017. (China, Canada, Australia, New Zealand and Malaysia deferred the implementation date to 1 July 2017.)
When will the first batch of information be exchanged by China?	It is expected that in September 2018, the SAT will exchange the first batch of collected information with other participating countries/jurisdictions.
How will the information exchange work?	Financial institutions operating in China should conduct certain due diligence procedures to identify any reportable non-resident account holders as well as the controlling persons of passive non-financial enterprises, then report the required financial account information to the Chinese authorities. Likewise, other countries will follow the same mechanism of collecting their reportable non-resident account holder information. As early as September 2018, China will conduct automatic information exchange with other participating countries or jurisdictions on financial account information.
Who is required to conduct the due diligence work?	Financial institutions established and operating in China are required to conduct due diligence. From 1 July 2017, foreign bank branches in China are equally required to adopt the Chinese CRS rules. Overseas branches or subsidiaries of Chinese financial institutions are excluded in applying the China CRS rules but are required to follow local CRS rules in their respective countries/jurisdictions where they operate. For example, Hong Kong, Singapore, most European countries, and traditional tax haven countries like the Cayman Islands and British Virgin Islands have implemented their local CRS rules since the beginning of 2016/2017.
Who will be reported?	Broadly speaking, non-resident individuals, enterprises and other organisations other than Chinese tax residents will be reported. Passive non-financial entities and their non-resident controlling persons could also be reported. Certain international organisations, government agencies, central banks, financial institutions <sup>1</sup> or listed companies are excluded.
What steps should financial institutions follow in order to identify these non-residents and to collect information?	Chapters 3 and 4 of Announcement 14 provide rules on how the due diligence process should be conducted. In addition, the SAT has published some sample decision trees on how financial institutions should make decisions under different circumstances.
What financial, tax and account information should be collected and reported?	The account holder's name, address, tax resident country (region), tax identification number (TIN) issued by the resident country (region), place of birth and date of birth (where applicable), account number, year-end balance of the account, as well as income received by the account should be collected and reported.
Are there any registration requirements for CRS purposes? What about the reporting deadline?	Announcement 14 requires a financial institution to log on to the SAT's website to complete its registration for CRS purposes on or before 31 December 2017, and then subsequently provide annual reporting of the required financial account information on or before 31 May each year.
After the CRS is implemented, what are financial institutions expected to set up in terms of an internal monitoring mechanism?	<p>Financial institutions should establish a monitoring mechanism to identify any change of circumstances to account holder information. Such mechanism should include requiring the account holder to inform the financial institution within 30 days from the date of the change of circumstances. Based on the due diligence procedures, financial institutions should re-identify whether the account holder (or the controlling person) is a non-resident within 90 days or on or before 31 December of the year after they know or should have known of the change of circumstances.</p> <p>Financial institutions should also establish and implement a monitoring mechanism to assess the implementation of the CRS rules on an annual basis, identify problems quickly and carry out any rectification. Financial institutions should also submit status reports to the relevant industry regulatory authorities (i.e. the CBRC) and the SAT in writing before 30 June of the following year.</p>

1. Financial institutions are excluded from being reportable persons since the financial institution itself is required to conduct the due diligence process on the financial accounts it maintains, report any reportable non-resident account holders, as well as establish their own internal control procedures to monitor any change of circumstances according to Announcement 14. For example, a commercial bank will be classified as a 'financial institution' that is excluded from reporting, however, the bank itself will need to report its reportable financial account holders and complete the CRS registration with the SAT in China.



## ▲ Key questions

Are there any implications for the financial institutions if they fail to implement the CRS rules?

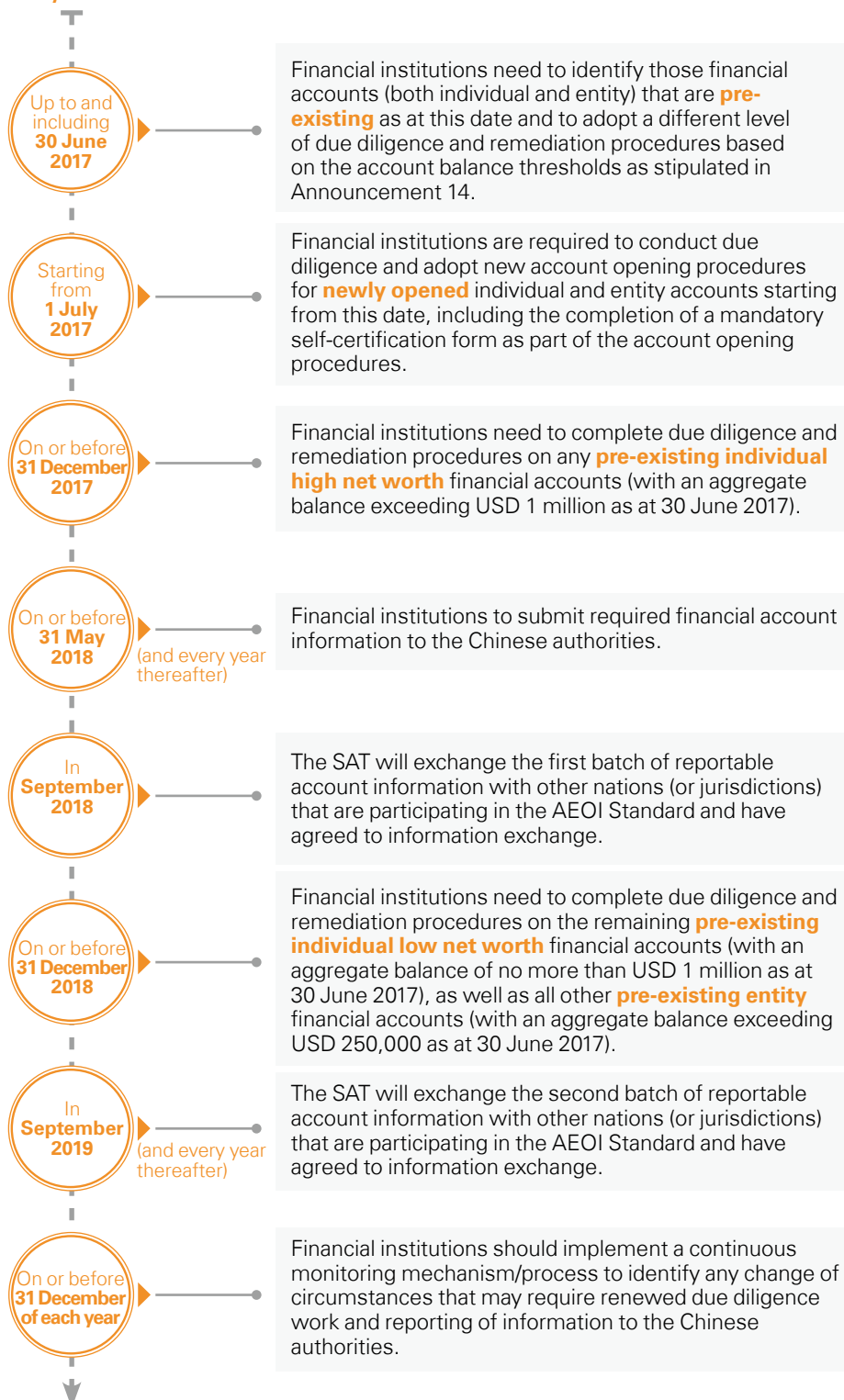
## ▲ Implications for financial institutions

The penalty clauses in Announcement 14 mainly involve the re-evaluation of the violator's taxation credit rating level, which is within the administrative scope of the tax authorities. However, for more severe violations, Announcement 14 also stipulates that the industry regulatory authorities can order the financial institution to suspend business pending rectification, or revoke its licence; suspend directors and senior management with direct responsibility plus other personnel with similar direct responsibilities from acting in these positions, and prohibit them from engaging in related jobs in the finance industry; or order the financial institution to take disciplinary measures against the directors and senior management with direct responsibility plus other personnel with similar direct responsibilities.

On the same date that Announcement 14 was released to the public, the SAT also set up a special AEOI website<sup>2</sup> in Chinese to provide an introduction of the Chinese CRS rules, the legal framework of the OECD's AEOI Standard, reference materials including the PRC taxation laws on China tax residence for both individuals and enterprises, the statutory format of China's TIN system<sup>3</sup>, and FAQs.

In terms of the timeline, Announcement 14 and China's AEOI portal provide the following deadlines and tasks to be completed by financial institutions:

### Key dates



<sup>2</sup> See the website here: [http://www.chinatax.gov.cn/aeoi\\_index.html](http://www.chinatax.gov.cn/aeoi_index.html)



<sup>3</sup> 'China - Information on Tax Identification Numbers' is available in Chinese and English on the PRC SAT's website at <http://www.chinatax.gov.cn/download/ssxjhz/1.pdf>. All subsequent updates will also be posted on the OECD's website at <http://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/tax-identification-numbers/>.

Chapters 3 and 4 of Announcement 14 lay out the specific due diligence requirements for financial institutions to follow. There are two main categories of financial accounts, namely individual accounts and entity accounts, which will require financial institutions to perform due diligence procedures. Each category is further divided into newly opened accounts vs pre-existing accounts. Different types of accounts will have different levels of due diligence

requirements. In simple terms, there will be a higher degree of due diligence requirements imposed on newly opened accounts. This includes the requirement for account opening applicants to complete a tax residency self-certification form; then the financial institution should conduct a reasonableness check based on other information obtained through the new account opening process. Due diligence requirements for pre-existing

accounts is more straightforward and mainly relies on a search of existing information or records to determine the tax residency. Qualified financial institutions can choose to apply newly opened account due diligence procedures to the pre-existing accounts.

The overall requirements of the financial account due diligence are summarised below:

Account type	Individual 			Entity 		
	Newly opened	Pre-existing		Newly opened	Pre-existing	
		Low net worth	High net worth		Low balance	Others
Description	Opened after 1 July 2017	Aggregate balance ≤ USD 1 million on or before 30 June 2017	Aggregate balance > USD 1 million on or before 30 June 2017	Opened after 1 July 2017	Aggregate balance ≤ USD 250,000 on or before 30 June 2017	Aggregate balance > USD 250,000 on or before 30 June 2017
Due diligence	Self-declaration + reasonableness check	Search in existing documents (electronic)	Search in existing documents (electronic and paper) + inquire from relationship managers	Self-declaration + reasonableness check	No due diligence required	Search in existing material + self-declaration for certain accounts
Timing	Start from 1 July 2017	Complete on or before 31 December 2018	Complete on or before 31 December 2017	Start on or before 1 July 2017	N/A	Complete on or before 31 December 2018





### 7.3 How to respond to Announcement 14

Announcement 14 will have a broad impact on the entire financial services industry and affect almost every business unit of a financial institution operating in China. Based on what we have observed in practice as well as the way the CRS rules are written, we suggest that financial institutions analyse how CRS could impact their business units, operations, compliance function, IT systems and internal controls. Below are some of the important points to consider in preparing for CRS implementation in China:

- **Identify which part of the business units will be affected by the CRS:**

- While deposit-taking institutions (e.g. banks), custodial institutions (e.g. trusts), investment institutions (e.g. funds, partnerships and asset management companies) and specified insurance institutions are required to follow the CRS due diligence and reporting requirements, there is also a list of entities that are specifically excluded according to Announcement 14.
- As such, large financial groups with different subsidiaries, business units and branches will need to carefully consider whether all of their business units will fall under the CRS ruling.
- While certain processes such as data processing and reporting may be centralised by the head office, some due diligence requirements such as obtaining self-certification forms from account holders and

direct communications with customers will still need to be handled by front-line relationship managers.

- **Identify which part of the operational processes will be affected by the CRS:**

- New customer onboarding processes will need to be updated to take into account the CRS due diligence requirements and obtain customers' self-certification.
- Pre-existing customer due diligence is now required to be undertaken to identify potential reportable non-residents, passive non-financial entities and their controlling persons.
- Financial institutions must evaluate how the new CRS due diligence process can be integrated into existing know-your-customer (KYC)/anti-money laundering (AML) procedures and leverage any existing data obtained/ process already in place in order to maximise the operational efficiency and minimise the costs of compliance.
- An internal continuous compliance and monitoring process will need to be in place for CRS, especially to monitor or detect any changes of circumstances on financial accounts and reportable account holders.
- Financial systems and customer databases will also require modifications to be able to extract CRS required data and the submission of annual reporting.
- Staff and senior personnel who have direct responsibility for CRS,

including front-line relationship managers, will all be required to attend comprehensive training to equip them with the necessary CRS knowledge.

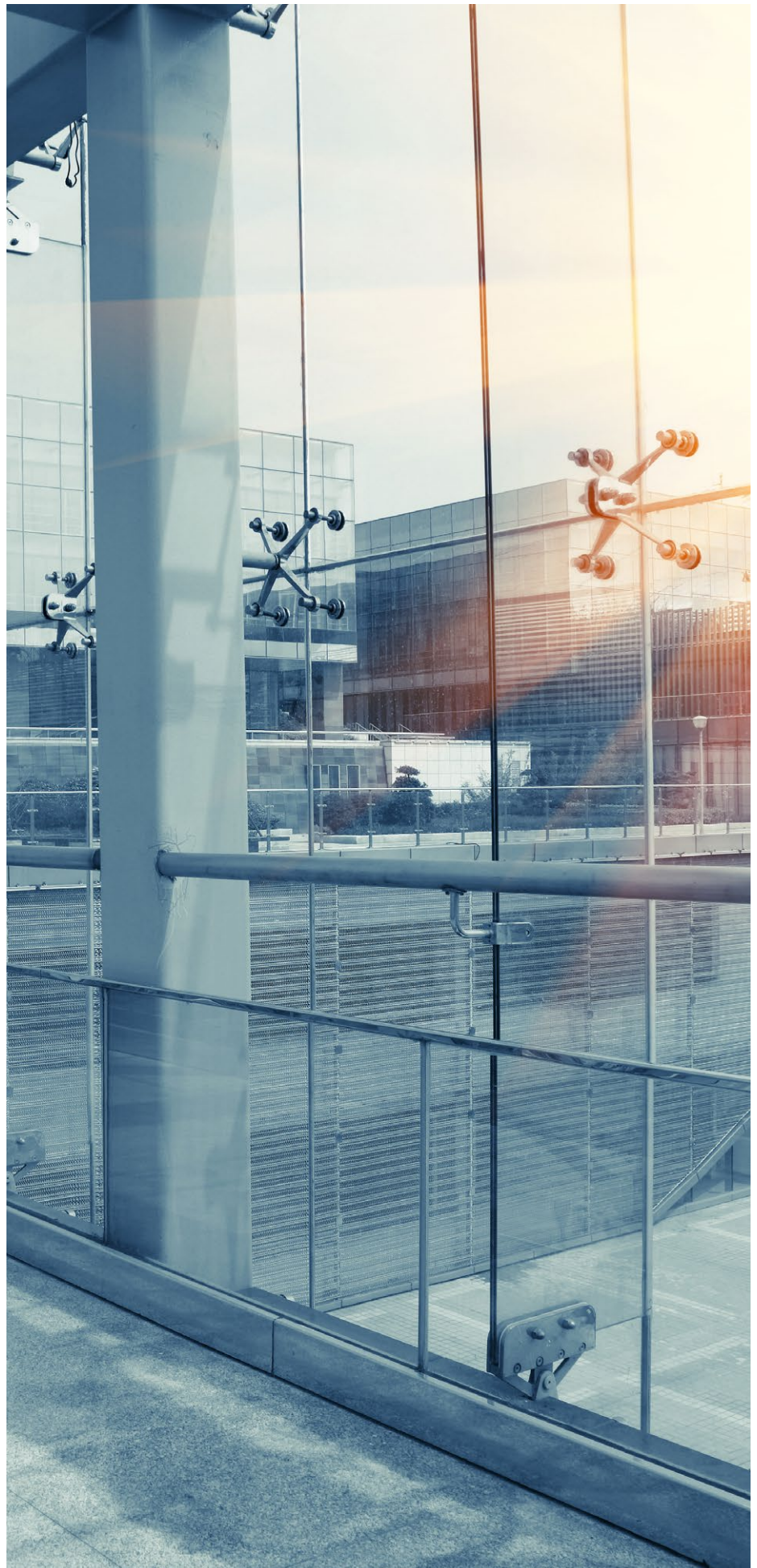
- **Understand the impact to any existing arrangements with external vendors, agents or partners:**

- Where a financial institution entrusts other institutions (e.g. distributors) to sell financial products to end customers, the distributors should cooperate with the entrusting institution to conduct due diligence according to Announcement 14, and provide the information required to the entrusting institutions.
- For example, if banks (acting as agents) are selling asset management products that are raised and managed by another financial institution (i.e. the asset manager), then the banks may be asked to share the due diligence information with the asset manager.
- Financial institutions should evaluate the existing IT systems to identify whether they can share customer information seamlessly.
- Although it is unknown when the Chinese regulations regarding US FATCA will be announced by the SAT, financial institutions should still consider whether to combine the FATCA and CRS work together. If combined, the gap between the FATCA and CRS requirements should be identified. If financial institutions have already prepared for US FATCA implementation, the incremental work resulting from CRS should also be identified.



- Since CRS will impact multiple departments within financial institutions, the formation of a dedicated CRS/FATCA compliance team will also become necessary in order to facilitate internal collaboration between different departments.
- Under the CRS rules, financial institutions are also obligated to submit the required information of reportable financial accounts to the government authorities on or before 31 May of the following year on an annual basis. To facilitate financial institutions to fulfil their obligations to submit data, many tax authorities of other countries will usually develop a data schema in Extensible Markup Language (XML), which is based on the CRS XML Schema issued by the OECD, specifying the data structure and format for reporting the required financial account information to the authorities. At the time Announcement 14 was released, such detailed reporting requirements were not yet available, which means financial institutions may not yet be able to make the necessary changes to its systems for the automatic reporting.
- From a customer service perspective, given additional and in some instances, sensitive personal information will now be required under CRS, financial institutions should provide guidance to customers (including the printing of any leaflets to introduce the CRS concepts and responsibility of the financial institutions as well as customers). Financial institutions should also arrange training for front-line staff and relationship managers, in order to better enable them to address customer questions and concerns.

Given the complexities of the CRS compliance requirements and uncertainties in the actual implementation, financial institutions should continue to pay close attention to CRS developments in China as well as the subsequent releases of detailed reporting requirements for financial institutions which are not yet covered in Announcement 14.





## Financial summary (1-1)

**In RMB million unless otherwise stated.**

The unit of the amount of the bank marked “\*” is HK Million\$. Certain 2015 data has been restated by the respective banks, the data used in this report is after restatement.

No.	Name of bank	Total assets		Net assets attributable to equity holders of the parent company		Net assets per share attributable to equity holders of the parent company (RMB)		Total loans and advances to customers		
		2016	2015	2016	2015	2016	2015	2016	2015	
1	Industrial And Commercial Bank Of China Co., Ltd.	24,137,265	22,209,780	1,969,751	1,789,474	5.29	4.80	13,056,846	11,933,466	
2	China Construction Bank Corporation	20,963,705	18,349,489	1,576,500	1,434,020	N/A	5.74	11,757,032	10,485,140	
3	Agricultural Bank Of China Limited	19,570,061	17,791,393	1,318,193	1,210,091	3.81	3.48	9,719,639	8,909,918	
4	Bank Of China Limited	18,148,889	16,815,597	1,411,682	1,304,946	4.46	4.09	9,973,362	9,135,860	
5	Bank Of Communications Co., Ltd.	8,403,166	7,155,362	629,142	534,885	7.67	7.00	4,102,959	3,722,006	
6	Postal Savings Bank Of China Co.,Ltd.	8,265,622	7,296,364	346,530	270,448	N/A	N/A	3,010,648	2,471,853	
7	Industrial Bank Co.,Ltd.	6,085,895	5,298,880	350,129	313,648	17.02	15.10	2,079,814	1,779,408	
8	China Merchants Bank Co.,Ltd.	5,942,311	5,474,978	402,350	360,806	15.95	14.31	3,261,681	2,824,286	
9	China Citic Bank Corporation Limited	5,931,050	5,122,292	379,224	317,740	7.75	6.49	2,877,927	2,528,780	
10	China Minsheng Banking Corp., Ltd.	5,895,877	4,520,688	342,590	301,218	9.12	8.26	2,461,586	2,048,048	
11	Shanghai Pudong Development Bank Co.,Ltd.	5,857,263	5,044,352	367,947	315,170	15.64	13.90	2,762,806	2,245,518	
12	China Everbright Bank Company Limited	4,020,042	3,167,710	250,455	223,493	4.72	4.36	1,795,278	1,513,543	
13	Ping An Bank Co.,Ltd.	2,953,434	2,507,149	N/A	N/A	N/A	N/A	1,475,801	1,216,138	
14	Hua Xia Bank Co., Limited	2,356,235	2,020,604	152,184	117,678	12.37	11.01	1,216,654	1,069,172	
15	Bank Of Beijing Co.,Ltd.	2,116,339	1,844,909	142,120	116,551	8.17	7.34	899,907	775,390	
16	China Guangfa Bank Co.,Ltd.	2,047,592	1,836,587	N/A	N/A	N/A	N/A	978,902	866,851	
17	Bank Of Shanghai Co.,Ltd.	1,755,371	1,449,140	115,769	92,390	19.28	17.10	553,999	536,508	
18	Bank Of Jiangsu Co.,Ltd.	1,598,292	1,290,333	82,665	65,156	7.16	6.27	649,380	561,783	
19	China Zheshang Bank Co.,Ltd.	1,354,855	1,031,650	N/A	N/A	N/A	N/A	459,493	345,423	
20	Hengfeng Bank Co.,Ltd.	1,208,519	1,068,156	62,707	56,356	N/A	N/A	429,991	316,719	
21	Bank Of Nanjing Co.,Ltd.	1,063,900	805,020	61,922	52,027	10.22	8.59	331,785	251,198	
22	Shengjing Bank Co.,Ltd.	905,483	701,629	45,794	41,269	N/A	N/A	235,417	195,460	
23	Bank Of Ningbo Co.,Ltd.	885,020	716,465	50,278	45,001	11.66	10.30	302,507	255,689	
24	China Bohai Bank Co.,Ltd.	856,120	764,235	41,463	35,557	2.99	2.57	353,682	274,577	
25	Chongqing Rural Commercial Bank Co.,Ltd.	803,158	716,805	52,593	46,763	5.66	5.03	300,421	268,586	
26	Huishang Bank Corporation Limited	754,774	636,131	51,871	41,159	4.15	3.72	277,371	243,434	
27	Beijing Rural Commercial Bank Co.,Ltd.	724,169	628,283	39,848	35,757	N/A	N/A	265,513	267,817	
28	Bank Of Hangzhou Co.,Ltd.	720,424	545,315	38,562	31,835	14.73	13.51	246,608	215,256	
29	Shanghai Rural Commercial Bank Co.,Ltd.	710,881	587,014	46,223	41,900	9.24	8.38	339,071	298,592	
30	Chengdu Rural Commercial Bank Co.,Ltd.	673,149	644,596	33,451	30,627	3.35	3.06	200,723	177,067	
31	Guangzhou Rural Commercial Bank Co.,Ltd.	660,951	582,807	35,845	33,778	4.40	4.14	245,891	223,659	
32	Bank Of Tianjin Co.,Ltd.	657,310	565,668	N/A	N/A	N/A	N/A	214,001	184,604	
33	Xiamen International Bank Co.,Ltd.	563,527	459,205	37,064	25,381	N/A	3.97	214,081	153,591	
34	Bank Of Jinzhou Co.,Ltd.	539,060	361,660	39,035	25,598	N/A	N/A	126,800	101,174	
35	Harbin Bank Co.,Ltd.	539,016	444,851	36,508	33,100	3.32	3.01	201,628	148,675	
36	Bank Of Guangzhou Co.,Ltd.	444,507	415,192	N/A	N/A	N/A	N/A	136,053	135,631	
37	Baoshang Bank Co.,Ltd.	431,583	352,595	28,928	25,510	N/A	N/A	156,501	121,776	
38	HSBC Bank (China) Company Limited	421,714	389,655	N/A	N/A	N/A	N/A	164,925	171,981	
39	Bank Of Changsha Co.,Ltd.	383,505	285,366	19,940	17,596	6.61	5.79	118,687	93,815	
40	Bank Of Chongqing Co.,Ltd.	373,104	319,808	23,812	21,293	7.61	6.81	151,021	124,769	
41	Bank Of Guiyang Co.,Ltd.	372,253	238,197	21,137	13,954	9.20	7.76	102,494	83,174	
42	Bank Of Zhengzhou Co.,Ltd.	366,148	265,623	21,296	17,795	4.00	3.46	111,092	94,294	
43	Bank Of Chengdu Co.,Ltd.	360,947	321,445	21,913	20,211	N/A	N/A	136,496	134,408	
44	Dongguan Rural Commercial Bank Co.,Ltd.	347,688	299,626	23,025	21,307	N/A	N/A	133,233	122,114	
45	Jiangxi Bank Co.,Ltd.	313,741	211,449	20,642	19,313	N/A	4.14	107,983	85,641	
46	Bank Of Hebei Co.,Ltd.	310,427	222,639	17,435	15,245	3.59	3.15	129,827	100,017	
47	CITIC Bank International (China) Limited	306,417	282,535	N/A	N/A	N/A	N/A	183,764	169,870	
48	Bank Of Dalian Co.,Ltd.	305,568	244,360	N/A	N/A	N/A	N/A	148,922	137,641	
49	Tianjin Rural Commercial Bank Co.,Ltd.	303,761	255,639	21,135	19,769	2.82	2.64	137,816	124,797	
50	Bank Of Kunlun Co.,Ltd.	293,208	290,281	26,051	22,987	2.53	3.11	104,048	88,304	
51	Bank Of Qingdao Co.,Ltd.	277,988	187,235	N/A	N/A	N/A	N/A	87,168	72,696	

	Total deposits		Operating income		Net interest income		Net profit		Profit attributable to equity holders of the parent company		Cost-to-income ratio	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	17,825,302	16,281,939	675,891	697,647	471,846	507,867	279,106	277,720	278,249	277,131	25.91%	25.49%
	15,402,915	13,668,533	605,090	605,197	417,799	457,752	232,389	228,886	231,460	228,145	27.49%	26.98%
	15,038,001	13,538,360	506,016	536,168	398,104	436,140	184,060	180,774	183,941	180,582	34.59%	33.28%
	12,939,748	11,729,171	483,630	474,321	306,048	328,650	184,051	179,417	164,578	170,845	28.08%	28.30%
	4,728,589	4,484,814	193,129	193,828	134,871	144,172	67,651	66,831	67,210	66,528	31.60%	30.36%
	7,286,311	6,305,014	189,602	190,633	157,585	179,259	39,776	34,857	39,801	34,859	66.44%	60.71%
	2,694,751	2,483,923	157,060	154,348	112,319	119,834	54,327	50,650	53,850	50,207	23.39%	21.59%
	3,802,049	3,571,698	209,025	201,471	134,595	137,586	62,380	58,018	62,081	57,696	28.01%	27.67%
	3,639,290	3,182,775	153,781	145,134	106,138	104,433	41,786	41,740	41,629	41,158	27.56%	27.85%
	3,082,242	2,732,262	155,211	154,425	94,684	94,268	48,778	47,022	47,843	46,111	30.98%	31.22%
	3,002,015	2,954,149	160,792	146,550	108,120	113,009	53,678	50,997	53,099	50,604	23.16%	21.86%
	2,120,887	1,993,843	94,037	93,159	65,288	66,459	30,388	29,577	30,329	29,528	28.77%	26.91%
	1,921,835	1,733,921	107,715	96,163	76,411	68,461	22,599	21,865	22,599	21,865	25.97%	31.31%
	1,368,300	1,351,663	64,025	58,844	48,989	46,083	19,756	18,952	19,677	18,883	34.50%	34.78%
	1,150,904	1,022,300	47,456	44,081	37,525	35,785	17,923	16,883	17,802	16,839	25.81%	24.99%
	1,104,131	1,153,615	55,318	54,735	31,799	32,818	9,504	9,064	N/A	N/A	34.00%	32.33%
	849,073	792,680	34,409	33,159	25,998	26,682	14,325	13,043	14,308	13,002	22.89%	22.99%
	907,412	776,428	31,359	28,047	25,245	23,971	10,637	9,505	10,611	9,497	29.21%	29.37%
	736,244	516,026	33,653	25,130	25,229	20,586	10,153	7,051	10,153	7,051	27.71%	27.66%
	762,098	605,617	31,385	24,039	23,673	18,027	9,166	8,101	9,117	8,034	32.16%	30.97%
	655,203	504,197	26,621	22,830	21,230	18,829	8,346	7,066	8,262	7,001	24.80%	24.10%
	415,246	402,379	16,114	14,184	13,218	11,949	6,878	6,224	6,865	6,211	19.31%	19.04%
	511,405	371,373	23,645	19,516	17,060	15,617	7,823	6,567	7,810	6,544	34.26%	34.03%
	490,191	409,436	21,865	18,480	15,992	15,428	6,473	5,689	6,473	5,689	34.61%	33.07%
	518,186	470,228	21,662	21,889	19,405	20,166	8,001	7,228	7,945	7,223	35.95%	34.69%
	462,014	359,225	20,918	16,977	18,340	14,843	6,996	6,212	6,870	6,161	27.55%	32.02%
	514,419	463,418	12,904	13,268	11,827	11,964	5,510	5,195	5,510	5,198	39.18%	38.20%
	368,307	312,047	13,733	12,404	11,697	11,037	3,987	3,705	4,021	3,704	30.23%	31.53%
	553,775	450,368	15,589	15,285	10,621	11,685	5,976	5,807	5,902	5,634	37.78%	35.68%
	416,390	409,317	9,226	10,507	7,480	8,847	4,377	4,297	4,247	4,286	32.19%	34.87%
	423,742	391,062	15,169	16,073	10,671	11,596	5,106	5,000	5,026	5,001	32.98%	28.84%
	365,471	334,691	11,815	11,922	10,359	10,679	4,518	4,932	4,522	4,916	27.52%	22.49%
	404,269	310,342	10,464	8,589	8,793	7,911	4,226	3,318	3,823	3,318	N/A	22.52%
	262,969	170,179	16,414	11,517	15,448	10,804	8,199	4,908	8,130	4,899	14.83%	18.80%
	343,151	306,818	14,172	11,945	11,573	9,633	4,962	4,510	4,877	4,458	28.60%	31.75%
	256,114	250,368	7,002	7,124	5,663	6,045	3,163	3,162	3,163	3,162	28.75%	25.92%
	193,643	177,613	12,402	11,150	9,396	8,673	4,210	3,418	4,112	3,325	41.13%	41.83%
	268,393	227,416	10,399	11,768	6,265	8,067	4,175	5,377	N/A	N/A	N/A	N/A
	273,377	196,985	10,041	8,396	8,962	7,287	3,252	2,767	3,190	2,731	31.96%	30.58%
	229,594	199,299	9,603	8,593	7,677	7,002	3,502	3,170	3,502	3,170	23.72%	30.69%
	262,998	180,987	10,159	7,705	8,401	6,826	3,689	3,240	3,654	3,222	25.60%	26.43%
	216,390	169,195	9,981	7,861	8,300	6,907	4,045	3,356	3,999	3,356	22.26%	23.27%
	271,008	240,647	8,610	8,959	7,507	7,965	2,583	2,821	2,577	2,816	30.77%	27.75%
	209,677	181,652	8,733	9,009	6,640	7,504	3,990	3,819	3,963	3,778	N/A	N/A
	199,135	148,201	8,978	6,833	7,799	6,241	1,678	773	1,637	773	29.77%	28.05%
	195,153	163,245	7,443	7,128	6,414	6,090	2,642	2,240	2,625	2,239	34.35%	35.32%
	246,168	231,072	6,413	5,831	4,129	3,420	2,548	2,168	2,548	2,168	43.90%	44.00%
	185,025	177,125	5,895	5,564	5,162	4,903	1,035	129	N/A	N/A	41.50%	46.96%
	198,718	179,577	7,734	8,309	6,966	6,529	2,617	2,598	2,617	2,598	20.37%	30.03%
	148,609	141,106	5,208	6,242	4,692	5,324	2,552	2,957	2,542	2,939	32.18%	26.58%
	141,605	115,322	5,996	5,006	5,008	4,114	2,089	1,814	N/A	N/A	34.71%	35.80%



## Financial summary (1-2)

**In RMB million unless otherwise stated.**

The unit of the amount of the bank marked “\*” is HK Million\$. Certain 2015 data has been restated by the respective banks, the data used in this report is after restatement.

No.	Name of bank	Total assets		Net assets attributable to equity holders of the parent company		Net assets per share attributable to equity holders of the parent company (RMB)		Total loans and advances to customers		
		2016	2015	2016	2015	2016	2015	2016	2015	
52	Jiangsu Jiangnan Rural Commercial Bank Co.,Ltd.	274,562	234,329	14,920	14,033	N/A	N/A	117,482	102,704	
53	Guangdong Shunde Rural Commercial Bank Co.,Ltd.	261,084	226,036	23,021	22,377	4.98	5.81	119,212	112,222	
54	Bank Of Suzhou Co.,Ltd.	260,418	230,901	19,955	18,668	6.65	6.22	103,859	89,207	
55	Huarong Xiangjiang Bank Corporation Limited	260,186	211,125	14,387	12,802	2.34	2.08	113,609	79,380	
56	Bank Of Lanzhou Co.,Ltd.	257,364	205,574	16,252	14,258	N/A	N/A	125,033	107,910	
57	Bank Of Gansu Co.,Ltd.	245,056	212,185	13,315	12,069	N/A	N/A	107,855	90,627	
58	Shenzhen Rural Commercial Bank Co.,Ltd.	236,054	184,314	21,236	15,173	N/A	N/A	N/A	N/A	
59	Bank Of Dongguan Co.,Ltd.	232,088	192,150	16,507	15,191	N/A	N/A	92,483	88,106	
60	Bank Of Guizhou Co.,Ltd.	229,958	165,454	N/A	N/A	N/A	N/A	69,595	55,366	
61	Bank Of Jiujiang Co.,Ltd.	225,263	174,876	13,065	12,161	N/A	N/A	79,505	50,292	
62	Wuhan Rural Commercial Bank Co.,Ltd.	223,076	170,512	17,652	16,028	4.03	3.77	107,533	95,522	
63	The Bank Of Xi'An Co.,Ltd.	217,968	210,024	15,903	14,352	N/A	N/A	97,530	85,801	
64	The Bank Of East Asia (China) Limited	212,864	219,779	N/A	N/A	N/A	N/A	117,966	119,947	
65	Hankou Bank Co.,Ltd.	211,667	183,142	16,800	15,816	4.09	3.85	98,702	86,276	
66	Qingdao Rural Commercial Bank Corporation	207,543	164,886	N/A	N/A	N/A	N/A	101,054	94,781	
67	Qilu Bank Co.,Ltd.	207,168	152,881	10,782	9,960	3.80	3.51	86,687	69,779	
68	Nanchong City Commercial Bank Co.,Ltd.	206,539	154,447	12,007	10,222	N/A	N/A	65,215	51,189	
69	Bank Of Langfang Co.,Ltd.	206,115	129,764	10,920	6,607	N/A	N/A	N/A	28,326	
70	Guangdong Nanyue Bank Co.,Ltd.	203,860	165,985	13,113	10,458	1.74	1.68	81,182	70,514	
71	Bank Of Tangshan Co.,Ltd.	203,612	124,864	N/A	N/A	N/A	N/A	33,909	30,388	
72	Bank Of Luoyang Co.,Ltd.	202,757	166,707	14,273	12,332	N/A	N/A	67,316	58,626	
73	Bank Of Wenzhou Co.,Ltd.	201,346	156,067	N/A	N/A	N/A	N/A	71,934	65,270	
74	Fudian Bank Co.,Ltd.	198,453	154,035	14,220	13,861	2.99	2.92	89,464	79,249	
75	Standard Chartered Bank (China) Limited	196,088	179,210	N/A	N/A	N/A	N/A	70,758	79,716	
76	Guilin Bank Co.,Ltd.	194,716	143,636	10,176	7,790	N/A	N/A	76,831	45,730	
77	Jilin Jiutai Rural Commercial Bank Company Limited	191,471	141,953	N/A	N/A	N/A	N/A	62,101	47,882	
78	Xiamen Bank Co., Ltd.	188,972	160,320	N/A	N/A	N/A	N/A	46,777	34,775	
79	Hubei Bank Co.,Ltd.	186,610	154,704	11,878	10,923	N/A	N/A	84,509	77,093	
80	Weihai City Commercial Bank Co.,Ltd.	186,340	151,278	9,802	9,258	N/A	N/A	58,522	52,322	
81	Chongqing Three Gorges Bank Co.,Ltd.	181,504	132,468	N/A	N/A	N/A	N/A	38,454	32,415	
82	Chang'An Bank Co.,Ltd.	181,340	159,371	12,307	9,238	N/A	2.12	77,233	63,196	
83	Jinshang Bank Co.,Ltd.	173,386	157,243	9,636	8,967	N/A	N/A	68,578	65,115	
84	Citibank (China) Co.,Ltd.	173,050	163,327	N/A	N/A	N/A	N/A	58,339	65,137	
85	Hangzhou United Rural Commercial Bank Co.,Ltd.	167,889	143,317	14,298	12,983	N/A	N/A	97,797	85,946	
86	Bank of Zhangjiakou Co.,Ltd.	163,728	122,633	10,086	7,466	N/A	N/A	57,295	40,170	
87	Zhe Jiang Chou Zhou Commercial Bank Co.,Ltd.	160,007	133,049	12,168	11,193	N/A	N/A	67,240	59,868	
88	Guangdong Nanhai Rural Commercial Bank Co.,Ltd.	156,899	132,464	N/A	N/A	N/A	N/A	73,717	69,160	
89	Fujian Haixia Bank Co.,Ltd.	154,609	133,683	N/A	N/A	N/A	N/A	60,164	53,331	
90	Bank Of Taizhou Co.,Ltd.	150,105	123,400	10,708	9,559	5.95	5.31	90,048	77,968	
91	Bank Of Fuxin Co.,Ltd.	148,646	103,827	N/A	N/A	N/A	N/A	51,585	47,921	
92	Tianjin Binhai Rural Commercial Bank Corporation	147,539	129,917	11,316	10,133	N/A	N/A	66,890	55,781	
93	Bank Of Handan Co.,Ltd.	146,204	111,291	7,750	6,020	N/A	N/A	46,599	37,814	
94	Zhejiang Xiaoshan Rural Cooperative Bank Co.,Ltd.	138,155	119,650	N/A	N/A	N/A	N/A	66,595	60,590	
95	Chong Hing Bank*	137,772	127,838	N/A	N/A	N/A	N/A	70,689	63,600	
96	China Resources Bank Of Zhuhai Co.,Ltd.	137,732	116,394	9,604	8,734	N/A	N/A	62,981	54,971	
97	Bank Of Ningxia Co.,Ltd.	136,923	119,034	N/A	N/A	N/A	N/A	59,925	54,918	
98	Guangxi Beibu Gulf Bank Co.,Ltd.	134,789	113,088	10,913	10,814	N/A	N/A	52,167	45,399	
99	Jiangsu Zijin Rural Commercial Bank Co.,Ltd.	133,803	101,791	N/A	N/A	N/A	N/A	62,814	52,394	
100	Jiangsu Changshu Rural Commercial Bank Co.,Ltd.	129,982	108,504	9,854	8,077	4.43	4.04	66,419	57,611	
101	Bank Of Yingkou Co.,Ltd.	126,829	105,140	N/A	N/A	N/A	N/A	46,819	39,879	

	Total deposits		Operating income		Net interest income		Net profit		Profit attributable to equity holders of the parent company		Cost-to-income ratio	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	172,130	149,766	7,537	6,949	2,951	3,956	1,893	1,645	1,874	1,628	30.58%	30.78%
	167,144	153,318	6,654	7,165	5,697	6,418	2,153	2,969	2,150	2,953	28.49%	28.22%
	158,639	132,214	7,010	6,918	5,898	5,923	1,987	1,841	1,950	1,815	35.90%	32.20%
	172,484	140,073	6,704	6,014	2,579	2,094	2,337	2,287	2,327	2,278	31.93%	32.50%
	211,093	176,399	6,068	5,417	5,737	5,190	2,126	1,749	2,125	1,749	31.37%	32.51%
	171,165	141,021	6,936	5,283	6,670	5,134	1,921	1,298	1,917	1,295	25.29%	N/A
	198,091	162,567	6,763	6,677	6,212	6,136	3,172	2,837	3,166	2,843	N/A	N/A
	157,561	136,590	5,727	6,188	5,053	5,379	1,907	1,918	1,905	1,913	32.84%	28.61%
	164,800	116,234	8,038	6,029	7,915	5,669	2,168	1,441	N/A	N/A	32.51%	37.00%
	145,616	100,488	5,039	4,903	4,911	4,568	1,559	1,797	1,578	1,778	34.09%	29.44%
	167,988	138,879	7,280	6,617	4,582	4,975	2,318	2,333	2,342	2,328	31.11%	30.47%
	133,500	121,709	4,518	4,708	3,710	4,096	2,014	1,994	2,011	1,990	30.40%	28.19%
	159,065	152,655	4,085	4,683	3,396	3,754	166	209	N/A	N/A	61.64%	52.21%
	138,548	122,610	5,007	5,159	4,405	4,398	1,521	1,495	1,516	1,488	37.16%	33.54%
	151,020	129,450	5,742	5,685	N/A	N/A	1,939	1,851	N/A	N/A	34.16%	30.96%
	147,884	123,327	5,143	4,232	4,457	3,683	1,654	1,196	1,642	1,187	31.10%	35.97%
	124,736	92,684	5,121	5,021	4,315	4,536	2,082	2,350	2,021	2,271	28.07%	26.27%
	114,348	80,547	5,088	2,470	3,602	761	1,373	399	1,360	390	N/A	46.27%
	127,316	110,813	5,572	4,844	5,094	4,036	1,263	1,118	1,261	1,116	34.39%	36.47%
	132,916	90,602	N/A	N/A	3,407	3,270	1,460	1,282	N/A	N/A	N/A	N/A
	110,000	92,317	6,281	5,306	5,809	4,927	2,614	2,135	2,424	2,021	20.02%	19.69%
	102,581	90,104	4,596	3,782	3,108	3,008	1,029	813	N/A	N/A	29.43%	31.91%
	132,856	104,274	4,766	4,412	4,193	3,932	1,101	1,537	1,096	1,523	37.95%	37.05%
	125,984	114,378	5,142	6,703	3,857	5,299	555	973	N/A	N/A	N/A	N/A
	113,105	87,531	4,591	3,487	3,656	2,881	1,132	764	1,070	752	33.43%	36.54%
	127,409	93,303	5,954	4,268	4,533	3,372	2,316	1,402	N/A	N/A	41.61%	43.54%
	102,517	87,079	3,618	3,215	3,459	2,912	1,033	890	N/A	N/A	N/A	29.40%
	123,384	108,965	4,828	4,542	4,378	4,178	1,198	1,080	1,188	1,094	32.41%	32.31%
	110,515	93,123	3,994	3,734	3,338	3,105	1,635	1,568	1,633	1,568	N/A	N/A
	122,164	93,578	4,263	3,552	3,826	3,188	1,985	1,268	N/A	N/A	29.26%	31.90%
	118,027	100,250	4,607	3,889	2,524	2,427	1,238	771	1,234	769	N/A	N/A
	116,301	103,777	3,940	4,394	3,515	3,860	1,032	1,085	1,026	1,081	39.34%	32.64%
	138,190	124,812	5,077	5,673	2,091	2,477	1,072	1,063	N/A	N/A	N/A	N/A
	128,444	113,304	5,268	5,071	5,124	4,962	1,712	1,743	1,504	1,505	34.39%	32.16%
	109,653	83,560	4,491	3,532	2,254	2,821	1,622	1,187	1,603	1,159	38.32%	42.63%
	95,855	79,116	4,973	5,087	1,153	1,608	1,384	1,367	1,376	1,362	N/A	N/A
	111,587	101,954	4,466	4,371	4,002	4,053	2,139	1,992	N/A	N/A	30.78%	29.34%
	77,889	71,733	3,579	3,293	3,209	3,164	789	717	N/A	N/A	N/A	N/A
	118,155	101,493	6,734	6,512	5,245	5,375	2,585	2,437	2,373	2,219	36.38%	33.51%
	81,607	68,916	2,444	2,251	2,325	2,200	1,106	665	N/A	N/A	N/A	N/A
	85,710	75,170	4,082	2,981	3,846	2,669	890	809	872	794	27.21%	34.22%
	90,906	80,938	3,117	3,231	442	1,344	1,330	1,190	1,320	1,185	30.84%	31.39%
	98,550	87,877	3,327	3,122	1,575	2,077	764	750	N/A	N/A	23.44%	23.43%
	102,881	99,392	N/A	N/A	2,045	1,779	1,420	1,193	N/A	N/A	45.90%	48.60%
	81,433	75,251	3,701	3,648	2,808	2,816	1,033	71	1,027	66	42.62%	40.22%
	79,530	77,866	3,389	4,193	3,287	3,960	910	818	N/A	N/A	35.13%	31.79%
	75,428	63,854	1,715	2,867	1,585	2,540	536	353	522	336	44.24%	39.39%
	86,230	73,909	3,388	2,883	3,100	2,709	1,033	840	N/A	N/A	31.86%	34.82%
	88,810	82,291	4,475	3,492	4,014	3,168	1,055	983	1,041	966	37.40%	34.97%
	90,167	83,127	2,647	2,803	2,543	2,685	610	778	N/A	N/A	39.34%	42.92%



## Financial summary (1-3)

**In RMB million unless otherwise stated.**

The unit of the amount of the bank marked “\*” is HK Million\$. Certain 2015 data has been restated by the respective banks, the data used in this report is after restatement.

No.	Name of bank	Total assets		Net assets attributable to equity holders of the parent company		Net assets per share attributable to equity holders of the parent company (RMB)		Total loans and advances to customers	
		2016	2015	2016	2015	2016	2015	2016	2015
102	Zhe Jiang Mintai Commercial Bank Co.,Ltd.	125,818	105,006	8,111	6,481	2.42	2.32	62,428	57,369
103	Wuxi Rural Commercial Bank Co.,Ltd.	124,633	115,491	8,772	7,208	N/A	N/A	60,257	55,505
104	Chinese Mercantile Bank	124,625	127,286	N/A	N/A	N/A	N/A	N/A	N/A
105	Guangdong Huaxing Bank Co.,Ltd.	122,868	106,032	N/A	N/A	N/A	N/A	42,587	30,534
106	Nanyang Commercial Bank (China) Limited	121,596	96,667	N/A	N/A	N/A	N/A	54,615	45,700
107	Zhejiang Tailong Commercial Bank Co.,Ltd.	120,861	108,716	8,703	6,971	2.90	2.32	77,782	63,439
108	Ningbo Yinzhou Rural Cooperative Bank	118,789	91,669	N/A	8,658	N/A	N/A	48,781	49,351
109	Bank Of Inner Mongolia Co.,Ltd.	118,641	106,774	9,312	8,896	N/A	N/A	49,779	44,587
110	Shanxi Qinnong Rural Commercial Bank Co.,Ltd.	114,802	92,673	N/A	N/A	N/A	N/A	48,949	47,744
111	Bank Of Liaoyang Co.,Ltd.	114,716	89,852	7,609	6,799	N/A	N/A	43,968	42,177
112	Xiamen Rural Commercial Bank Co.,Ltd.	113,146	92,127	7,884	6,358	3.15	3.24	35,328	26,917
113	Bank Of Cangzhou Co.,Ltd.	111,912	83,550	N/A	N/A	N/A	N/A	47,817	36,114
114	Bank Of Liuzhou Co.,Ltd.	111,031	89,926	8,179	7,946	N/A	N/A	37,444	33,018
115	Shaoxing Ruifeng Rural Commercial Bank Co.,Ltd.	109,501	88,082	N/A	N/A	N/A	N/A	42,227	40,852
116	Mizuho Bank(China),Ltd	108,497	109,248	N/A	N/A	N/A	N/A	41,607	43,274
117	Bank Of Qinghai Co.,Ltd.	108,286	70,435	N/A	N/A	N/A	N/A	41,731	35,699
118	Bank Of Rizhao Co.,Ltd.	105,982	91,988	7,976	7,539	N/A	N/A	52,574	44,867
119	Sumitomo Mitsui Banking Corporation (China) Limited	105,149	96,589	N/A	N/A	N/A	N/A	40,142	42,055
120	Bank Of Shaoxing Co.,Ltd.	104,211	86,547	5,882	4,535	3.62	3.47	43,249	37,149
121	Jiangsu Jiangyin Rural Commercial Bank Co.,Ltd.	104,085	90,478	8,752	7,234	N/A	N/A	52,526	49,857
122	Bank Of Qishang Co.,Ltd.	104,068	83,229	11,471	7,013	N/A	3.78	52,132	44,171
123	Bank Of Weifang Co.,Ltd.	103,628	91,786	7,556	6,990	N/A	N/A	46,296	43,755
124	Leshan City Commercial Bank Co.,Ltd.	103,301	72,463	5,937	5,564	3.26	3.06	27,802	24,025
125	Dalian Rural Commercial Bank Co.,Ltd.	103,010	100,948	N/A	N/A	N/A	N/A	53,018	52,179
126	Great Wall West China Bank Co.,Ltd.	102,377	82,727	N/A	N/A	N/A	N/A	N/A	N/A
127	Bank Of Anshan Co.,Ltd.	101,506	93,141	N/A	N/A	N/A	N/A	48,076	47,716
128	DBS Bank (China) Limited	96,686	95,329	N/A	N/A	N/A	N/A	38,394	45,058
129	Bank Of Chengde Co.,Ltd.	92,947	64,452	4,445	3,770	N/A	1.58	34,849	27,942
130	Bank Of Quanzhou Co.,Ltd.	90,550	73,801	5,218	4,985	N/A	N/A	31,385	24,741
131	Jiangsu Zhangjiagang Rural Commercial Bank Co.,Ltd.	90,178	82,354	7,326	7,027	N/A	4.32	44,325	39,849
132	Hang Seng Bank (China) Limited	89,005	91,971	N/A	N/A	N/A	N/A	49,883	53,024
133	Hefei Science Technology Rural Commercial Bank Co.,Ltd.	88,419	64,348	N/A	N/A	N/A	N/A	33,378	29,914
134	Jincheng Bank Co.,Ltd.	86,783	65,680	5,029	5,027	N/A	N/A	27,469	20,680
135	Zhongshan Rural Commercial Bank Co.,Ltd.	86,714	77,522	N/A	N/A	N/A	N/A	45,591	41,035
136	Bank Of Shangrao Co.,Ltd.	85,525	65,759	5,189	4,659	N/A	N/A	27,530	22,116
137	Bank Of Laishang Co.,Ltd.	83,365	64,196	5,476	5,180	N/A	N/A	41,948	32,233
138	Jiangsu Kunshan Rural Commercial Bank Co.,Ltd.	82,149	63,540	4,704	4,331	3.80	3.50	35,519	32,196
139	Jiangsu Wujiang Rural Commercial Bank Co.,Ltd.	81,348	71,453	7,776	6,562	6.98	6.55	45,445	40,994
140	Zhejiang Hangzhou Yuhang Rural Commercial Bank Co.,Ltd.	75,464	67,082	N/A	N/A	N/A	N/A	40,393	36,388
141	Bank Of Linshang Co.,Ltd.	74,008	68,631	N/A	N/A	N/A	N/A	45,578	41,972
142	Bank Of Dandong Co.,Ltd.	72,374	63,659	N/A	N/A	N/A	N/A	25,904	22,701
143	Deutsche Bank (China) Co., Ltd.	70,171	62,729	N/A	N/A	N/A	N/A	13,105	16,790
144	Yantai Bank Co.,Ltd.	70,171	53,369	N/A	N/A	N/A	N/A	31,650	30,801
145	Fubon Bank (China) Co., Ltd.	68,154	73,647	N/A	N/A	N/A	N/A	27,814	30,822
146	Ningbo Commerce Bank Co.,Ltd.	66,648	50,296	N/A	N/A	N/A	N/A	23,176	19,071
147	Ningbo Cixi Rural Commercial Bank Co.,Ltd.	66,418	60,608	N/A	N/A	N/A	N/A	34,211	33,225
148	Bank Of Jiaxing Co.,Ltd.	65,425	50,058	3,443	3,176	N/A	N/A	29,364	26,030
149	Mianyang City Commercial Bank Co.,Ltd.	64,801	52,697	N/A	N/A	N/A	N/A	24,753	22,240
150	Bank Of Chaoyang Co.,Ltd.	64,416	50,631	N/A	N/A	N/A	1.93	29,845	25,501

	Total deposits		Operating income		Net interest income		Net profit		Profit attributable to equity holders of the parent company		Cost-to-income ratio	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	72,899	66,678	3,645	3,790	1,993	2,652	797	839	743	764	N/A	N/A
	95,461	87,213	2,522	2,397	2,314	2,163	883	819	893	833	32.45%	32.30%
	66,469	44,138	2,121	2,142	1,278	1,127	1,032	1,133	N/A	N/A	N/A	N/A
	82,452	67,182	2,697	1,736	1,790	1,333	706	308	N/A	N/A	47.40%	54.69%
	77,348	62,709	2,100	1,969	1,070	1,124	491	393	N/A	N/A	N/A	N/A
	80,105	79,109	6,369	5,466	5,227	4,364	2,010	1,483	1,991	1,470	N/A	N/A
	74,751	65,700	2,968	3,115	N/A	2,179	1,221	1,181	N/A	1,274	32.41%	28.37%
	78,793	68,115	2,660	2,656	1,219	1,501	449	451	446	429	55.88%	53.56%
	68,962	66,549	3,234	3,015	1,681	2,346	1,205	1,067	N/A	N/A	44.76%	49.22%
	81,276	70,254	2,070	2,179	373	1,214	815	728	809	724	30.13%	N/A
	62,712	50,877	3,044	2,826	2,660	2,538	1,021	851	1,025	851	31.37%	31.26%
	90,703	68,126	2,882	2,433	2,905	2,481	911	725	N/A	N/A	40.20%	43.37%
	71,474	66,885	2,720	2,706	2,619	2,637	726	735	684	695	38.82%	37.38%
	69,673	60,349	2,485	2,336	2,227	2,079	798	749	790	734	32.83%	31.56%
	70,108	68,790	2,182	2,086	823	1,047	837	417	N/A	N/A	N/A	N/A
	58,235	51,986	4,131	3,843	N/A	N/A	709	672	N/A	N/A	28.67%	26.31%
	76,670	67,388	3,196	3,182	2,782	2,883	681	803	677	799	29.83%	26.87%
	71,045	61,467	2,474	2,463	1,200	1,134	680	679	N/A	N/A	N/A	N/A
	58,234	48,628	1,845	1,735	225	865	385	351	385	349	39.80%	37.67%
	73,641	67,653	2,469	2,504	2,262	2,371	767	815	778	815	35.96%	31.59%
	76,620	67,319	2,499	2,512	2,277	2,311	501	638	479	625	45.61%	41.81%
	70,122	59,699	3,082	3,246	1,643	2,292	723	769	703	750	33.90%	32.76%
	47,542	39,517	1,910	2,215	1,677	2,062	569	686	561	676	N/A	N/A
	72,158	69,249	1,857	2,326	612	1,980	303	326	N/A	N/A	N/A	N/A
	60,860	45,122	2,894	2,187	2,574	2,019	548	405	N/A	N/A	24.57%	29.60%
	82,311	80,079	1,365	2,160	291	1,049	356	715	N/A	N/A	50.75%	32.41%
	48,786	44,987	2,216	2,694	1,324	1,581	113	120	N/A	N/A	76.40%	63.74%
	68,684	52,241	2,103	2,200	1,089	1,620	927	891	902	862	N/A	N/A
	51,058	44,731	2,063	1,904	1,685	1,450	331	326	N/A	N/A	N/A	36.25%
	65,257	56,387	2,429	2,406	1,981	2,000	696	681	689	673	37.25%	35.20%
	40,780	40,631	1,818	1,812	998	874	155	131	N/A	N/A	N/A	N/A
	56,411	43,394	1,650	1,625	1,551	1,557	657	625	N/A	N/A	N/A	N/A
	39,260	34,562	2,468	2,470	2,262	2,031	558	678	523	629	39.32%	40.46%
	71,332	61,622	2,302	2,331	2,144	2,035	674	824	N/A	N/A	N/A	N/A
	56,130	42,914	2,390	1,960	712	649	630	561	585	518	N/A	N/A
	56,013	42,328	2,190	2,035	643	1,267	302	216	297	210	46.07%	39.32%
	57,463	49,237	2,139	1,873	1,806	1,667	649	484	648	506	36.90%	34.66%
	65,388	57,188	2,306	2,368	2,143	2,238	659	612	650	604	34.03%	31.62%
	64,519	56,750	2,211	2,009	1,309	1,358	645	581	N/A	N/A	N/A	N/A
	60,874	57,683	2,315	2,723	1,682	2,066	442	444	N/A	N/A	N/A	N/A
	47,495	42,677	1,797	1,518	1,050	1,091	727	429	N/A	N/A	N/A	N/A
	42,007	27,670	1,652	2,119	785	1,184	644	956	N/A	N/A	N/A	N/A
	51,830	45,635	1,978	1,766	1,781	1,640	467	417	N/A	N/A	41.58%	44.91%
	40,210	46,013	1,163	1,179	990	1,041	412	390	N/A	N/A	N/A	N/A
	34,145	27,294	1,816	1,670	1,750	1,499	567	437	N/A	N/A	38.07%	37.42%
	51,688	47,155	1,643	1,769	907	1,307	574	639	N/A	N/A	33.69%	31.41%
	40,173	33,804	1,871	1,364	1,710	1,283	419	214	406	202	33.66%	37.45%
	37,789	31,175	1,273	1,421	N/A	N/A	541	535	N/A	N/A	36.52%	31.58%
	50,669	40,814	1,193	1,562	1,113	1,509	431	456	N/A	N/A	N/A	N/A



## Financial summary (1-4)

**In RMB million unless otherwise stated.**

The unit of the amount of the bank marked “\*” is HK Million\$. Certain 2015 data has been restated by the respective banks, the data used in this report is after restatement.

No.	Name of bank	Total assets		Net assets attributable to equity holders of the parent company		Net assets per share attributable to equity holders of the parent company (RMB)		Total loans and advances to customers		
		2016	2015	2016	2015	2016	2015	2016	2015	
151	Dongying Bank Co.,Ltd.	64,324	55,967	N/A	N/A	N/A	N/A	33,024	28,852	
152	Bank Of Jinhua Co.,Ltd.	63,196	55,291	N/A	N/A	N/A	N/A	31,113	30,045	
153	Bank Of Taian Co.,Ltd.	63,005	52,749	N/A	N/A	N/A	N/A	19,306	16,515	
154	Zigong City Commercial Bank Co.,Ltd.	60,349	42,213	4,203	3,603	N/A	N/A	16,356	11,517	
155	Jiangsu Haian Rural Commercial Bank Co.,Ltd.	60,226	50,817	4,793	3,915	N/A	4.61	26,963	25,172	
156	Bank Of Huludao Co.,Ltd.	59,213	46,401	5,014	3,596	2.72	3.00	29,050	25,271	
157	Zhejiang Yiwu Rural Commercial Bank Co.,Ltd.	58,592	53,010	N/A	N/A	N/A	N/A	33,501	31,494	
158	Bank Of Fushun Co.,Ltd.	57,051	52,308	N/A	N/A	N/A	N/A	20,859	19,622	
159	Jiangmen Xinhui Rural Commercial Bank Company Limited	56,212	50,913	N/A	N/A	N/A	N/A	24,821	24,135	
160	Dazhou City Commercial Bank Co.,Ltd.	54,563	23,032	N/A	N/A	N/A	N/A	8,581	5,981	
161	Luzhou City Commercial Bank Co.,Ltd.	53,093	31,473	N/A	N/A	N/A	N/A	14,363	9,887	
162	OCBC Wing Hang Bank (China) Limited.	53,018	37,333	N/A	N/A	N/A	N/A	28,069	16,937	
163	United Overseas Bank (China) Limited	52,386	43,157	N/A	N/A	N/A	N/A	24,401	23,706	
164	Bank Of Shizuishan Co.,Ltd.	51,201	39,652	3,733	3,280	N/A	N/A	24,278	17,234	
165	JPMorgan Chase Bank (China) Company Limited	49,693	39,147	N/A	N/A	N/A	N/A	10,447	12,752	
166	Hana Bank (China) Company Limited	45,755	33,652	N/A	N/A	N/A	N/A	18,882	20,769	
167	Jiangsu Rugao Rural Commercial Bank Co.,Ltd.	43,754	34,800	N/A	N/A	N/A	N/A	18,399	16,785	
168	Yibin City Commercial Bank Co.,Ltd.	41,214	29,225	3,262	3,194	2.41	2.60	11,868	9,887	
169	Fujian Nan An Rural Commercial Bank Company Limited	41,092	31,128	N/A	N/A	N/A	N/A	14,955	13,932	
170	Suining City Commercial Bank Co.,Ltd.	40,602	31,197	N/A	N/A	N/A	N/A	14,501	11,186	
171	Zhejiang Zhuji Rural Commercial Bank Co.,Ltd.	39,641	32,877	N/A	N/A	N/A	N/A	20,496	19,718	
172	Zhejiang Shangyu Rural Commercial Bank Co.,Ltd.	39,266	34,691	N/A	N/A	N/A	N/A	21,613	20,744	
173	Zhejiang Lucheng Rural Commercial Bank Co.,Ltd.	38,553	34,079	N/A	N/A	N/A	N/A	18,074	16,725	
174	Bank Of Huzhou Co.,Ltd.	37,839	33,326	N/A	N/A	N/A	N/A	21,759	17,886	
175	Bank Of Hengshui Co.,Ltd.	37,585	33,629	N/A	N/A	N/A	N/A	20,895	18,732	
176	Jiangsu Haimen Rural Commercial Bank Co.,Ltd.	36,373	31,990	N/A	N/A	N/A	N/A	17,730	15,861	
177	Jiangsu Taicang Rural Commercial Bank Co.,Ltd.	36,277	34,146	2,689	2,519	N/A	N/A	19,807	17,037	
178	Zhejiang Fuyang Rural Commercial Bank Co.,Ltd.	34,934	31,015	N/A	N/A	N/A	N/A	20,796	19,296	
179	Jiangsu Jiangdu Rural Commercial Bank Co.,Ltd.	33,747	27,819	N/A	N/A	N/A	N/A	17,338	16,025	
180	Shinhan Bank (China) Limited	33,598	26,822	N/A	N/A	N/A	N/A	10,840	11,015	
181	Fujian Fuzhou Rural Commercial Bank Company Limited	33,583	30,954	N/A	N/A	N/A	N/A	15,843	16,210	
182	Qujing City Commercial Bank Co.,Ltd.	30,223	27,680	N/A	N/A	N/A	N/A	13,996	11,790	
183	Jiangsu Jiangyan Rural Commercial Bank Co.,Ltd.	29,165	26,167	2,115	2,109	N/A	N/A	17,028	15,493	
184	Zhejiang Deqing Rural Commercial Bank Co.,Ltd.	28,742	26,136	N/A	N/A	N/A	N/A	13,923	13,067	
185	Jingdezhen Rural Commercial Bank Co.,Ltd.	28,114	21,897	1,704	1,545	N/A	N/A	11,109	9,758	
186	Zhejiang Yongkang Rural Commercial Bank Co.,Ltd.	27,387	24,684	N/A	N/A	N/A	N/A	15,187	14,460	
187	Woori Bank (China) Limited	26,749	22,079	N/A	N/A	N/A	N/A	12,691	9,059	
188	Benxi City Commercial Bank Co.,Ltd.	26,620	22,228	1,726	1,619	N/A	N/A	11,889	9,594	
189	Jiangsu Taizhou Rural Commercial Bank Co.,Ltd.	25,537	21,599	N/A	N/A	N/A	N/A	15,628	14,458	
190	Fujian Putian Rural Commercial Bank Co.,Ltd.	24,337	19,722	N/A	N/A	N/A	N/A	12,083	11,072	
191	Kincheng Bank Of Tianjin Co.,Ltd.	22,041	15,725	N/A	N/A	N/A	N/A	6,773	4,498	
192	Jiangsu Changjiang Commercial Bank Co.,Ltd.	20,977	17,147	N/A	N/A	N/A	N/A	14,522	12,059	
193	Jiangsu Shuyang Rural Commercial Bank Co.,Ltd.	20,568	17,817	N/A	N/A	N/A	N/A	15,195	13,391	
194	Industrial Bank of Korea (China) Ltd	19,667	18,099	N/A	N/A	N/A	N/A	8,521	8,066	
195	Societe Generale (China) Limited	17,150	16,181	N/A	N/A	N/A	N/A	4,832	4,684	
196	Feixi Rural Commercial Bank Co.,Ltd.	16,371	13,746	N/A	N/A	N/A	N/A	7,288	6,509	
197	Bangkok Bank (China) Company Limited	15,608	13,413	N/A	N/A	N/A	N/A	4,959	4,800	
198	Kecheng Rural Commercial Bank Co.,Ltd.	15,574	13,381	N/A	N/A	N/A	N/A	9,051	7,912	
199	Jiangsu Xinyi Rural Commercial Bank Co.,Ltd.	14,935	12,773	N/A	N/A	N/A	N/A	9,764	8,876	
200	Credit Agricole Corporate and Investment Bank (China) Limited	14,495	11,888	N/A	N/A	N/A	N/A	3,936	3,126	

	Total deposits		Operating income		Net interest income		Net profit		Profit attributable to equity holders of the parent company		Cost-to-income ratio	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	52,509	45,028	1,993	1,981	1,852	1,853	689	683	N/A	N/A	32.13%	31.18%
	43,719	40,045	2,784	2,691	N/A	N/A	348	344	N/A	N/A	N/A	N/A
	33,198	29,652	1,781	1,369	932	334	433	370	N/A	N/A	29.28%	31.54%
	39,616	26,902	1,350	1,134	1,098	872	638	445	614	436	N/A	N/A
	42,745	37,723	1,355	1,272	554	774	484	520	484	517	29.58%	29.62%
	44,514	38,884	1,669	1,604	1,157	1,149	567	490	501	428	46.21%	45.39%
	44,695	41,905	1,659	1,695	1,078	1,498	569	508	N/A	N/A	N/A	32.62%
	37,264	32,241	1,416	1,706	938	1,169	493	729	N/A	N/A	36.39%	26.91%
	42,428	38,610	1,409	1,566	1,287	1,421	602	461	N/A	N/A	N/A	N/A
	22,189	13,231	852	622	398	368	386	263	N/A	N/A	N/A	N/A
	31,019	20,383	1,322	934	314	507	582	442	N/A	N/A	29.95%	24.41%
	31,574	18,338	906	995	438	518	113	190	N/A	N/A	83.33%	61.86%
	25,185	22,457	943	1,021	647	697	43	80	N/A	N/A	86.30%	77.30%
	35,289	25,102	1,865	1,601	791	635	680	566	608	607	N/A	N/A
	24,337	15,785	718	960	604	825	112	326	N/A	N/A	N/A	N/A
	31,707	24,487	823	855	633	690	82	165	N/A	N/A	N/A	N/A
	31,498	26,871	965	890	882	869	297	302	N/A	N/A	N/A	N/A
	27,969	19,490	917	974	288	719	307	347	300	316	40.29%	32.85%
	26,818	22,484	1,255	1,301	604	767	225	338	N/A	N/A	26.24%	26.89%
	25,872	20,392	N/A	1,142	N/A	557	506	501	N/A	N/A	N/A	N/A
	30,581	27,913	1,674	1,762	N/A	N/A	257	348	N/A	N/A	N/A	25.46%
	32,845	29,912	1,159	1,187	838	979	388	352	N/A	N/A	55.37%	59.44%
	23,881	21,985	1,299	1,204	817	787	333	274	N/A	N/A	N/A	N/A
	31,308	27,814	1,243	1,117	766	699	242	219	N/A	N/A	34.18%	34.99%
	33,265	30,106	840	1,336	576	915	234	458	234	458	49.37%	41.52%
	27,699	24,648	856	786	322	439	208	327	N/A	N/A	30.82%	31.48%
	29,246	26,148	1,043	1,052	1,004	1,011	261	254	250	251	37.31%	35.79%
	30,050	26,298	1,344	1,284	1,073	1,034	413	407	N/A	N/A	N/A	N/A
	25,965	23,810	1,560	1,680	809	867	329	350	N/A	N/A	33.20%	29.88%
	25,275	19,817	383	431	308	362	61	43	N/A	N/A	N/A	N/A
	27,324	23,832	1,801	2,068	1,191	584	232	409	N/A	N/A	28.36%	27.37%
	25,631	24,191	905	909	633	683	137	237	137	237	N/A	N/A
	23,901	21,105	692	800	482	680	323	259	324	256	N/A	N/A
	21,319	19,536	1,511	1,403	419	564	333	332	N/A	N/A	30.20%	31.65%
	17,549	15,352	1,306	1,253	N/A	N/A	282	261	282	261	30.15%	31.17%
	23,722	20,939	N/A	N/A	N/A	N/A	323	315	N/A	N/A	N/A	N/A
	19,597	15,330	442	343	319	338	56	4	56	4	N/A	N/A
	19,384	17,744	507	539	375	431	121	106	N/A	N/A	N/A	N/A
	22,862	19,086	833	1,000	699	940	248	260	N/A	N/A	33.59%	26.91%
	20,330	17,069	1,494	1,468	1,300	1,400	395	289	N/A	N/A	30.41%	33.59%
	10,182	9,031	551	239	496	235	128	(36)	128	(36)	53.61%	66.37%
	16,625	14,024	797	597	762	579	196	160	N/A	N/A	39.52%	39.01%
	17,966	15,455	1,012	1,016	949	981	320	363	N/A	N/A	27.99%	28.23%
	11,699	11,709	369	234	298	268	61	(35)	N/A	N/A	N/A	N/A
	7,651	6,732	497	570	98	150	18	(80)	N/A	N/A	N/A	N/A
	14,799	12,243	449	401	202	262	93	90	N/A	N/A	N/A	44.73%
	8,115	5,944	408	438	233	281	85	120	N/A	N/A	N/A	N/A
	11,997	10,356	483	463	316	331	82	103	N/A	N/A	34.02%	35.32%
	12,997	10,563	619	676	605	670	43	77	N/A	N/A	20.09%	30.04%
	5,485	3,999	364	361	195	175	116	144	N/A	N/A	N/A	N/A



## Financial summary (2-1)

**In RMB million unless otherwise stated.**

The unit of the amount of the bank marked “\*” is HK Million\$. Certain 2015 data has been restated by the respective banks, the data used in this report is after restatement.

No.	Name of bank	Basic earnings per share (RMB)		Return on average equity		Net interest spread		Net interest margin		
		2016	2015	2016	2015	2016	2015	2016	2015	
1	Industrial And Commercial Bank Of China Co., Ltd.	0.77	0.77	15.24%	17.10%	2.02%	2.30%	2.16%	2.47%	
2	China Construction Bank Corporation	0.92	0.91	15.44%	17.27%	2.06%	2.46%	2.20%	2.63%	
3	Agricultural Bank Of China Limited	0.55	0.55	15.14%	16.79%	2.10%	2.49%	2.25%	2.66%	
4	Bank Of China Limited	0.54	0.56	12.58%	14.53%	N/A	N/A	1.83%	2.12%	
5	Bank Of Communications Co., Ltd.	0.89	0.90	12.22%	13.46%	1.75%	2.06%	1.88%	2.22%	
6	Postal Savings Bank Of China Co.,Ltd.	0.55	0.61	12.88%	15.20%	2.34%	2.71%	2.24%	2.78%	
7	Industrial Bank Co.,Ltd.	2.77	2.63	17.28%	18.89%	2.00%	2.26%	2.07%	2.45%	
8	China Merchants Bank Co.,Ltd.	2.46	2.29	16.27%	17.09%	2.37%	2.61%	2.50%	2.77%	
9	China Citic Bank Corporation Limited	0.85	0.88	12.58%	14.55%	1.89%	2.13%	2.00%	2.31%	
10	China Minsheng Banking Corp., Ltd.	1.31	1.30	15.13%	16.98%	1.74%	2.10%	1.86%	2.26%	
11	Shanghai Pudong Development Bank Co.,Ltd.	2.40	2.42	16.35%	18.82%	1.89%	2.26%	2.03%	2.45%	
12	China Everbright Bank Company Limited	0.63	0.63	13.80%	15.50%	1.59%	2.01%	1.78%	2.25%	
13	Ping An Bank Co.,Ltd.	1.32	1.30	13.18%	14.94%	2.60%	2.63%	2.75%	2.81%	
14	Hua Xia Bank Co., Limited	1.84	1.77	15.75%	17.18%	2.29%	2.40%	2.42%	2.56%	
15	Bank Of Beijing Co.,Ltd.	1.16	1.11	14.92%	16.26%	N/A	N/A	N/A	N/A	
16	China Guangfa Bank Co.,Ltd.	0.62	0.59	9.34%	9.80%	1.57%	1.68%	1.77%	1.84%	
17	Bank Of Shanghai Co.,Ltd.	2.61	2.47	14.35%	15.67%	1.72%	1.82%	1.73%	2.02%	
18	Bank Of Jiangsu Co.,Ltd.	0.98	0.91	14.47%	15.72%	1.56%	N/A	1.70%	N/A	
19	China Zheshang Bank Co.,Ltd.	0.59	0.54	17.34%	17.03%	1.89%	2.12%	2.07%	2.31%	
20	Hengfeng Bank Co.,Ltd.	0.81	0.76	15.31%	16.45%	1.92%	1.68%	2.11%	1.92%	
21	Bank Of Nanjing Co.,Ltd.	1.33	1.23	16.25%	17.59%	2.01%	2.44%	2.16%	2.61%	
22	Shengjing Bank Co.,Ltd.	1.18	1.07	15.62%	15.99%	1.65%	2.00%	1.75%	2.14%	
23	Bank Of Ningbo Co.,Ltd.	1.95	1.68	17.74%	17.68%	1.95%	2.40%	1.95%	2.38%	
24	China Bohai Bank Co.,Ltd.	0.47	0.41	16.77%	17.51%	1.70%	1.89%	1.87%	2.11%	
25	Chongqing Rural Commercial Bank Co.,Ltd.	0.85	0.78	15.99%	16.38%	2.57%	2.99%	2.74%	3.20%	
26	Huishang Bank Corporation Limited	0.62	0.56	15.63%	15.75%	2.42%	2.52%	2.59%	2.71%	
27	Beijing Rural Commercial Bank Co.,Ltd.	N/A	N/A	14.59%	N/A	N/A	N/A	N/A	N/A	
28	Bank Of Hangzhou Co.,Ltd.	1.68	1.64	11.83%	12.84%	1.83%	2.08%	1.98%	2.26%	
29	Shanghai Rural Commercial Bank Co.,Ltd.	N/A	N/A	13.42%	14.33%	N/A	N/A	N/A	N/A	
30	Chengdu Rural Commercial Bank Co.,Ltd.	0.44	0.43	12.77%	14.32%	1.01%	1.25%	1.16%	1.41%	
31	Guangzhou Rural Commercial Bank Co.,Ltd.	0.62	0.61	13.89%	14.65%	N/A	N/A	N/A	N/A	
32	Bank Of Tianjin Co.,Ltd.	0.77	0.96	12.05%	15.88%	1.43%	1.74%	1.76%	2.08%	
33	Xiamen International Bank Co.,Ltd.	0.46	0.52	N/A	16.26%	N/A	N/A	N/A	N/A	
34	Bank Of Jinzhou Co.,Ltd.	1.40	1.09	25.16%	23.75%	3.41%	3.29%	3.67%	3.51%	
35	Harbin Bank Co.,Ltd.	0.44	0.41	14.01%	14.23%	2.47%	2.47%	2.65%	2.68%	
36	Bank Of Guangzhou Co.,Ltd.	0.38	0.38	15.25%	16.89%	N/A	N/A	N/A	N/A	
37	Baoshang Bank Co.,Ltd.	0.87	0.77	15.11%	14.05%	N/A	N/A	N/A	N/A	
38	HSBC Bank (China) Company Limited	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
39	Bank Of Changsha Co.,Ltd.	1.04	0.98	17.00%	18.73%	N/A	N/A	N/A	N/A	
40	Bank Of Chongqing Co.,Ltd.	1.12	1.17	15.50%	17.00%	2.23%	2.29%	2.38%	2.52%	
41	Bank Of Guiyang Co.,Ltd.	1.86	1.79	21.67%	26.37%	2.76%	3.45%	2.88%	3.62%	
42	Bank Of Zhengzhou Co.,Ltd.	0.75	0.85	20.46%	22.99%	2.52%	2.95%	2.69%	3.12%	
43	Bank Of Chengdu Co.,Ltd.	0.79	0.87	12.24%	14.69%	2.44%	N/A	N/A	N/A	
44	Dongguan Rural Commercial Bank Co.,Ltd.	0.69	0.66	18.04%	N/A	N/A	N/A	N/A	N/A	
45	Jiangxi Bank Co.,Ltd.	0.35	0.26	8.20%	6.71%	2.90%	3.32%	3.08%	3.53%	
46	Bank Of Hebei Co.,Ltd.	0.53	0.49	16.11%	17.53%	N/A	N/A	N/A	N/A	
47	CITIC Bank International (China) Limited	N/A	N/A	10.30%	10.20%	N/A	N/A	1.48%	N/A	
48	Bank Of Dalian Co.,Ltd.	0.15	0.03	N/A	N/A	N/A	N/A	N/A	N/A	
49	Tianjin Rural Commercial Bank Co.,Ltd.	0.35	0.35	12.79%	14.08%	N/A	N/A	N/A	N/A	
50	Bank Of Kunlun Co.,Ltd.	0.34	0.40	10.61%	13.35%	1.51%	1.66%	1.64%	1.90%	

	"Non-performing loans (NPL) ratio"		Allowance to total loans ratio		Loan-to-deposit ratio		Capital adequacy ratio		Tier 1 capital adequacy ratio		Leverage ratio	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	1.62%	1.50%	2.22%	2.35%	70.90%	71.40%	14.61%	15.22%	13.42%	13.48%	7.55%	7.48%
	1.52%	1.58%	2.29%	2.39%	68.17%	69.80%	14.94%	15.39%	13.15%	13.32%	7.03%	7.28%
	2.37%	2.39%	4.12%	4.53%	N/A	N/A	13.04%	13.40%	11.06%	10.96%	6.27%	N/A
	1.46%	1.43%	2.87%	2.62%	N/A	N/A	14.28%	14.06%	12.28%	12.07%	7.06%	7.03%
	1.52%	1.51%	2.29%	2.35%	73.98%	74.08%	14.02%	13.49%	12.16%	11.46%	6.86%	N/A
	0.87%	0.80%	2.37%	2.40%	N/A	N/A	11.13%	10.46%	8.63%	8.53%	4.05%	3.62%
	1.65%	1.46%	3.48%	3.07%	72.50%	67.80%	12.02%	11.19%	9.23%	9.19%	5.25%	N/A
	1.87%	1.68%	3.37%	3.00%	N/A	73.93%	13.33%	12.57%	11.54%	10.83%	5.75%	5.54%
	1.69%	1.43%	2.62%	2.39%	N/A	75.63%	11.98%	11.87%	9.65%	9.17%	5.47%	5.26%
	1.68%	1.60%	2.62%	2.46%	N/A	71.00%	11.73%	11.49%	9.22%	9.19%	5.19%	N/A
	1.89%	1.56%	3.19%	3.30%	N/A	N/A	11.65%	12.29%	9.30%	9.45%	5.47%	5.31%
	1.60%	1.61%	2.43%	2.52%	N/A	73.59%	10.80%	11.87%	9.34%	10.15%	5.44%	N/A
	1.74%	1.45%	2.71%	2.41%	75.21%	69.01%	11.53%	10.94%	9.34%	9.03%	5.49%	N/A
	1.67%	1.52%	2.65%	2.55%	81.65%	75.29%	11.36%	10.85%	9.70%	8.89%	5.61%	N/A
	1.27%	1.12%	3.25%	3.11%	N/A	N/A	12.20%	12.27%	9.44%	9.14%	5.75%	N/A
	1.59%	1.43%	2.41%	2.16%	83.30%	72.06%	10.54%	11.43%	7.75%	8.02%	4.43%	4.33%
	1.17%	1.19%	3.00%	2.82%	65.25%	67.68%	13.17%	12.65%	11.13%	10.32%	6.09%	5.61%
	1.43%	1.43%	2.59%	2.74%	N/A	72.35%	11.51%	11.54%	9.02%	8.60%	4.68%	4.44%
	1.33%	1.23%	3.44%	2.95%	N/A	N/A	11.79%	11.04%	9.28%	9.35%	4.22%	4.08%
	1.78%	1.49%	3.04%	2.64%	56.42%	52.30%	11.41%	12.94%	7.85%	8.82%	N/A	N/A
	0.87%	0.83%	3.99%	3.57%	50.64%	49.82%	13.71%	13.11%	9.77%	10.35%	5.25%	5.59%
	1.74%	0.42%	2.78%	2.01%	56.69%	48.58%	11.99%	13.03%	9.10%	9.42%	4.38%	4.66%
	0.91%	0.92%	3.21%	2.85%	53.68%	63.73%	12.25%	13.29%	9.46%	10.12%	5.08%	N/A
	1.69%	1.35%	3.06%	2.77%	N/A	N/A	11.44%	11.61%	7.89%	7.75%	4.15%	3.89%
	0.96%	0.98%	4.10%	4.11%	57.98%	57.12%	12.70%	12.09%	9.86%	9.89%	6.41%	6.40%
	1.07%	0.98%	2.90%	2.47%	N/A	N/A	12.99%	13.25%	9.94%	9.81%	6.25%	5.76%
	0.92%	1.00%	3.58%	3.71%	N/A	N/A	15.08%	12.87%	10.50%	11.07%	N/A	N/A
	1.62%	1.36%	3.03%	2.64%	60.90%	60.86%	11.88%	11.70%	9.95%	9.45%	4.96%	5.17%
	1.29%	1.38%	2.85%	2.79%	N/A	66.49%	12.39%	12.50%	10.56%	11.36%	N/A	N/A
	1.12%	1.00%	3.20%	4.22%	48.21%	43.26%	13.75%	13.95%	10.67%	10.73%	N/A	N/A
	1.81%	1.80%	N/A	N/A	N/A	N/A	12.16%	12.76%	9.92%	10.29%	N/A	N/A
	1.48%	1.34%	2.87%	2.73%	58.57%	55.93%	11.88%	12.23%	9.48%	9.33%	5.80%	5.23%
	0.70%	0.56%	N/A	2.21%	N/A	48.52%	15.55%	11.55%	11.59%	9.59%	N/A	N/A
	1.14%	1.03%	3.84%	3.82%	40.36%	47.44%	11.62%	10.50%	9.80%	8.97%	6.46%	6.22%
	1.53%	1.40%	2.55%	2.43%	58.76%	48.46%	11.97%	11.64%	9.35%	11.14%	N/A	N/A
	1.35%	0.90%	N/A	N/A	N/A	N/A	11.46%	10.68%	10.98%	10.34%	4.59%	N/A
	1.68%	1.41%	N/A	N/A	80.82%	68.56%	11.69%	12.22%	9.07%	9.34%	N/A	N/A
	N/A	N/A	1.03%	1.02%	N/A	N/A	19.40%	18.00%	19.10%	17.60%	8.40%	N/A
	1.19%	1.22%	N/A	N/A	42.12%	46.20%	12.29%	12.19%	9.00%	8.90%	5.07%	N/A
	0.96%	0.97%	2.80%	2.37%	65.78%	62.60%	11.79%	11.63%	9.82%	10.49%	5.93%	5.99%
	1.42%	1.48%	3.33%	3.56%	38.97%	45.96%	13.75%	13.54%	11.51%	10.68%	5.20%	5.07%
	1.31%	1.10%	3.11%	2.85%	51.34%	55.73%	11.76%	12.20%	8.80%	10.09%	5.15%	5.65%
	2.21%	2.35%	3.43%	N/A	50.39%	55.87%	13.34%	15.95%	10.23%	11.13%	5.78%	5.94%
	1.42%	1.35%	3.84%	3.41%	N/A	N/A	13.23%	13.26%	12.11%	12.14%	N/A	N/A
	1.68%	1.81%	3.55%	3.96%	N/A	N/A	11.94%	14.24%	10.87%	12.64%	6.22%	N/A
	1.49%	1.38%	3.00%	3.23%	66.53%	61.27%	12.62%	11.93%	8.86%	9.52%	5.18%	5.77%
	0.96%	N/A	N/A	N/A	74.70%	73.50%	17.80%	16.50%	13.70%	11.70%	9.10%	7.30%
	2.53%	3.89%	3.80%	3.89%	N/A	N/A	10.96%	10.50%	10.12%	10.50%	N/A	N/A
	2.46%	2.47%	N/A	4.07%	69.35%	69.27%	14.45%	14.38%	10.73%	11.21%	N/A	N/A
	1.71%	1.15%	N/A	N/A	N/A	N/A	16.63%	14.25%	15.49%	13.13%	N/A	N/A



## Financial summary (2-2)

**In RMB million unless otherwise stated.**

The unit of the amount of the bank marked “\*” is HK Million\$. Certain 2015 data has been restated by the respective banks, the data used in this report is after restatement.

No.	Name of bank	Basic earnings per share (RMB)		Return on average equity		Net interest spread		Net interest margin		
		2016	2015	2016	2015	2016	2015	2016	2015	
51	Bank Of Qingdao Co.,Ltd.	0.51	0.58	12.20%	13.74%	2.05%	2.23%	2.23%	2.36%	
52	Jiangsu Jiangnan Rural Commercial Bank Co.,Ltd.	0.26	0.30	N/A	N/A	N/A	N/A	N/A	N/A	
53	Guangdong Shunde Rural Commercial Bank Co.,Ltd.	0.47	0.77	9.47%	13.66%	N/A	N/A	N/A	N/A	
54	Bank Of Suzhou Co.,Ltd.	0.65	0.61	10.04%	10.30%	2.36%	2.53%	2.52%	2.79%	
55	Huarong Xiangjiang Bank Corporation Limited	0.38	0.37	17.11%	19.08%	N/A	N/A	N/A	N/A	
56	Bank Of Lanzhou Co.,Ltd.	0.41	0.43	13.93%	17.06%	N/A	N/A	N/A	N/A	
57	Bank Of Gansu Co.,Ltd.	0.25	0.17	N/A	N/A	N/A	N/A	N/A	N/A	
58	Shenzhen Rural Commercial Bank Co.,Ltd.	0.55	0.50	N/A	N/A	N/A	N/A	N/A	N/A	
59	Bank Of Dongguan Co.,Ltd.	0.87	0.88	12.08%	13.32%	N/A	N/A	N/A	N/A	
60	Bank Of Guizhou Co.,Ltd.	N/A	N/A	14.24%	12.12%	3.79%	3.80%	3.92%	4.05%	
61	Bank Of Jiujiang Co.,Ltd.	1.03	1.19	N/A	N/A	N/A	N/A	N/A	N/A	
62	Wuhan Rural Commercial Bank Co.,Ltd.	0.54	0.54	13.94%	14.97%	N/A	N/A	N/A	N/A	
63	The Bank Of Xi'An Co.,Ltd.	0.50	0.57	N/A	N/A	N/A	N/A	N/A	N/A	
64	The Bank Of East Asia (China) Limited	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
65	Hankou Bank Co.,Ltd.	0.37	0.36	9.30%	9.82%	N/A	N/A	N/A	N/A	
66	Qingdao Rural Commercial Bank Corporation	N/A	N/A	13.59%	14.72%	N/A	N/A	N/A	N/A	
67	Qilu Bank Co.,Ltd.	0.58	0.46	15.92%	13.76%	2.44%	2.61%	2.60%	2.78%	
68	Nanchong City Commercial Bank Co.,Ltd.	2.02	2.27	N/A	N/A	N/A	N/A	N/A	N/A	
69	Bank Of Langfang Co.,Ltd.	N/A	0.12	N/A	N/A	N/A	N/A	N/A	N/A	
70	Guangdong Nanyue Bank Co.,Ltd.	0.20	0.18	11.39%	11.05%	N/A	N/A	N/A	N/A	
71	Bank Of Tangshan Co.,Ltd.	0.41	0.49	N/A	15.73%	N/A	N/A	N/A	N/A	
72	Bank Of Luoyang Co.,Ltd.	0.91	0.92	18.18%	21.47%	N/A	N/A	N/A	N/A	
73	Bank Of Wenzhou Co.,Ltd.	0.41	0.32	9.21%	8.20%	N/A	N/A	N/A	N/A	
74	Fudian Bank Co.,Ltd.	N/A	N/A	7.81%	11.44%	2.33%	2.49%	2.54%	2.75%	
75	Standard Chartered Bank (China) Limited	N/A	N/A	2.90%	5.20%	N/A	N/A	N/A	N/A	
76	Guilin Bank Co.,Ltd.	0.36	0.31	N/A	N/A	N/A	N/A	N/A	N/A	
77	Jilin Jiutai Rural Commercial Bank Company Limited	0.57	0.41	18.11%	14.24%	2.53%	2.79%	2.67%	3.01%	
78	Xiamen Bank Co., Ltd.	0.55	0.50	11.82%	12.12%	N/A	N/A	N/A	N/A	
79	Hubei Bank Co.,Ltd.	0.33	0.32	N/A	N/A	N/A	N/A	N/A	N/A	
80	Weihai City Commercial Bank Co.,Ltd.	0.39	0.38	16.85%	17.99%	N/A	N/A	N/A	N/A	
81	Chongqing Three Gorges Bank Co.,Ltd.	0.54	0.43	21.13%	20.71%	N/A	N/A	N/A	N/A	
82	Chang'An Bank Co.,Ltd.	0.22	0.17	11.33%	8.78%	N/A	N/A	N/A	N/A	
83	Jinshang Bank Co.,Ltd.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
84	Citibank (China) Co.,Ltd.	N/A	N/A	N/A	7.50%	N/A	N/A	N/A	N/A	
85	Hangzhou United Rural Commercial Bank Co.,Ltd.	0.88	0.94	10.79%	11.32%	N/A	N/A	2.80%	3.16%	
86	Bank of Zhangjiakou Co.,Ltd.	0.37	0.45	18.16%	18.72%	N/A	N/A	N/A	N/A	
87	Zhe Jiang Chou Zhou Commercial Bank Co.,Ltd.	0.45	0.44	11.78%	12.83	N/A	N/A	N/A	N/A	
88	Guangdong Nanhai Rural Commercial Bank Co.,Ltd.	0.63	0.58	N/A	N/A	N/A	N/A	N/A	N/A	
89	Fujian Haixia Bank Co.,Ltd.	N/A	N/A	10.41%	10.05%	N/A	N/A	N/A	N/A	
90	Bank Of Taizhou Co.,Ltd.	1.32	1.23	23.42%	24.52%	N/A	N/A	5.13%	5.66%	
91	Bank Of Fuxin Co.,Ltd.	0.42	0.27	N/A	N/A	N/A	N/A	N/A	N/A	
92	Tianjin Binhai Rural Commercial Bank Corporation	0.15	0.17	8.04%	10.67%	N/A	N/A	N/A	N/A	
93	Bank Of Handan Co.,Ltd.	0.49	0.50	18.96%	21.54%	N/A	N/A	N/A	N/A	
94	Zhejiang Xiaoshan Rural Cooperative Bank Co.,Ltd.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
95	Chong Hing Bank*	1.94	2.06	N/A	N/A	N/A	N/A	1.66%	1.53%	
96	China Resources Bank Of Zhuhai Co.,Ltd.	0.18	0.01	11.13%	0.81%	N/A	N/A	N/A	N/A	
97	Bank Of Ningxia Co.,Ltd.	N/A	N/A	8.98%	9.05%	N/A	N/A	N/A	N/A	
98	Guangxi Beibu Gulf Bank Co.,Ltd.	N/A	0.08	N/A	N/A	N/A	N/A	N/A	N/A	
99	Jiangsu Zijin Rural Commercial Bank Co.,Ltd.	0.38	0.34	14.22%	14.77%	N/A	N/A	N/A	N/A	
100	Jiangsu Changshu Rural Commercial Bank Co.,Ltd.	0.51	0.48	11.91%	12.79%	3.04%	2.83%	3.22%	3.04%	
101	Bank Of Yingkou Co.,Ltd.	N/A	N/A	6.47%	10.10%	N/A	N/A	N/A	N/A	
102	Zhe Jiang Mintai Commercial Bank Co.,Ltd.	0.26	0.30	10.62%	12.64%	N/A	N/A	N/A	N/A	

	"Non-performing loans (NPL) ratio"		Allowance to total loans ratio		Loan-to-deposit ratio		Capital adequacy ratio		Tier 1 capital adequacy ratio		Leverage ratio	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	1.36%	1.19%	2.64%	2.81%	58.24%	59.99%	12.00%	15.04%	10.08%	12.48%	N/A	N/A
	2.09%	1.95%	N/A	N/A	65.51%	68.32%	12.39%	12.58%	8.96%	8.96%	N/A	N/A
	1.88%	1.79%	3.13%	2.89%	70.77%	72.54%	14.57%	14.36%	13.70%	13.62%	8.20%	N/A
	1.49%	1.48%	2.78%	3.03%	65.47%	67.47%	13.60%	14.07%	10.46%	10.67%	N/A	N/A
	1.48%	0.99%	2.27%	2.25%	N/A	56.54%	11.54%	13.15%	8.63%	9.50%	4.93%	5.21%
	1.77%	1.80%	3.42%	3.11%	57.80%	60.24%	12.52%	11.50%	9.85%	9.92%	N/A	N/A
	1.81%	N/A	N/A	N/A	N/A	N/A	11.85%	N/A	8.72%	N/A	4.90%	N/A
	N/A	N/A	N/A	N/A	N/A	N/A	15.23%	13.44%	14.09%	12.31%	N/A	N/A
	1.69%	1.82%	N/A	3.07%	N/A	68.67%	14.43%	12.59%	10.36%	11.25%	N/A	N/A
	1.87%	1.98%	4.51%	4.14%	42.23%	47.63%	11.81%	12.39%	N/A	N/A	6.81%	7.48%
	1.99%	1.86%	N/A	N/A	54.60%	50.05%	11.45%	13.40%	8.89%	10.29%	N/A	N/A
	1.87%	1.74%	5.96%	N/A	66.40%	72.49%	13.73%	14.59%	11.77%	12.51%	N/A	N/A
	1.27%	1.18%	2.58%	2.64%	72.99%	70.51%	14.18%	15.38%	11.76%	12.56%	7.06%	N/A
	0.91%	2.60%	2.50%	2.73%	74.19%	77.23%	13.27%	12.46%	12.21%	12.40%	6.76%	7.05%
	1.98%	1.99%	N/A	N/A	68.32%	67.51%	13.14%	14.13%	10.12%	12.00%	6.46%	7.59%
	2.01%	2.38%	N/A	N/A	66.91%	73.31%	12.89%	12.95%	N/A	10.62%	N/A	7.58%
	1.68%	2.19%	3.45%	3.74%	56.97%	56.12%	12.09%	11.69%	9.42%	10.54%	5.08%	5.27%
	1.52%	1.56%	2.79%	2.61%	52.50%	55.23%	13.09%	11.52%	10.09%	10.95%	N/A	N/A
	N/A	1.56%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	1.87%	1.76%	N/A	N/A	64.07%	63.75%	11.82%	10.95%	9.63%	8.83%	5.62%	5.13%
	N/A	0.06%	N/A	2.70%	N/A	33.54%	12.51%	11.25%	11.77%	10.24%	N/A	N/A
	1.52%	1.37%	N/A	N/A	72.53%	68.92%	12.89%	14.40%	9.98%	10.99%	N/A	N/A
	1.45%	1.23%	2.33%	2.09%	65.66%	65.53%	11.63%	11.94%	8.94%	8.96%	N/A	N/A
	1.87%	1.90%	3.62%	3.05%	64.48%	71.51%	11.99%	14.46%	10.83%	13.50%	N/A	N/A
	1.40%	2.02%	N/A	N/A	N/A	N/A	16.70%	16.60%	16.30%	16.10%	8.10%	8.40%
	1.55%	1.53%	N/A	N/A	65.81%	52.24%	11.72%	11.49%	9.27%	10.45%	N/A	N/A
	1.41%	1.42%	2.92%	2.93%	48.74%	51.32%	13.79%	14.76%	10.52%	12.49%	6.30%	N/A
	1.51%	1.37%	N/A	3.07%	N/A	41.01%	12.22%	12.36%	9.42%	9.55%	N/A	N/A
	1.97%	1.87%	N/A	N/A	68.50%	69.64%	12.01%	13.14%	9.02%	10.10%	N/A	N/A
	1.42%	0.97%	N/A	N/A	48.72%	54.16%	12.30%	14.70%	8.93%	10.25%	N/A	N/A
	0.93%	0.98%	2.54%	2.74%	N/A	34.40%	11.95%	12.79%	10.22%	10.33%	6.26%	5.92%
	1.84%	1.46%	3.01%	2.93%	N/A	N/A	10.91%	10.60%	10.17%	9.29%	5.94%	4.97%
	1.86%	1.87%	N/A	N/A	59.07%	62.86%	12.50%	13.47%	N/A	N/A	N/A	N/A
	0.81%	0.74%	2.82%	1.89%	N/A	N/A	16.42%	15.54%	15.51%	14.75%	7.54%	7.57%
	1.81%	1.91%	3.94%	3.98%	N/A	N/A	12.78%	12.98%	11.38%	11.61%	N/A	N/A
	1.14%	0.85%	2.69%	2.81%	49.88%	47.88%	11.98%	14.08%	9.11%	9.89%	5.66%	5.22%
	1.24%	1.18%	3.61%	3.54%	67.62%	72.74%	11.77%	12.83%	9.46%	10.29%	N/A	N/A
	1.82%	1.71%	3.50%	3.32%	N/A	N/A	14.99%	15.77%	11.61%	12.03%	8.14%	8.63%
	2.63%	2.47%	N/A	N/A	74.31%	68.68%	11.67%	12.19%	N/A	N/A	N/A	N/A
	0.68%	0.55%	2.80%	2.70%	N/A	N/A	13.10%	13.00%	10.50%	11.81%	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A	11.79%	11.91%	8.56%	8.50%	N/A	N/A
	2.35%	2.40%	N/A	N/A	72.80%	68.63%	12.90%	12.49%	9.14%	9.93%	N/A	N/A
	1.98%	1.27%	3.40%	3.00%	50.90%	60.10%	11.89%	12.24%	10.99%	11.12%	N/A	N/A
	2.19%	2.21%	4.35%	4.19%	67.44%	68.35%	13.34%	15.30%	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	67.40%	59.01%	16.32%	17.73%	14.16%	15.22%	9.57%	10.19%
	2.24%	2.49%	N/A	N/A	72.85%	72.10%	12.81%	11.27%	9.74%	10.38%	N/A	N/A
	1.81%	1.97%	N/A	N/A	N/A	N/A	12.06%	11.57%	N/A	N/A	7.05%	6.86%
	N/A	N/A	3.69%	6.87%	65.78%	64.95%	13.25%	14.94%	12.24%	12.97%	7.28%	8.66%
	1.98%	2.29%	N/A	N/A	N/A	70.95%	14.42%	13.15%	11.45%	9.63%	N/A	N/A
	1.40%	1.42%	3.30%	3.14%	74.79%	70.01%	13.22%	12.51%	10.93%	11.33%	6.94%	6.80%
	1.47%	1.28%	N/A	N/A	52.00%	48.00%	11.82%	12.51%	9.72%	9.94%	N/A	N/A
	1.53%	1.57%	N/A	N/A	N/A	N/A	12.63%	11.78%	11.05%	9.82%	N/A	N/A

## Financial summary (2-3)

**In RMB million unless otherwise stated.**

The unit of the amount of the bank marked “\*” is HK Million\$. Certain 2015 data has been restated by the respective banks, the data used in this report is after restatement.

No.	Name of bank	Basic earnings per share (RMB)		Return on average equity		Net interest spread		Net interest margin		
		2016	2015	2016	2015	2016	2015	2016	2015	
103	Wuxi Rural Commercial Bank Co.,Ltd.	0.52	0.50	11.52%	12.30%	1.75%	1.75%	1.96%	2.00%	
104	Chinese Mercantile Bank	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
105	Guangdong Huaxing Bank Co.,Ltd.	0.14	0.06	11.71%	5.51%	1.56%	1.43%	1.76%	1.74%	
106	Nanyang Commercial Bank (China) Limited	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
107	Zhejiang Tailong Commercial Bank Co.,Ltd.	0.66	0.49	N/A	N/A	N/A	N/A	5.95%	6.21%	
108	Ningbo Yinzhou Rural Cooperative Bank	0.55	0.53	13.46%	14.58%	N/A	N/A	N/A	N/A	
109	Bank Of Inner Mongolia Co.,Ltd.	0.14	0.14	4.86%	5.17%	N/A	N/A	N/A	N/A	
110	Shanxi Qinnong Rural Commercial Bank Co.,Ltd.	N/A	N/A	11.49%	17.45%	N/A	N/A	3.06%	3.34%	
111	Bank Of Liaoyang Co.,Ltd.	0.31	0.27	11.06%	N/A	N/A	N/A	N/A	N/A	
112	Xiamen Rural Commercial Bank Co.,Ltd.	0.44	0.39	15.25%	15.88%	N/A	N/A	N/A	N/A	
113	Bank Of Cangzhou Co.,Ltd.	0.30	0.42	13.47%	16.36%	N/A	N/A	N/A	N/A	
114	Bank Of Liuzhou Co.,Ltd.	N/A	N/A	8.21%	8.68%	N/A	N/A	N/A	N/A	
115	Shaoxing Ruifeng Rural Commercial Bank Co.,Ltd.	0.55	0.50	10.37%	10.50%	N/A	N/A	N/A	N/A	
116	Mizuho Bank(China),Ltd	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
117	Bank Of Qinghai Co.,Ltd.	0.38	0.36	11.98%	12.51%	N/A	N/A	N/A	N/A	
118	Bank Of Rizhao Co.,Ltd.	0.25	0.29	N/A	N/A	N/A	N/A	N/A	N/A	
119	Sumitomo Mitsui Banking Corporation (China) Limited	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
120	Bank Of Shaoxing Co.,Ltd.	0.29	0.26	7.30%	7.87%	N/A	N/A	N/A	N/A	
121	Jiangsu Jiangyin Rural Commercial Bank Co.,Ltd.	0.48	0.52	9.92%	12.13%	2.07%	2.50%	2.34%	2.77%	
122	Bank Of Qishang Co.,Ltd.	0.21	0.30	5.36%	9.52%	N/A	N/A	N/A	N/A	
123	Bank Of Weifang Co.,Ltd.	0.24	0.28	N/A	N/A	N/A	N/A	N/A	N/A	
124	Leshan City Commercial Bank Co.,Ltd.	0.31	0.37	9.79%	12.81%	N/A	N/A	N/A	N/A	
125	Dalian Rural Commercial Bank Co.,Ltd.	0.06	0.07	N/A	N/A	N/A	N/A	N/A	N/A	
126	Great Wall West China Bank Co.,Ltd.	0.33	0.25	9.87%	8.28%	N/A	N/A	N/A	N/A	
127	Bank Of Anshan Co.,Ltd.	0.12	0.24	4.78%	10.07%	N/A	N/A	N/A	N/A	
128	DBS Bank (China) Limited	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
129	Bank Of Chengde Co.,Ltd.	0.38	0.36	N/A	25.77%	N/A	N/A	N/A	N/A	
130	Bank Of Quanzhou Co.,Ltd.	0.13	0.13	6.50%	6.62%	N/A	N/A	N/A	N/A	
131	Jiangsu Zhangjiagang Rural Commercial Bank Co.,Ltd.	0.42	0.41	9.68%	9.92%	2.04%	2.37%	2.24%	2.80%	
132	Hang Seng Bank (China) Limited	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
133	Hefei Science Technology Rural Commercial Bank Co.,Ltd.	0.37	0.35	13.04%	13.75%	N/A	N/A	N/A	N/A	
134	Jincheng Bank Co.,Ltd.	0.19	0.26	10.00%	16.00%	N/A	N/A	N/A	N/A	
135	Zhongshan Rural Commercial Bank Co.,Ltd.	N/A	N/A	10.78%	13.71%	N/A	N/A	N/A	N/A	
136	Bank Of Shangrao Co.,Ltd.	N/A	N/A	12.26%	12.01%	N/A	N/A	N/A	N/A	
137	Bank Of Laishang Co.,Ltd.	0.14	0.11	N/A	N/A	N/A	N/A	N/A	N/A	
138	Jiangsu Kunshan Rural Commercial Bank Co.,Ltd.	0.52	0.41	14.20%	12.61%	N/A	N/A	2.54%	2.92%	
139	Jiangsu Wujiang Rural Commercial Bank Co.,Ltd.	0.64	0.60	9.48%	9.74%	N/A	N/A	N/A	N/A	
140	Zhejiang Hangzhou Yuhang Rural Commercial Bank Co.,Ltd.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
141	Bank Of Linshang Co.,Ltd.	0.15	0.16	N/A	N/A	N/A	N/A	N/A	N/A	
142	Bank Of Dandong Co.,Ltd.	0.43	0.28	14.70%	10.10%	N/A	N/A	N/A	N/A	
143	Deutsche Bank (China) Co. ,Ltd.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
144	Yantai Bank Co.,Ltd.	0.18	0.16	9.41%	8.62%	N/A	N/A	N/A	N/A	
145	Fubon Bank (China) Co., Ltd.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
146	Ningbo Commerce Bank Co.,Ltd.	0.11	0.08	8.86%	7.36%	N/A	N/A	N/A	N/A	
147	Ningbo Cixi Rural Commercial Bank Co.,Ltd.	0.57	0.64	N/A	N/A	N/A	N/A	N/A	N/A	
148	Bank Of Jiaxing Co.,Ltd.	0.29	0.15	12.28%	6.64%	N/A	N/A	N/A	N/A	
149	Mianyang City Commercial Bank Co.,Ltd.	0.80	1.10	13.25%	15.84%	N/A	N/A	N/A	N/A	
150	Bank Of Chaoyang Co.,Ltd.	0.21	0.22	N/A	N/A	N/A	N/A	N/A	N/A	
151	Dongying Bank Co.,Ltd.	0.39	0.38	14.02%	15.50%	N/A	N/A	N/A	N/A	



	"Non-performing loans (NPL) ratio"		Allowance to total loans ratio		Loan-to-deposit ratio		Capital adequacy ratio		Tier 1 capital adequacy ratio		Leverage ratio	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	1.39%	1.17%	2.80%	2.67%	63.12%	63.64%	12.65%	13.59%	10.28%	10.69%	6.72%	6.03%
	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	1.47%	1.28%	2.69%	2.32%	51.64%	45.45%	12.66%	12.35%	8.95%	8.84%	4.13%	3.68%
	0.87%	N/A	1.32%	N/A	61.00%	67.00%	13.11%	15.42%	12.77%	14.97%	N/A	N/A
	1.30%	1.23%	2.68%	2.57%	N/A	73.55%	11.85%	12.07%	9.56%	9.13%	6.26%	5.56%
	1.82%	1.86%	N/A	N/A	61.76%	73.84%	14.00%	15.17%	11.13%	11.98%	N/A	N/A
	2.61%	2.56%	N/A	N/A	63.18%	65.46%	11.07%	10.79%	10.16%	9.85%	N/A	N/A
	1.59%	1.32%	5.73%	5.61%	75.29%	76.01%	19.29%	20.29%	18.25%	19.18%	9.76%	10.47%
	1.98%	1.91%	4.15%	N/A	54.10%	N/A	12.78%	12.67%	10.17%	10.25%	N/A	N/A
	1.38%	1.40%	4.12%	3.98%	N/A	N/A	14.63%	12.66%	11.31%	10.60%	N/A	N/A
	1.78%	1.42%	N/A	N/A	53.20%	53.26%	15.61%	11.46%	12.62%	9.74%	N/A	N/A
	2.63%	1.74%	N/A	N/A	47.82%	43.55%	12.07%	12.36%	11.12%	11.36%	N/A	N/A
	1.81%	1.72%	3.44%	3.20%	55.27%	63.72%	11.65%	13.31%	10.59%	12.14%	N/A	N/A
	0.61%	0.66%	3.10%	3.10%	63.50%	62.39%	18.89%	19.16%	17.83%	18.08%	10.51%	10.24%
	1.84%	1.88%	N/A	N/A	66.51%	67.75%	12.86%	14.62%	11.82%	13.66%	N/A	N/A
	2.13%	2.47%	4.21%	3.85%	65.96%	63.09%	10.66%	11.46%	9.16%	10.14%	N/A	N/A
	N/A	N/A	3.06%	2.06%	56.14%	62.67%	21.13%	21.25%	20.07%	20.34%	13.99%	10.24%
	1.73%	1.68%	N/A	N/A	70.83%	71.05%	12.38%	12.28%	9.33%	8.72%	N/A	N/A
	2.41%	2.17%	4.10%	3.68%	71.33%	73.51%	14.18%	13.99%	13.08%	12.87%	8.10%	N/A
	1.88%	2.13%	N/A	N/A	N/A	N/A	14.72%	10.91%	13.99%	10.14%	8.42%	N/A
	1.27%	1.89%	N/A	N/A	N/A	68.32%	11.68%	12.99%	9.06%	9.94%	N/A	N/A
	1.52%	1.31%	4.04%	4.17%	N/A	N/A	14.27%	19.15%	9.53%	12.86%	N/A	N/A
	2.91%	2.93%	4.71%	4.57%	72.24%	73.26%	12.44%	13.06%	9.04%	9.44%	N/A	N/A
	1.98%	1.57%	N/A	N/A	N/A	65.83%	11.02%	11.16%	8.94%	8.94%	N/A	N/A
	1.83%	1.70%	N/A	N/A	58.41%	59.59%	13.17%	11.13%	9.41%	9.32%	6.30%	6.34%
	0.80%	1.71%	1.80%	2.60%	N/A	N/A	15.90%	14.41%	12.90%	11.30%	8.60%	6.70%
	1.51%	0.93%	N/A	N/A	N/A	53.49%	12.25%	14.17%	9.45%	10.33%	N/A	N/A
	1.74%	1.55%	3.05%	2.72%	58.92%	N/A	11.70%	10.56%	9.21%	9.98%	N/A	N/A
	1.96%	1.96%	3.54%	3.38%	67.92%	70.67%	13.42%	15.07%	12.26%	13.93%	6.93%	N/A
	N/A	N/A	2.59%	2.07%	N/A	N/A	14.80%	14.00%	14.10%	13.40%	8.40%	8.20%
	1.98%	N/A	3.49%	N/A	N/A	N/A	12.97%	12.76%	9.68%	11.70%	N/A	N/A
	1.81%	1.53%	N/A	N/A	N/A	60.24%	11.08%	15.29%	10.13%	14.13%	N/A	N/A
	1.99%	1.59%	3.21%	2.68%	63.91%	66.59%	12.42%	13.46%	N/A	N/A	7.22%	7.81%
	1.85%	1.75%	N/A	N/A	49.05%	51.54%	11.94%	13.33%	N/A	N/A	N/A	N/A
	2.72%	2.72%	N/A	N/A	70.62%	65.34%	13.15%	10.41%	8.85%	9.38%	N/A	N/A
	1.63%	2.21%	N/A	N/A	N/A	65.13%	12.20%	11.83%	9.09%	10.70%	5.31%	6.27%
	1.78%	1.86%	3.34%	3.52%	69.50%	71.68%	14.18%	13.58%	13.04%	12.44%	N/A	N/A
	1.80%	1.93%	N/A	N/A	62.59%	64.12%	11.87%	12.44%	10.73%	11.31%	N/A	N/A
	2.15%	2.34%	3.70%	3.63%	73.40%	72.78%	13.06%	11.54%	9.72%	N/A	N/A	N/A
	1.12%	1.02%	N/A	N/A	54.54%	53.27%	16.31%	12.98%	12.23%	11.89%	N/A	N/A
	1.98%	1.20%	2.97%	2.50%	N/A	N/A	31.04%	21.86%	30.60%	21.30%	11.70%	N/A
	2.52%	2.78%	5.22%	4.92%	61.07%	67.49%	11.19%	11.37%	10.04%	10.21%	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A	13.76%	13.76%	13.04%	12.61%	7.37%	6.08%
	1.06%	0.96%	2.85%	2.90%	70.73%	72.67%	13.02%	15.60%	12.25%	14.71%	8.84%	9.99%
	2.21%	2.06%	5.69%	4.73%	N/A	70.46%	15.70%	16.44%	14.62%	15.34%	N/A	N/A
	1.60%	1.55%	N/A	N/A	N/A	N/A	12.50%	10.89%	9.27%	9.98%	N/A	N/A
	1.59%	1.47%	N/A	N/A	N/A	N/A	13.08%	14.83%	12.30%	13.73%	N/A	N/A
	1.16%	1.17%	N/A	N/A	N/A	N/A	12.61%	12.15%	N/A	N/A	N/A	N/A
	1.65%	1.17%	N/A	N/A	62.89%	64.13%	12.68%	13.75%	9.69%	10.21%	N/A	N/A

## Financial summary (2-4)

**In RMB million unless otherwise stated.**

The unit of the amount of the bank marked “\*” is HK Million\$. Certain 2015 data has been restated by the respective banks, the data used in this report is after restatement.

No.	Name of bank	Basic earnings per share (RMB)		Return on average equity		Net interest spread		Net interest margin		
		2016	2015	2016	2015	2016	2015	2016	2015	
152	Bank Of Jinhua Co.,Ltd.	0.32	0.33	N/A	N/A	N/A	N/A	N/A	N/A	
153	Bank Of Taian Co.,Ltd.	N/A	0.34	N/A	15.42%	N/A	N/A	N/A	N/A	
154	Zigong City Commercial Bank Co.,Ltd.	0.30	0.22	N/A	N/A	N/A	N/A	N/A	N/A	
155	Jiangsu Haian Rural Commercial Bank Co.,Ltd.	0.56	0.61	11.64%	13.85%	N/A	N/A	N/A	N/A	
156	Bank Of Huludao Co.,Ltd.	0.25	0.30	11.99%	12.80%	N/A	N/A	N/A	N/A	
157	Zhejiang Yiwu Rural Commercial Bank Co.,Ltd.	N/A	0.38	N/A	9.02%	N/A	N/A	N/A	N/A	
158	Bank Of Fushun Co.,Ltd.	0.20	0.30	13.18%	20.63%	N/A	N/A	N/A	N/A	
159	Jiangmen Xinhui Rural Commercial Bank Company Limited	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
160	Dazhou City Commercial Bank Co.,Ltd.	0.21	0.26	8.46%	12.06%	N/A	N/A	N/A	N/A	
161	Luzhou City Commercial Bank Co.,Ltd.	0.42	0.51	16.05%	24.27%	N/A	N/A	N/A	N/A	
162	OCBC Wing Hang Bank (China) Limited.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
163	United Overseas Bank (China) Limited	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
164	Bank Of Shizuishan Co.,Ltd.	0.60	0.55	N/A	N/A	N/A	N/A	N/A	N/A	
165	JPMorgan Chase Bank (China) Company Limited	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
166	Hana Bank (China) Company Limited	N/A	N/A	N/A	N/A	N/A	N/A	1.97%	2.15%	
167	Jiangsu Rugao Rural Commercial Bank Co.,Ltd.	0.46	0.51	11.98%	14.70%	N/A	N/A	N/A	N/A	
168	Yibin City Commercial Bank Co.,Ltd.	0.23	0.39	N/A	N/A	N/A	N/A	N/A	N/A	
169	Fujian Nan An Rural Commercial Bank Company Limited	0.18	0.24	N/A	N/A	3.69%	4.65%	3.38%	4.67%	
170	Suining City Commercial Bank Co.,Ltd.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
171	Zhejiang Zhuji Rural Commercial Bank Co.,Ltd.	0.35	0.49	N/A	N/A	N/A	N/A	N/A	N/A	
172	Zhejiang Shangyu Rural Commercial Bank Co.,Ltd.	0.49	0.45	N/A	N/A	N/A	N/A	N/A	N/A	
173	Zhijiang Lucheng Rural Commercial Bank Co.,Ltd.	0.28	0.23	N/A	N/A	N/A	N/A	N/A	N/A	
174	Bank Of Huzhou Co.,Ltd.	0.26	0.36	N/A	N/A	N/A	N/A	N/A	N/A	
175	Bank Of Hengshui Co.,Ltd.	0.23	0.45	7.97%	17.45%	2.06%	3.50%	2.27%	3.66%	
176	Jiangsu Haimen Rural Commercial Bank Co.,Ltd.	N/A	N/A	N/A	N/A	2.33%	2.45%	N/A	N/A	
177	Jiangsu Taicang Rural Commercial Bank Co.,Ltd.	0.29	0.29	9.30%	10.36%	N/A	N/A	N/A	N/A	
178	Zhejiang Fuyang Rural Commercial Bank Co.,Ltd.	0.52	0.59	12.67%	13.82%	N/A	N/A	N/A	N/A	
179	Jiangsu Jiangdu Rural Commercial Bank Co.,Ltd.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
180	Shinhan Bank (China) Limited	N/A	N/A	2.61%	1.87%	N/A	N/A	1.03%	1.47%	
181	Fujian Fuzhou Rural Commercial Bank Company Limited	0.18	0.36	N/A	N/A	2.93%	3.09%	2.72%	3.17%	
182	Qujing City Commercial Bank Co.,Ltd.	0.27	0.55	N/A	17.21%	N/A	N/A	N/A	N/A	
183	Jiangsu Jiangyan Rural Commercial Bank Co.,Ltd.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
184	Zhejiang Deqing Rural Commercial Bank Co.,Ltd.	0.41	0.42	N/A	N/A	N/A	N/A	N/A	N/A	
185	Jingdezhen Rural Commercial Bank Co.,Ltd.	0.37	0.35	17.37%	18.29%	N/A	N/A	N/A	N/A	
186	Zhejiang Yongkang Rural Commercial Bank Co.,Ltd.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
187	Woori Bank (China) Limited	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
188	Benxi City Commercial Bank Co.,Ltd.	N/A	N/A	6.72%	6.28%	N/A	N/A	N/A	N/A	
189	Jiangsu Taizhou Rural Commercial Bank Co.,Ltd.	N/A	N/A	N/A	N/A	3.56%	6.54%	N/A	N/A	
190	Fujian Putian Rural Commercial Bank Co.,Ltd.	0.29	0.24	N/A	N/A	4.95%	5.96%	5.06%	6.14%	
191	Kincheng Bank Of Tianjin Co.,Ltd.	0.04	(0.01)	4.21%	-0.97%	2.66%	3.44%	3.14%	4.02%	
192	Jiangsu Changjiang Commercial Bank Co.,Ltd.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
193	Jiangsu Shuyang Rural Commercial Bank Co.,Ltd.	N/A	N/A	15.31%	20.21%	4.96%	5.74%	N/A	N/A	
194	Industrial Bank of Korea (China) Ltd	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
195	Societe Generale (China) Limited	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
196	Feixi Rural Commercial Bank Co.,Ltd.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
197	Bangkok Bank (China) Company Limited	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
198	Kecheng Rural Commercial Bank Co.,Ltd.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
199	Jiangsu Xinyi Rural Commercial Bank Co.,Ltd.	0.07	0.13	2.62%	5.72%	4.49%	5.22%	5.88%	5.54%	
200	Credit Agricole Corporate and Investment Bank (China) Limited	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

	"Non-performing loans (NPL) ratio"		Allowance to total loans ratio		Loan-to-deposit ratio		Capital adequacy ratio		Tier 1 capital adequacy ratio		Leverage ratio	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	1.50%	1.46%	2.57%	2.57%	70.11%	72.88%	14.36%	10.61%	9.81%	9.73%	N/A	N/A
	1.94%	2.29%	6.61%	4.97%	52.13%	52.48%	11.93%	12.05%	8.88%	8.78%	N/A	N/A
	1.05%	1.24%	N/A	N/A	N/A	N/A	13.33%	13.32%	12.31%	12.51%	6.24%	6.75%
	1.49%	1.08%	3.27%	3.25%	62.96%	65.26%	13.52%	13.19%	12.37%	12.03%	N/A	N/A
	1.64%	1.41%	2.89%	2.89%	65.26%	64.99%	13.43%	12.42%	12.44%	11.22%	N/A	N/A
	2.06%	1.93%	5.43%	4.14%	N/A	74.93%	13.60%	15.65%	12.45%	14.35%	9.37%	10.18%
	1.16%	1.48%	N/A	N/A	55.98%	60.86%	14.82%	12.69%	10.95%	11.62%	N/A	N/A
	2.45%	2.59%	N/A	N/A	N/A	N/A	14.62%	13.93%	13.61%	12.79%	N/A	N/A
	1.55%	1.73%	N/A	N/A	31.29%	45.21%	22.63%	13.04%	22.01%	12.51%	N/A	N/A
	0.35%	0.30%	N/A	N/A	N/A	N/A	13.89%	18.96%	12.84%	17.83%	N/A	N/A
	1.93%	0.13%	3.72%	2.23%	N/A	70.62%	19.37%	17.50%	18.31%	16.45%	N/A	N/A
	1.30%	1.20%	N/A	N/A	85.70%	82.50%	18.70%	23.50%	18.20%	22.90%	10.30%	12.70%
	N/A	0.98%	N/A	2.87%	N/A	70.32%	13.02%	12.82%	10.55%	9.79%	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A	34.04%	34.25%	33.20%	33.50%	N/A	N/A
	1.26%	1.53%	N/A	N/A	N/A	N/A	15.73%	18.85%	15.05%	18.28%	N/A	N/A
	N/A	N/A	4.00%	4.00%	N/A	N/A	13.85%	13.25%	10.33%	12.11%	N/A	N/A
	1.44%	1.50%	N/A	N/A	47.99%	58.55%	12.62%	17.37%	12.36%	16.27%	8.05%	11.08%
	2.40%	2.29%	6.72%	5.61%	55.77%	61.97%	13.18%	13.37%	9.32%	12.28%	N/A	N/A
	1.74%	1.40%	3.07%	2.96%	55.29%	53.04%	17.16%	16.42%	N/A	N/A	N/A	N/A
	1.85%	1.93%	N/A	N/A	67.02%	70.64%	13.85%	15.60%	N/A	N/A	N/A	N/A
	1.92%	2.49%	5.10%	5.78%	65.80%	69.35%	14.18%	15.93%	13.04%	14.80%	N/A	N/A
	1.59%	1.90%	N/A	N/A	N/A	N/A	12.47%	N/A	11.36%	N/A	N/A	N/A
	1.25%	1.26%	3.72%	3.39%	69.50%	64.31%	11.35%	12.23%	10.24%	11.14%	N/A	N/A
	1.78%	1.75%	N/A	N/A	62.81%	62.22%	11.75%	11.97%	11.06%	11.30%	N/A	N/A
	1.97%	1.42%	N/A	N/A	N/A	N/A	13.25%	11.90%	9.82%	10.75%	N/A	N/A
	2.29%	2.31%	N/A	N/A	N/A	N/A	11.92%	12.68%	10.76%	11.52%	N/A	N/A
	2.35%	2.36%	N/A	N/A	69.20%	73.28%	14.39%	14.68%	N/A	N/A	N/A	N/A
	2.78%	2.87%	4.98%	5.37%	66.78%	67.31%	13.60%	13.22%	12.49%	12.11%	N/A	N/A
	1.69%	1.53%	2.65%	2.43%	N/A	N/A	18.33%	22.92%	17.55%	21.97%	5.69%	7.04%
	2.98%	2.59%	4.80%	4.13%	57.98%	68.02%	11.13%	12.14%	8.31%	9.09%	N/A	N/A
	N/A	2.17%	4.62%	4.20%	54.70%	48.94%	13.62%	13.69%	N/A	12.01%	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	1.28%	1.37%	4.30%	3.89%	65.31%	66.87%	13.00%	12.61%	11.91%	11.50%	N/A	N/A
	2.48%	2.42%	5.67%	5.37%	63.30%	63.56%	14.66%	12.93%	10.94%	11.81%	N/A	N/A
	2.97%	2.92%	N/A	N/A	64.02%	69.06%	15.00%	15.96%	13.90%	14.86%	N/A	N/A
	1.09%	1.55%	2.50%	1.85%	64.76%	48.36%	25.43%	25.97%	24.24%	25.70%	9.42%	10.83%
	1.77%	1.98%	N/A	N/A	61.33%	54.07%	12.26%	12.62%	11.29%	11.61%	N/A	N/A
	2.46%	2.86%	N/A	N/A	68.36%	75.23%	13.06%	14.12%	11.94%	13.00%	N/A	N/A
	1.97%	2.17%	4.19%	5.02%	59.38%	64.86%	15.77%	15.33%	14.69%	14.25%	N/A	N/A
	0.01%	0.00%	1.51%	1.27%	64.51%	49.82%	24.21%	24.01%	N/A	N/A	11.68%	16.42%
	1.04%	0.99%	N/A	N/A	80.73%	76.01%	14.70%	13.18%	10.11%	12.06%	N/A	N/A
	2.20%	1.76%	6.20%	5.66%	84.59%	86.65%	15.01%	15.65%	13.92%	14.57%	N/A	N/A
	N/A	N/A	2.51%	2.01%	N/A	N/A	27.73%	26.64%	26.61%	25.94%	8.90%	N/A
	N/A	N/A	N/A	N/A	N/A	N/A	26.19%	28.47%	25.35%	27.82%	16.22%	18.51%
	2.35%	2.56%	5.77%	N/A	N/A	N/A	12.26%	15.31%	11.36%	14.55%	6.67%	N/A
	N/A	N/A	N/A	N/A	N/A	N/A	47.12%	46.32%	46.01%	45.18%	N/A	N/A
	2.89%	2.97%	N/A	6.48%	74.61%	76.40%	12.08%	12.89%	9.65%	10.18%	N/A	N/A
	4.90%	4.70%	N/A	N/A	80.90%	N/A	16.47%	17.05%	15.41%	16.01%	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A	32.01%	35.93%	31.15%	35.07%	N/A	N/A



# About KPMG China

KPMG China operates in 16 cities across China, with around 10,000 partners and staff in Beijing, Beijing Zhongguancun, Chengdu, Chongqing, Foshan, Fuzhou, Guangzhou, Hangzhou, Nanjing, Qingdao, Shanghai, Shenyang, Shenzhen, Tianjin, Xiamen, Hong Kong SAR and Macau SAR. With a single management structure across all these offices, KPMG China can deploy experienced professionals efficiently, wherever our client is located.

KPMG is a global network of professional services firms providing Audit, Tax and Advisory services. We operate in 152 countries and regions, and have 189,000 people working in member firms around the world. The independent member firms of the KPMG network are affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. Each KPMG firm is a legally distinct and separate entity and describes itself as such.

In 1992, KPMG became the first international accounting network to be granted a joint venture licence in mainland China. KPMG China was also the first among the Big Four in mainland China to convert from a joint venture to a special general partnership, as of 1 August 2012. Additionally, the Hong Kong office can trace its origins to 1945. This early commitment to the China market, together with an unwavering focus on quality, has been the foundation for accumulated industry experience, and is reflected in the Chinese member firm's appointment by some of China's most prestigious companies.





# Glossary

## Names of banks

- PBOC**  
-People's Bank of China
- CDB**  
-China Development Bank
- ICBC**  
-Industrial & Commercial Bank of China
- CCB**  
-China Construction Bank
- ABC**  
-Agricultural Bank of China
- BOC**  
-Bank of China
- BOCOM**  
-Bank of Communications
- CMB**  
-China Merchants Bank
- CITIC Bank**  
-China CITIC Bank
- CEB**  
-China Everbright Bank
- HXB**  
-Hua Xia Bank Co.,Ltd
- CMBC**  
-China Minsheng Banking Corporation
- HSBC**  
- HSBC Bank (China) Company Limited
- Citibank**  
- Citibank (China) Company Limited
- SCB**  
- Standard Chartered Bank (China) Limited
- BEA**  
- Bank of East Asia (China) Limited

## General terms

- GDP**  
-Gross Domestic Product
- IASB**  
-International Accounting Standards Board
- FATF**  
- Financial Action Task Force
- OECD**  
- Organisation for Economic Co-operation and Development
- AEOI**  
- Automatic Exchange of Financial Information
- FATCA**  
- Foreign Account Tax Compliance Act
- MCAA**  
- Model Competent Authority Agreement
- CRS**  
- Common Reporting Standard
- AML**  
-Anti-money laundering
- KYC**  
-Know Your Customer
- XML**  
- Extensible Markup Language
- VAT reform**  
- Replacing business tax with value-added tax
- CBRC**  
-China Banking Regulatory Commission
- CSRC**  
-China Securities Regulatory Commission
- CIRC**  
-China Insurance Regulatory Commission



A photograph of a modern office interior. The upper portion of the image shows a blue perforated metal wall. Below this, a glass-walled meeting room is visible, where a group of five business professionals are gathered around a white conference table. One woman is standing and presenting to the others who are seated. The room has a white floor and a whiteboard in the background. The overall aesthetic is clean and professional.

# Contact us

Our dedicated financial services team brings together partners from audit, tax and advisory practices and is linked closely to other member firms in the KPMG network.

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