# Moving in sync: the key to success

Chinese Mainland Banking Survey
2025 Summary

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# Foreword

**Tony Cheung**
Head of Financial Services
KPMG Asia Pacific and China

2025 marks the end of China's 14th Five-Year Plan period and is also a crucial for this cycle of economic and financial adjustments. Against the backdrop of significant fluctuations in the global political and economic landscape, China is facing pressure to replace its old economic drivers with new ones; and the country's banking sector is facing challenges such as narrowing net interest margins, pressure on asset quality, and increasingly stringent regulation.

At the same time, we are experiencing an era of rapid technological evolution. Emerging technologies such as Gen AI are reshaping the banking industry and other sectors at an unprecedented pace. Emerging technologies are not just optimising processes, but also creating new models of interaction, decision-making mechanisms, and sources of value. Client-wise, we are witnessing an evolution from standardised services to "super personalised" smart companionship; and in terms of risk control, dynamic risk prediction and disposal based on large models are improving the resilience of the financial system. On the operational side, the widespread application of intelligent agents will greatly improve organisational efficiency and redefine the boundaries of human-machine collaboration. In 2025, we expect to see more banks embrace AI and explore its potential in various areas. In adopting new technologies, there will certainly be challenges in data security, model governance, ethics and compliance, and upskilling. While exploring new use cases, banks need to build a sound governance framework and mechanisms for risk prevention to ensure safety, compliance, and sustainability in technological applications.

"Although the mountaineer senses that the summit is not far, reaching it will still take a lot of hard work." Going forward, we will work together with industry peers to explore paths to the future of banking and seize opportunities in the digital age to build a new financial ecosystem that offers greater human touch, intelligence and agility.

**Thomas Chan**
Head of Financial Services Assurance
KPMG China

2025 is a crucial year for China's banking industry to open up new opportunities in the face of changes and challenges. During the year, amid a complex and ever-changing macro environment and fast-evolving technology, building a management system that is both resilient and able to deliver more vitality will be a key task for the banking industry.

Excellence in risk management should no longer be seen as a "safety net" for business development, but rather as a "navigator" for driving value creation. Banks need to deeply integrate risk management into strategic decision-making, business processes, and corporate culture, building comprehensive and forward-looking lines of defence to address increasingly complex credit risks, market risks, operational risks, and new types of digital risks.

We are pleased to see that amid the industry's ongoing transformation, banks are evolving their approach to compliance management. Industry leaders have begun to shift from traditional reactive compliance to proactive governance; and in this effort, they are supported by strong digital capabilities. By harnessing technologies such as regtech and data & analytics, banks can more efficiently identify risks, issue warnings against potential breaches, and strike a balance between innovation and security.

In the future, risk management will not be about steering clear of risks, but about achieving a dynamic balance between risk prevention and business development. This will require banks to have access to forward-looking insights, agile response mechanisms, and strong technical support. In the years ahead, we look forward to working alongside industry players to jointly build robust lines of defence, with a view to empowering China's banking industry and guiding it steadily towards high-quality development.

**Sam Shi**
Head of Banking
KPMG China

Amid profound transformations in the industry, China's banking sector is now standing at a crossroads. Deepening interest rate liberalisation reform, increasingly diverse customer needs, and accelerated technological iteration are the "new normal" for the sector, and these trends have also brought unprecedented challenges. Against this backdrop, accelerating and deepening digital transformation is no longer an option; it is a "must" for banks if they are to retain their core competitiveness in the future.

Based on our observations from visits and on-site surveys, industry leaders are actively reshaping their business models using digital technologies. As interest margins narrow, digitisation can help banks refine asset and liability management and control costs. To meet diverse customer needs, banks can harness digitisation to gain more agile market insights and transform from product sellers into partners that provide comprehensive value. To keep up with fast-evolving technology, the key to transformation lies not only in application, but also in building robust core digital capabilities, which include strong data governance, a sound risk control system, and a flexible technological architecture. Digitalisation has become a key engine enabling banks to break through bottlenecks and build competitiveness through differentiation.

As a long-term service provider and observer of the banking sector, we are well aware that every transformation is accompanied by new risks. In this context, striking a balance between innovation and compliance, efficiency and safety is a pressing consideration for all banks.

**Raymond Li**
Partner, Financial Services
KPMG Intelligence and Insights Centre for Financial Services in China
KPMG China
(Editor-in-Chief)

This is the 19th annual China Banking Survey released by KPMG. Launched in the 11th Five-Year Plan period, this series has witnessed China's economy transition from high-speed to high-quality development, and has presented a vivid view of the country's banking sector in these changing times from KPMG's perspective.

This year's report is structured similarly to previous versions. The first part mainly consists of four sections: macroeconomic and financial analysis, industry developments and trends, strategic insights, and interpretation of regulatory policies. We have added a section to the industry analysis section to show comparisons with major developed economies such as the United States, the European Union, and Japan, with the aim of helping the industry understand the direction of the domestic and international environment and policies. The second part covers nearly 20 hot topics under the three main themes of "AI Strategy and Practices," "Business Innovation and Refined Management," and "Comprehensive Risk Management and Compliance," which aligns with the focus on "preventing risks, enhancing supervision, and promoting development" defined in the national strategy for the industry. The final section, "Financial Summary of 150 Commercial Banks," presents a straightforward overview of the operating results of different types of banks, providing valuable information and references for industry players.

I would like to express my sincere appreciation to all of the firm's colleagues who have provided valuable input during the preparation of this report. This annual report, which embodies the collective expertise and efforts of KPMG's professional team, aims to provide useful insights and practical references for strategic decision-makers, practitioners, and others who are interested in China's banking sector.

# Overview

# Economic and financial review and outlook

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We would like to give special thanks to Yuka Ding and Carrie Zhou.

## 01 As China and the United States shift towards a long-term approach to tariffs, the former is stepping up policies to address uncertainty

China's real GDP growth reached 5.4% in the first quarter of 2025, which was consistent with the fourth quarter of the previous year and exceeded expectations among market participants (Figure 1). The strong performance was partly due to proactive domestic policies driving consumption and corporate investment and partly due to the boost to exports as enterprises rushed exports to avoid the April deadline for reciprocal tariffs imposed by the Trump administration. Meanwhile, recovering domestic demand and rising external demand resulted in a rebound in production.

However, there are notable concerns about future economic momentum. In terms of domestic demand, first, as production is still stronger than demand, prices remain at low levels, and the GDP deflator has been recording negative results for eight consecutive quarters; second, inventory pressure on real estate developers is undiminished, and it is unclear when the real estate industry will stabilise; and third, the stimulative effect of the consumer goods trade-in programme may weaken going forward. In terms of external demand, though substantial progress has been made in trade negotiations between China and the United States, the Chinese government and enterprises need to plan ahead for a complex, ever-changing international trade landscape complicated by possible lengthy disputes between China and the United States.

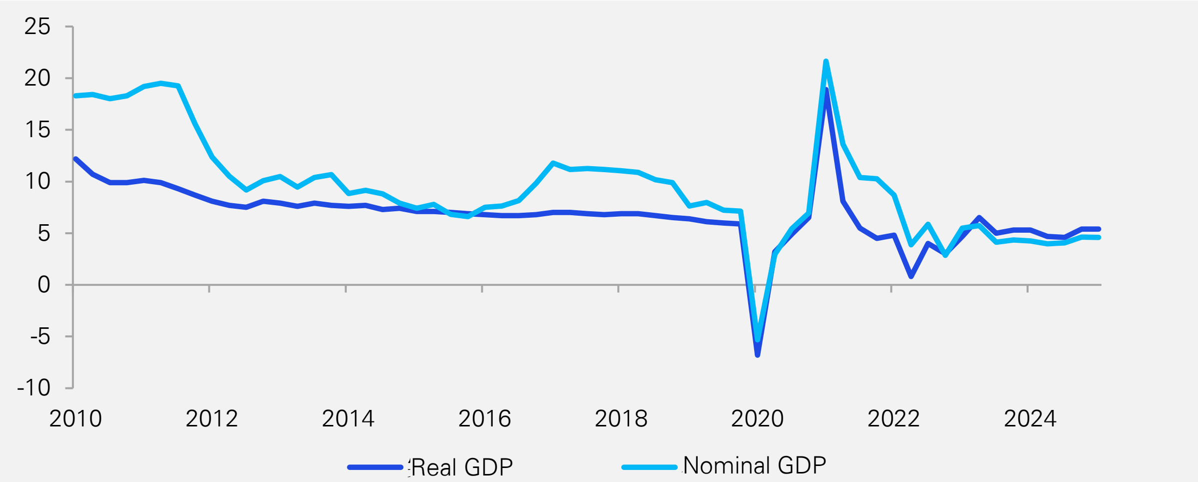
On 12 May, China and the United States issued a joint statement on the economic and trade meeting in Geneva, announcing that the 125% tariff imposed by the parties on each other since 2 April would be reduced to 34%, and suspending the rate of 24% for an initial period of 90 days, while retaining the remaining ad valorem rate of 10%. At the same time, the two countries will establish a mechanism to continue discussions about economic and trade relations. Overall, the current average tariff rate imposed by the United States on articles from China is around 41%, close to the average rate of 42% imposed by the United States on non-most-favoured nations.

The tit-for-tat trade war between China and the United States is coming to a close. In the short term, Chinese enterprises are expected to "rush exports" in response to future uncertainties associated with the economic and trade relationship. In the second quarter, China's industrial production, manufacturing investment, and foreign trade will remain resilient, in spite of uncertainties about how China-US economic and trade talks will play out in the long term.

Against this backdrop, enterprises need to diversify, reassess their supply chain risks, and leverage technological innovation, risk management, and ecosystem partnerships to disperse risks.

Meanwhile, the government has an abundance of macro policies at its disposal. In late April and early May, the tone for future policy-making was set by three meetings: the Communist Party of China (CPC) Political Bureau meeting, the press conference on policies and measures to stabilise employment and the economy and promote high-quality development, and the press conference on a package of financial policies to stabilise the market and expectations. The government has emphasised the importance of implementing, as early as possible, those policies already introduced; and it is expected to accelerate the issuance of special local government bonds and ultra-long-term special treasury bonds. Meanwhile, in May, the monetary authority launched a new round of reserve requirement ratio (RRR) and interest rate cuts in sync with fiscal policies. Incremental policies are mainly focusing on five areas: stabilising employment, stabilising foreign trade, promoting consumption, expanding investment, and stabilising asset prices; and the central bank has created new structural monetary facilities to step up support for these areas. Going forward, new policy-based financial instruments may be unveiled in due course, with a focus on consumer infrastructure and technological innovation. Given the current positive trend in China-US relations, resilient exports will help alleviate short-term downward pressure on the economy. However, in order to cope with the uncertainty of the rapidly changing external environment and better drive domestic demand, the government is expected to accelerate the implementation of already announced policies in the second quarter and introduce incremental policies into the pipeline as soon as possible.

**Figure 1** Quarterly real GDP growth (%)




Source: Wind, KPMG analysis

In terms of output, industrial added value in the first quarter increased by 6.5% year-over-year (YoY), up from the annual growth rate of 5.8% last year. The manufacturing sector saw its added value growing at a YoY rate of 7.1%, up from 6.1%. Stronger manufacturing momentum in the first quarter was mainly driven by three factors. First, the electrical machinery, computer and communication equipment industries grew rapidly under the "export rush." Second, driven by trade-in policies, the generic device and automotive industries recorded significantly higher growth. And third, the demand for infrastructure investment remained high, resulting in a boom in production and construction and high growth for upstream products such as steel and cement.

In terms of demand, under the trade-in programme, which was expanded at the beginning of the year, consumption became the primary driver of the economy in the first quarter of 2025, accounting for 51.7% of GDP growth. In other words, it drove GDP growth by 2.8 percentage points, an increase of 1.2 percentage points from the fourth quarter of last year. As the "export rush" continued, exports accounted for 39.5% of GDP in the first quarter (2.1 percentage points in terms of the GDP growth rate), making exports a main pillar of the economy, although their growth was slower compared with the fourth quarter of last year. As it coincided with traditional festivals, the first quarter was an off-season for project construction. Coupled with a further decline in real estate investment, the marginal effect of investment on the economy weakened, driving GDP growth by only 0.5 percentage point. In the first quarter, investment's contribution to GDP decreased to 8.7% from 24.5% in the fourth quarter of last year.

Going forward, the significant drop in US tariffs on China will give a boost to corporate expectations. At the same time, considering the possibility of a reversal in US tariff policies and uncertainty following the grace period, companies may step up the "export rush" during the remaining two months of the period due to concerns about long-term supply chain risks. In addition, as the recovery of the domestic real estate market remains uncertain, and prices are still fluctuating at low levels, incremental policies are expected to continue to focus on consumption and infrastructure. These factors will combine to keep domestic production strong in the second quarter.

In terms of consumption, investment, and foreign trade from the demand side:

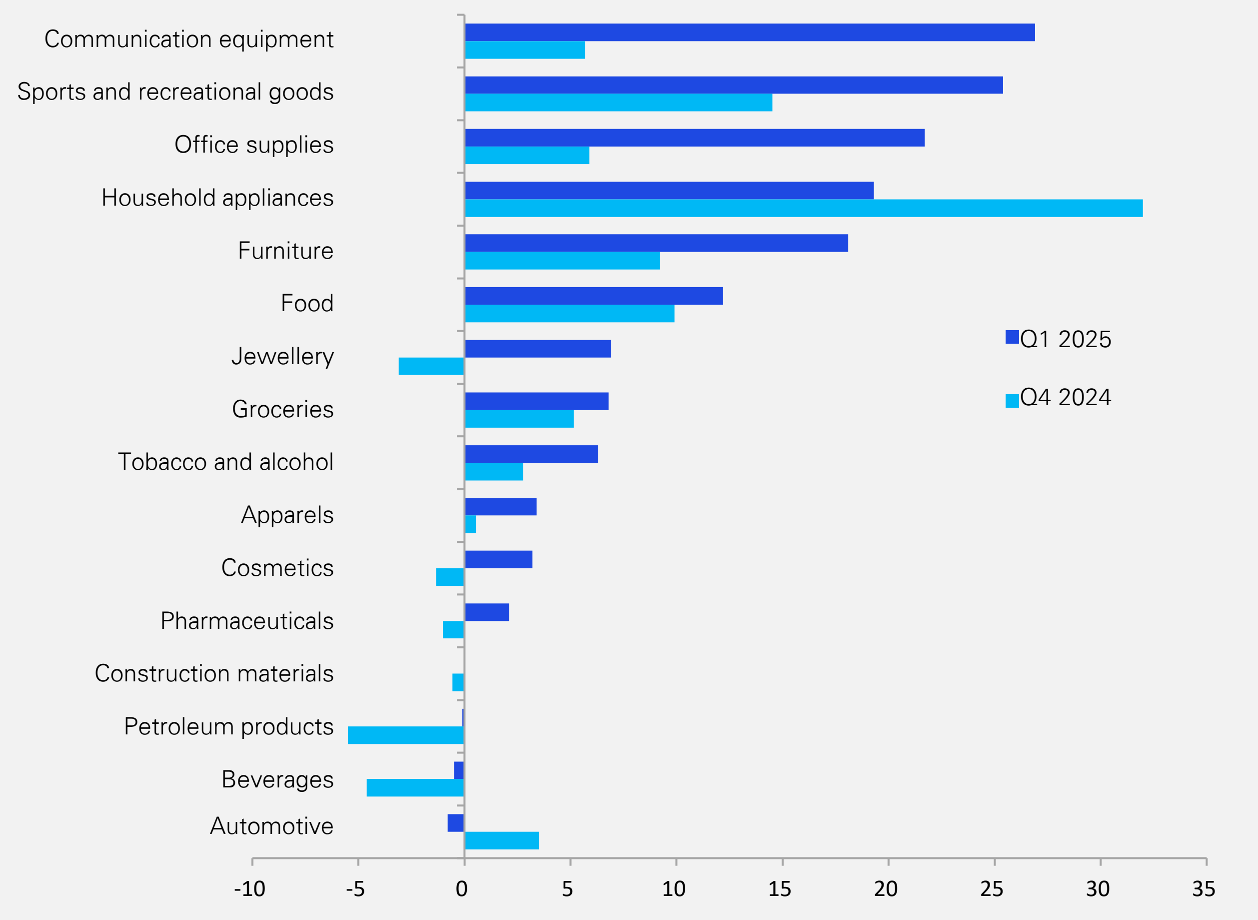
### Policy enhancements sustain a rebound in consumption

Since the beginning of the year, policies designed to promote consumption have been strengthened and expanded, and total retail sales of consumer goods have continued the recovery seen in the fourth quarter of last year. The YoY growth rate of total retail sales in the first quarter climbed by 0.6 percentage point to 4.6%.

In terms of categories, consumption of durable goods such as communication equipment, office supplies, household appliances and furniture that were covered by the trade-in programme maintained strong double-digit growth and accounted for growth of 1.4% in total retail sales. Consistent with the boom in the consumption of cultural and entertainment services, the growth rate of retail sales of sports and entertainment products increased by 25.4% during the same period, up by 10.9 percentage points compared to the fourth quarter of last year, highlighting the strong potential of emotional consumer items as a new source of growth. In addition, the first quarter witnessed improvements in the retail sales growth rate of essential and discretionary consumer items. This rise reflected the overall recovery in consumption, driven by measures to increase residents' income, enhance consumer sentiment, and stabilise the real estate and stock markets, along with the spillover effects of trade-in policies (Figure 2).

However, there are still factors to be addressed that are impeding the "employment-income-consumption" cycle, as the downward trend in residents' income and consumption has not been reversed. Going forward, employment should be the top priority for policy-makers as they seek to address external uncertainty and stabilise economic growth. At the same time, policies and measures that aim to boost consumption are being implemented at a quicker pace, with a focus on ensuring consumers' spending power, increasing consumer subsidies, optimising the supply of services, improving the climate for consumers, and reducing restrictions on the consumption of major appliances. For these reasons, the rebound in consumption is expected to be sustained in the second quarter.

**Figure 2** **YoY growth in retail sales of consumer goods of companies above the designated size (%)**



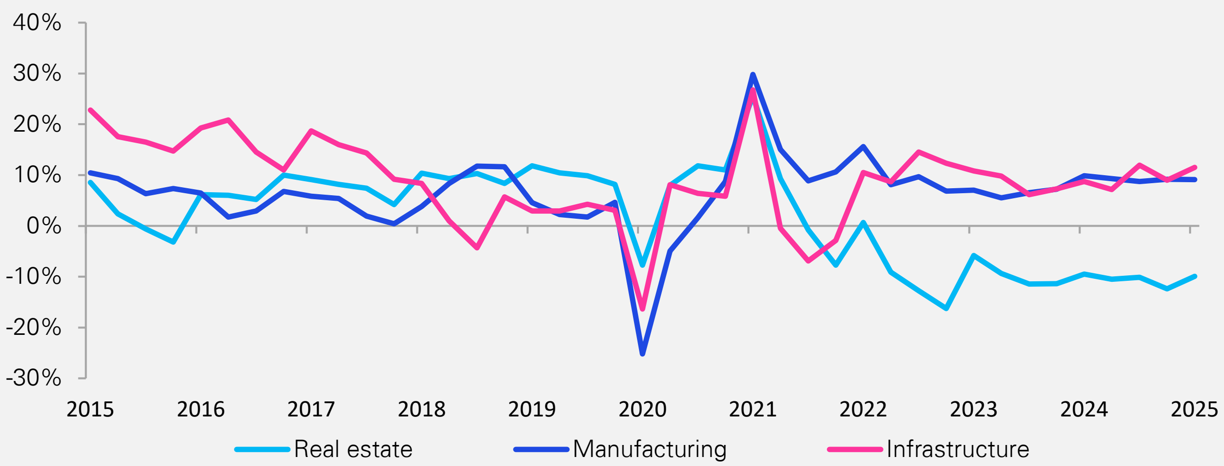

Source: Wind, KPMG analysis

### Infrastructure drove fixed asset investment upwards in the first quarter

Fixed asset investment grew 4.2% in the first quarter of 2025, up 1 percentage point from the 3.2% increase in 2024, and also higher than the 2.7% growth in the fourth quarter of 2024. From a sectoral perspective, thanks to strong and early fiscal support, infrastructure investment in the first quarter increased by 2.5 percentage points to 11.5% compared to the fourth quarter of 2024, becoming the main growth driver and contributing 3.2 percentage points to the increase in overall fixed asset investment. Compared to the fourth quarter of 2024, the decline in real estate investment narrowed by 2.5 percentage points to -9.9%, but it remains the biggest drag on fixed asset investment for the current period, slowing overall investment by 1.7 percentage points. Driven by the infrastructure investment drive, the "export rush," and domestic policies that promote large-scale equipment renewal and the trade-in of old consumer goods (the Two Renewal Policies), the growth rate of investment in the manufacturing industry was relatively stable, recording a slight decrease of 0.1 percentage point to 9.1% compared to the fourth quarter of 2024 (Figure 3).

Looking ahead, as the "export rush" may continue, more domestic policies are expected to be released to support upstream industries, and the production capacity of industries related to the Two Renewal Policies will continue to expand. As a result, manufacturing investment may maintain a certain level of resilience. With the alleviation of local government debt burdens and rising demand for urban renewal and consumption-related infrastructure projects, there is still room for infrastructure investment to grow, and the growth rate is expected to remain high with the support of incremental fiscal tools such as policy driven financial instruments. However, the improvement of real estate investment is still hindered by real estate developers' high inventory and limited land acquisition scale. Supporting the real estate market and stopping it from deteriorating further will remain the focus of the government's economic work in 2025.

**Figure 3** **Quarterly average fixed asset investment by sector (%)**



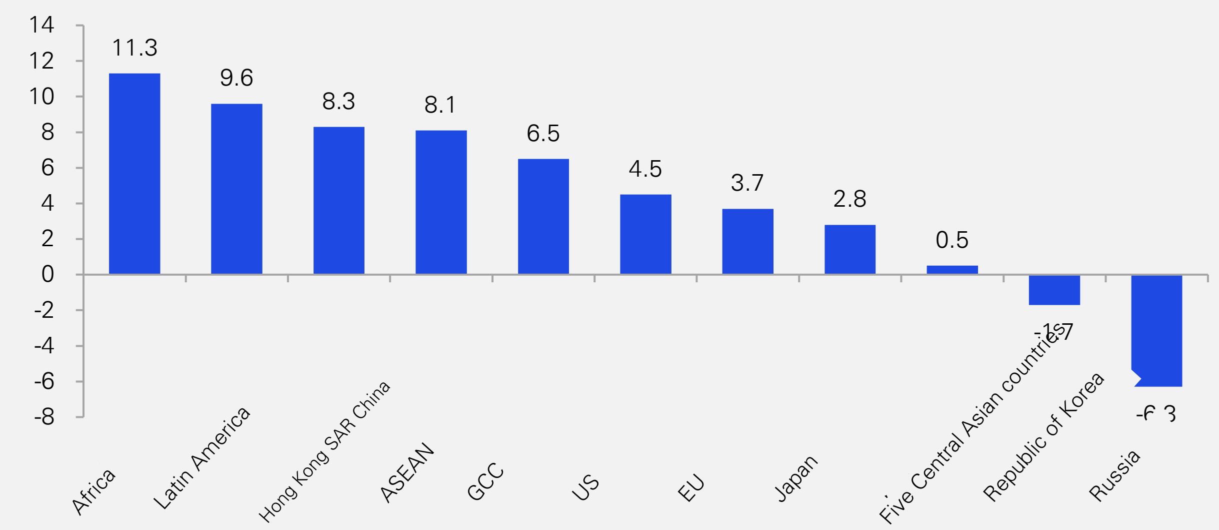

Source: Wind, KPMG analysis

### China's foreign trade shows resilience

In the first quarter of 2025, exports grew 5.8% YoY, basically the same as the full year growth rate in 2024. In March, exports increased by 12.4% YoY; this rebound was mainly caused by the "export rush" triggered by the Trump administration's "reciprocal tariffs" policy, coupled with robust external demand and a low prior-year base. In terms of trade partners, China's exports to emerging markets grew rapidly in the first quarter, with exports to the Association of Southeast Asian Nations (ASEAN), China's largest trade partner, increasing by 8.1% YoY (Figure 4). With the substantive conclusion of negotiations on the China-ASEAN Free Trade Area 3.0, the two sides will further deepen cooperation in emerging fields such as the digital economy, green economy, and supply chain connectivity in the future. Moreover, as a transit hub for Chinese Mainland enterprises to explore international markets, Hong Kong SAR has benefited from the restructuring of global supply chains and the upsurge in transit trade. From the perspective of the export product structure, in the first quarter of 2025, the export of intermediate mechanical and electrical products such as electrical appliances, integrated circuits, and parts and accessories for automatic data processing equipment still occupied a dominant position. In comparison, consumer electronics products such as laptops and mobile phones were affected by tariff policies, and their export activity weakened somewhat.

Looking ahead, China's continuous efforts to diversify its trade partners and optimise its trade structure will not only bring brighter market prospects but also build safeguards in relation to the global supply chain and market fluctuations caused by US tariff policies and geopolitical risks. In the short term, China's export growth might face pressure, but exports are expected to show resilience in the long run.

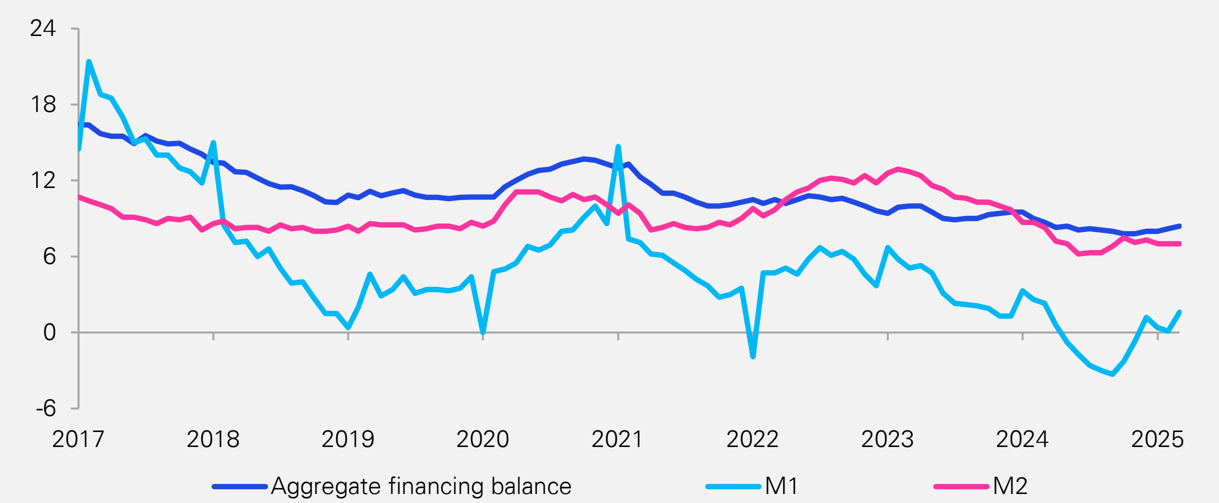
**Figure 4** **Exports to major countries and regions in the first quarter of 2025, cumulative YoY, %**




Source: Wind, KPMG analysis

In 2025, driven by early fiscal support and improved financing demand, China's macroeconomy got off to a good start and posted strong financial data. In the first quarter, aggregate financing increased by RMB 15.2 trillion, reaching a record high and reflecting YoY growth of RMB 2.3 trillion. Net financing of government bonds remained the biggest contributor to the YoY increase in aggregate financing, with an increase of RMB 3.9 trillion in the first quarter, representing significant YoY growth of RMB 2.5 trillion. In 2025, government bonds are expected to continue to grow; and the pace of issuance may accelerate in the second quarter, continuously supporting aggregate financing growth. At the same time, the early boost in fiscal expenditure has enhanced the effect of the Two Renewal and Two Key policies, driving demand for supporting funds. The development of the new technology sector has also picked up speed, facilitating the rebound of financing demand in the real economy in the first quarter: RMB loans grew by RMB 9.7 trillion as per aggregate financing, a YoY increase of RMB 0.6 trillion. As at the end of March, aggregate financing increased by 8.4% YoY, an increase of 0.4 percentage point compared to the end of 2024 (Figure 5). In terms of the monetary supply, the M2 growth rate in the first quarter remained at 7.0% for three consecutive months. At the end of March, under the revised statistical scope, M1 increased by 1.6% YoY, up 1.5 percentage points from the previous month. This can be attributed to the flow of wealth management funds back to residents' current deposit accounts, and the flow of fiscal funds and short-term credit to the short-term deposit accounts of enterprises.

**Figure 5** **Aggregate financing and M1, M2 growth, %**




Source: Wind, KPMG analysis

With the foundation for the economic recovery not yet solidified and external shocks increasing, unconventional and countercyclical adjustments will be strengthened through macroeconomic policies, including fully prepared contingency plans, more proactive fiscal policy and moderately loose monetary policy.

In terms of fiscal policy, due to factors such as weak commodity prices and the early entry of corporate income tax into the treasury at the end of 2024, public finance revenue remained soft in the first quarter of 2025, posting YoY growth of -1.1%, significantly lower than the estimate of 5.0%, and representing a decrease of close to RMB 0.4 trillion compared to the estimated figure. In order to make up for the decline in public finance revenue and maintain expenditures in people's livelihood, net financing of government debt reached a historical high in the first quarter, with issuance progress of 30.2%, a significant increase from the average progress of 3.6% in 2019-2024. With public finance income lower than expected, in an effort to stabilise the scale of government investment, the government actively used central advance funding in the first quarter, and accelerated the issuance of special bonds and policy bank loans, ensuring that infrastructure investment remained at a high level during the quarter. Looking ahead, in order to boost domestic demand, the government will further accelerate the issuance of local government special bonds and ultra long-term special government debt, with the aim of boosting consumption and stabilising the real estate market. To further stabilise infrastructure investment, the government may provide new policy-based financial instruments in the second quarter to meet the increasing funding needs of infrastructure investment projects and enable infrastructure investment to better act in a countercyclical nature.

In terms of monetary policy, the central bank's overall operations in the first quarter were relatively restrained. This was due to the fact that the effects of earlier incremental policies had not yet been fully manifested, as well as the uncertain external environment, and the need to focus on stabilising the exchange rate and mitigating pressure on bank interest spreads. However, the bank's "moderately loose" policy orientation remained unchanged. With rapid changes in the external environment, as well as the still choppy domestic real estate market and sluggish commodity prices, the priorities of monetary policy in the second quarter gradually shifted to stabilising employment and economic growth, which widened room for policy relaxation. On 7 May, the central bank and other institutions jointly implemented a package of financial policies, including reducing the RRR and interest rates and implementing a series of structural monetary policy tools to stabilise the market and expectations.

Going forward, in terms of total volume, there is still room to reduce the RRR and interest rates during the year, but the intensity and pace of such measures will be subject to key variables such as the progress of the US-China tariff negotiations, exports, and economic performance in the second quarter. The RRR is expected to be reduced alongside relevant fiscal policies to create synergies, and the government may further boost liquidity by increasing buyout reverse repurchases and restarting government debt trading. Decisions around interest rate cuts will be subject to factors such as the domestic and international economy, interest rate risk, and financial market volatility. From a structural perspective, policy-makers may further expand existing policy tools and lower their pricing, with a view to guiding credit to weak links and key areas, enhancing support for private small and micro enterprises, technological innovation and green development, and stabilising the real estate and stock markets. At the same time, new policy tools are expected to be launched swiftly, which may include new refinancing tools and new policy-based financial tools, with a focus on supporting technological innovation, boosting consumption, and stabilising foreign trade. In addition, stabilising and activating capital markets have been incorporated into the overall framework of monetary policy objectives.

## 02 The impact of the global tariff storm on the banking industry

The global tariff storm mainly impacts the banking industry through the following three channels:

- Trade: Tariffs directly affect the cash flow and financing needs of import and export enterprises, thereby affecting the trade financing business and cross-border settlement business of banks. High tariffs will narrow the margins of export enterprises, raising the risk of default and putting pressure on the quality of banks' trade finance assets.
- Investment: Tariff policies change global cross-border capital flows, which may reduce foreign investment inflows to China on the one hand, and encourage Chinese enterprises to accelerate their overseas expansions on the other hand. This will affect the cross-border investment and financing business and foreign exchange business of banks.
- Finance: Tariff policies trigger risk averse sentiment in the financial markets, leading to greater exchange rate fluctuations and capital market volatility, which complicates market risk management for banks.

As the lynchpin of financial intermediation and payment settlement, the banking sector plays a key role in all three channels, as both a shock receiver and a supporter that helps enterprises cope with challenges. Amid the escalation of the Trump administration's tariff policy, banks need to comprehensively evaluate the potential impacts on their business lines and develop differentiated response strategies.

First, as enterprises have been actively expanding into emerging markets, the demand for financial services has undergone significant changes, and such services are no longer limited to traditional financing services, but also include comprehensive financial solutions covering investment and financing, risk management, and other areas. In this context, financial institutions in China should strengthen their overseas operations, actively expand settlement channels in emerging markets, develop local currency settlement channels, strengthen global networking and collaboration, and provide merger and acquisition advisory services, with the aim of assisting Chinese manufacturing enterprises in building a comprehensive ecosystem for overseas operations.

Second, amid increasing cross-border settlement volatility, on one hand, banks should optimise foreign exchange position management, enhance exchange rate risk hedging tools, and provide more comprehensive exchange rate hedging services for corporate clients. On the other hand, a decrease in enterprises' foreign exchange collection in respect of exports may lead to a slowdown in the growth of foreign exchange deposits, while demand for payments for imports may remain stable, posing greater difficulties for banks in their management of foreign exchange liquidity. For these reasons, banks need to optimise the structure of their foreign currency assets and liabilities to prevent currency mismatch risk.

Third, in the latest round of China-US negotiations, tariffs on small cross-border packages have not been completely abolished; and the cancellation of the tariff exemption for small packages in the US may change the model for cross-border e-commerce payment. Banks need to adjust relevant payment and settlement services and develop new cross-border electronic payment solutions to meet the needs of small and medium-sized enterprises (SMEs) engaging in cross-border e-commerce.

It is worth noting that the Chinese banking industry has established a series of buffers in response to the impact of cross-border capital flows. The macro prudential management framework for cross-border capital flows in China is constantly improving, and it includes tools such as countercyclical adjustment factors and foreign exchange risk reserves, which can effectively smooth fluctuations in short-term capital flows. Financial institutions should make full use of these policy tools to balance business development with risk management, and seek new growth drivers in international business in the face of uncertainty.

# 03 The medium and long-term prospects for finance in the 15th Five-Year Plan period

In the medium to long term, the world economy faces risks around low growth and high debt, as well as frequent geopolitical conflicts and economic and trade friction, along with the long-term strategic game between China and the US. From a domestic perspective, as the economy shifts into a new development model, economic growth is gradually slowing, while structural problems in key areas still exist. The complex and ever-changing domestic and international economic and financial environment has had an extensive and profound impact on China's banking and capital markets. The 15th Five-Year Plan, which covers a crucial period for achieving the long-term goals for 2035, has put forward new requirements for further improving the ability of financial services to serve the high-quality development of the economy, strengthening financial security, deepening financial reform, and high-level opening up to the outside world. On the other hand, the diversified demand for financial products and services arising from technological innovation, the digital economy, green development, consumption upgrading, the silver economy, and enterprises' go-global initiatives provides new opportunities for the development and internationalisation of the country's financial sector.

## The diversification of financial services is accelerating in the era of low interest rates and strong regulation

Amid the market-oriented reform of interest rates and the sustained low interest rate environment, financial institutions' margins in traditional deposit and loan business have narrowed significantly. At the same time, financial regulation is becoming increasingly rigorous and imposing more detailed requirements. Data falsification, avoidance of idle funds, and the direction of fund investment are still key regulatory focuses; and this is putting forward higher requirements for the capital management, liquidity risk management, and on- and off-balance sheet coordination of financial institutions, increasing their compliance cost and limiting the expansion of certain types of high-risk business. Continuously narrowing interest spreads and regulatory pressure have forced financial institutions to actively optimise their asset and liability structure, seek new asset allocation directions, innovate debt products, and pursue diversified business transformation. They also need to strengthen the construction of risk management and internal control mechanisms, and improve corporate governance, so as to achieve stable operations and sustainable development.

## Harnessing finance to empower technological innovation and the development of new quality productive forces

In 2024, new types of loans maintained rapid growth in China. As at the end of 2024, the balance of medium- and long-term loans in the manufacturing sector increased by 11.9% YoY, significantly higher than the growth rate of other loans during the same period. The balance of loans for "specialised, distinctive and innovative enterprises" (ZJTX enterprises) increased by 13% YoY, and the loan acquisition rate of technology-based SMEs was close to 50%. The balance of inclusive small and micro loans increased by 14.6% YoY, and loans have covered about one-third of operating entities. The balance of green loans in local and foreign currencies increased by 21.7% YoY, accounting for approximately 14% of the total loan balance.

During the 15th Five-Year Plan period, financial supply side structural reform will focus on the "five major articles" of science and technology, green, inclusiveness, elderly care, and digital finance; and the sector should strive to improve the standards system and basic systems, enhance the multi-level financial service system, and guide capital market resources into major strategic and key areas such as technological innovation, the digital economy, the green economy, and the silver economy, as well as "weak links" such as inclusive people's livelihood, private enterprises and SMEs.

In the context of China's effort to vigorously develop new quality productive forces, technological innovation is the core driving force. Going forward, policies will be further optimised, and technology-oriented financial instruments will be devised, to strengthen financial services for the full value chain and lifecycle of technology enterprises, with a view to guiding financial capital into early-phase, small, long-term, and "hard technology" enterprises.

### Green investment and the construction of the carbon market are bringing about huge opportunities for the development of green finance

Under the guidance of the Dual Carbon goals, China's new energy industry will maintain rapid growth and dominate global industrial and supply chains. So far, the country has built a multi-level green financial market system, which is mainly comprised of green loans and green bonds, as well as various green financial instruments. The scale of green loans and green bonds ranks among the highest in the world. Currently, the construction of China's carbon market is still in its initial stage, and it is expected to expand significantly and develop further during the 15th Five-Year Plan period. Moreover, future policies will formulate and improve the standards system for green bonds, green stocks, and sustainable information disclosure, encouraging research and development of more green derivatives such as carbon futures and options.

### Innovative pension finance and consumer finance are adapting to changes in population structure and consumption upgrading

With the accelerated aging of the population and the continuous expansion of the "silver haired" population in China, the development of medical and elderly care services, as well as the savings, investment and consumption needs of the elderly, has provided huge development potential for pension finance. At the same time, more and more young people are also planning for their elderly care in advance. To address their needs, financial institutions are designing differentiated elderly care financial products that are tailored to the needs of different age groups. In terms of consumer finance, banks are focusing on new growth points and new consumption scenarios such as digital, green, and intelligent consumption, with a view to enriching and improving financial products and services, activating people's consumption potential, and increasing support for providers of consumer goods.

### Financial technology is empowering the digital and intelligent transformation of the financial industry

With the rapid development of cutting-edge technologies such as AI, big data, and blockchain, financial technology (fintech) has brought disruptive changes to the traditional business models of the financial industry, driving efficiency and business transformation. Especially in subsectors such as digital payment, digital currency, and intelligent investment advisory, fintech has shown great development potential, accelerating the digital and intelligent transformation of financial institutions. In the future, regulators will also strengthen the construction of digital infrastructure and the transformation towards intelligence, promoting the application of AI and big data in the capital market—such as in respect of risk monitoring, information disclosure and investor protection—in order to improve the transparency and efficiency of the capital market and promote its stable development.

### Further opening up of the financial industry is helping to optimise offerings of international financial products and services

During the 15th Five-Year Plan period, China will further open up its financial industry to the world, encouraging more high-quality foreign financial institutions to enter the Chinese market, with the aim of enriching and optimising the supply of financial products and services. At the same time, China will progressively promote the internationalisation of the RMB, develop the offshore RMB market, improve the cross-border use policy for the RMB, and enhance the RMB's position in international trade, investment, and reserves, while also accelerating the construction of financial infrastructure along the Belt and Road regions. In addition, the global expansion of Chinese enterprises and the cross-border e-commerce boom also require the continuous optimisation and diversification of cross-border financial products and services. In the future, financial institutions need to actively seize opportunities in cross-border financial business; build a comprehensive cross-border financial service network covering cross-border investment and financing, cross-border consumption, cross-border trade, foreign exchange management, international risk assessment and other relevant areas; and leverage digital technology to build a flexible and scalable cross-border financial service platform, with the aim of providing more systematic and professional services for foreign enterprises investing in China, foreign individuals living in China, and Chinese enterprises' go-global efforts.

# Review of banking developments in 2024 and comparisons with international peers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### Domestic banking industry

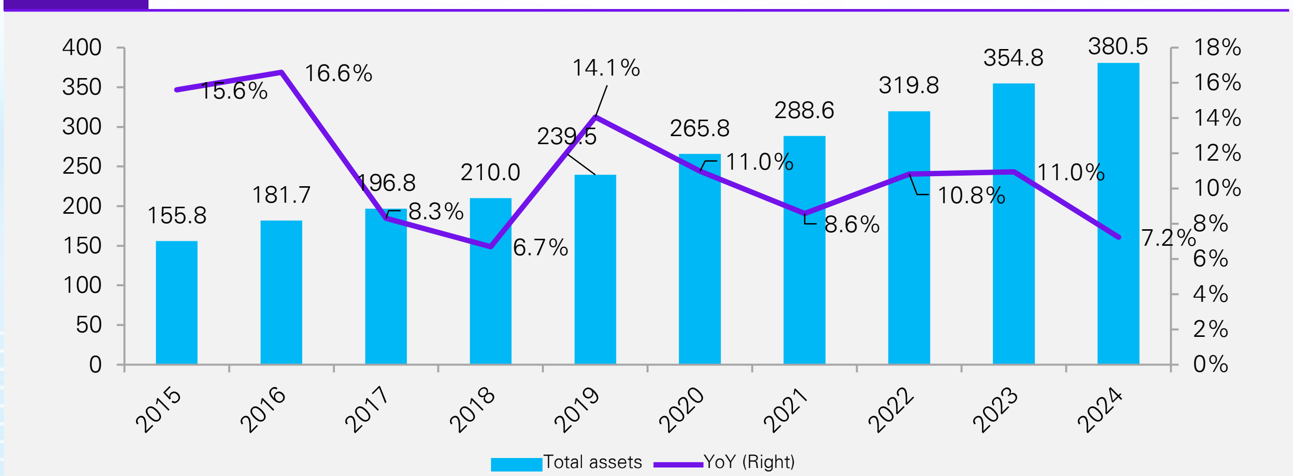
Against the backdrop of continuously declining interest rates and rising uncertainty in the global economy, commercial banks are facing significant challenges in their operations, recording weak growth in their net interest income and intermediary business income, and a fall in net profits for the first time since the pandemic. However, there are also bright spots: healthy key regulatory indicators, generally stable asset quality, steadily improving capital adequacy ratios, and continuous improvements in their risk management systems. This not only contributes to strengthening the lines of defence that safeguard the financial system, but also provides strong financial support for the high-quality development of the real economy by optimising efficiency in the allocation of financial resources.

## Asset perspective

***Asset size: The total assets of commercial banks increased by 7.2% YoY, representing a slowdown in growth rate***

As at the end of 2024, the total assets of commercial banks reached RMB 380.5 trillion, a YoY increase of 7.2%, which is 3.8 percentage points lower than in the previous year (Figure 1). The fall from double-digit to single-digit growth reflects a reorientation in banks' strategies as they refine their approach and focus more on quality and efficiency instead of pursuing expansion as they did in the past.

**Figure 1** **Commercial banks' total assets (RMB trillion)**



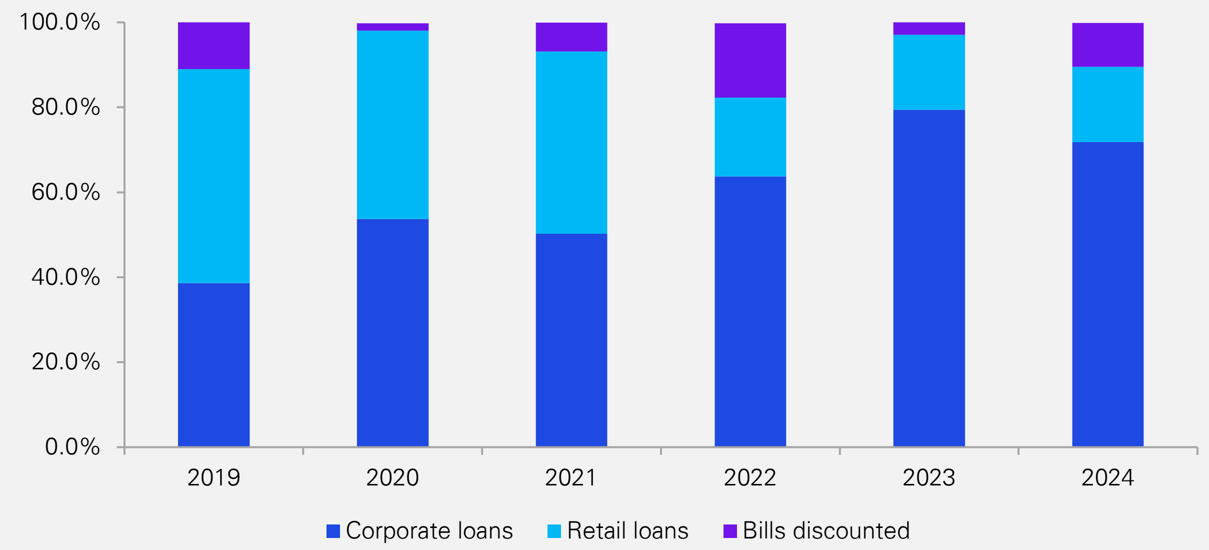

Source: KPMG analysis

*Loans: For listed banks, weakening corporate demand dragged down the scale of new loans*

In 2024, listed banks[1] recorded RMB 13.2 trillion in new loans, a decrease of RMB 3.2 trillion compared to 2023.

Loans grew at a significantly slower rate: on the one hand, enterprises have grown more cautious in undertaking activities, due to insufficient momentum for economic recovery, which has led to a decrease in loan demand; on the other hand, regulator-imposed adjustments to the financial sector's method of accounting for added value have effectively curbed banks' practices in offsetting loans to devise a better balance sheet. In short, the financial data of banks that was previously inflated is now more aligned with reality. In terms of the structure of new loans, corporate loans accounted for 71.8%, but declined YoY by RMB 3.6 trillion, which was the main cause of the overall decrease in new loans; retail loans accounted for 17.7%, a YoY decrease of RMB 0.5 trillion; and in contrast, bills discounted increased by RMB 0.9 trillion, representing the only segment that recorded YoY growth (Figure 2). Bills have a short cycle, are regulated under a flexible mechanism, and are highly liquid, which—coupled with insufficient business and investment demand and banks' adjusted credit structure—resulted in a significant increase in short-term financing with bills.

**Figure 2** **Composition of new loans by listed banks (%)**



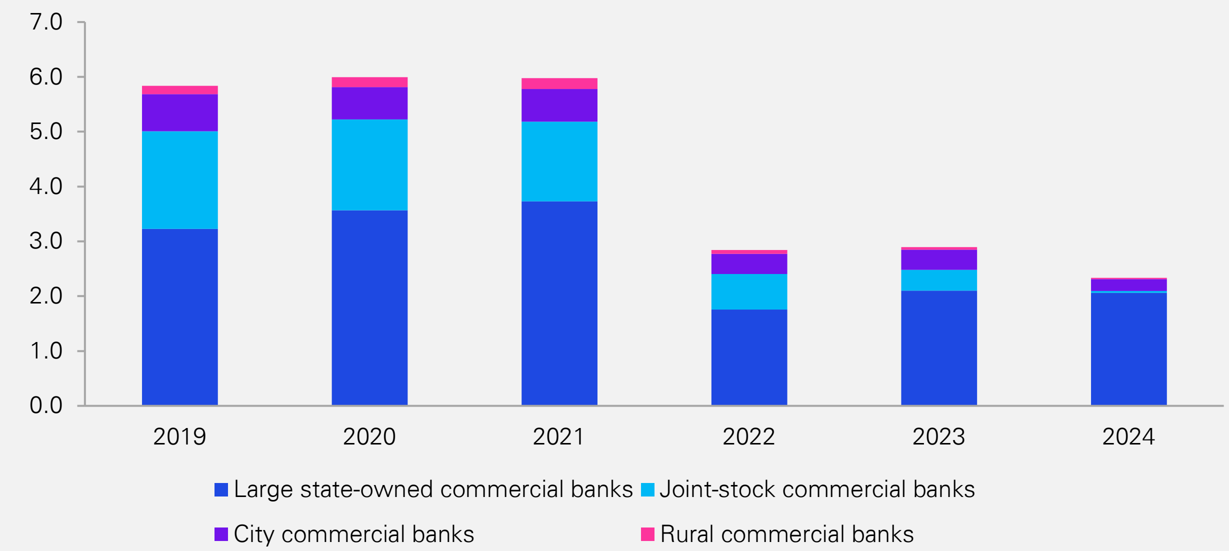

Source: Wind, KPMG analysis

***Retail banking: Consumer loans, business loans, and credit card overdrafts increased, leading to higher non-performing loan (NPL) ratios***

In 2024, listed banks added RMB 2.3 trillion in personal loans and advances, a decrease of RMB 0.5 trillion compared to the previous year. Different types of listed banks saw different trends in the scale of new personal loans and advances, with large state-owned commercial banks adding RMB 2.1 trillion, a decrease of RMB 21.71 billion compared to the previous year, joint-stock commercial banks adding only RMB 33.85 billion, a decrease of RMB 347.44 billion, city commercial banks adding RMB 217.8 billion, a decrease of RMB 149.42 billion, and rural commercial banks adding RMB 21.48 billion, a decrease of RMB 22.84 billion (Figure 3). Overall, in 2024, banks tended to be cautious in issuing personal loans, especially joint-stock commercial banks and rural commercial banks which saw a significant slowdown in the growth of personal loans.

[1] There are a total of 59 A-share and H-share listed commercial banks in China, including Jiutai Rural Commercial Bank which has not yet disclosed its 2024 annual report, and Yibin Bank which was listed in 2025. The analysis of listed commercial banks does not include these two. Unless otherwise specified, the listed banks covered in this report represent the other 57 banks.

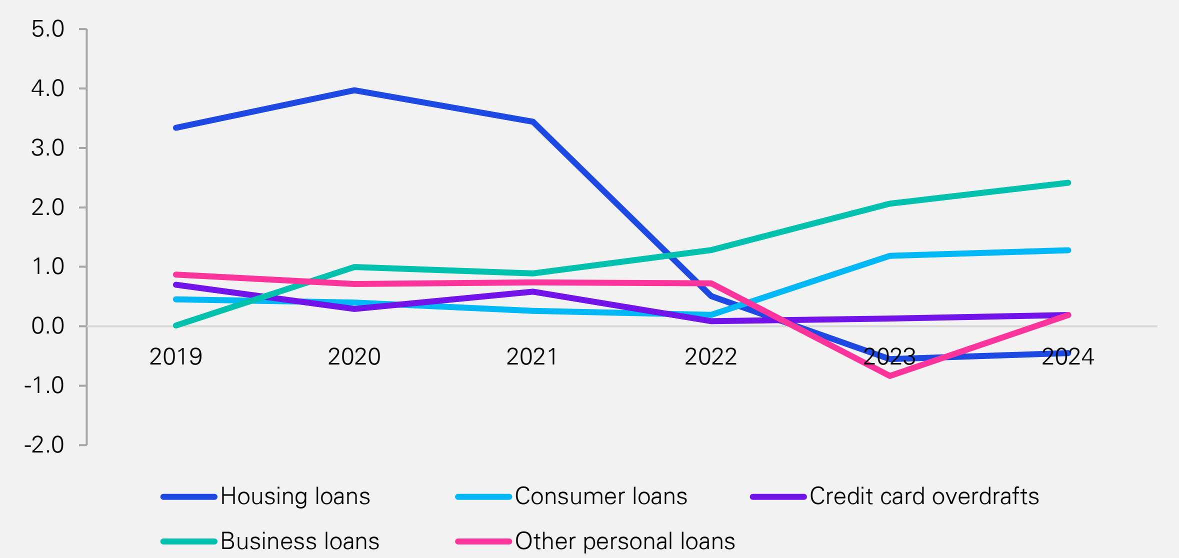
**Figure 3** **New personal loans and advances by listed banks (RMB trillion)**




Source: Wind, KPMG analysis

Housing loans have always been an important component of retail loans. However, with weakening demand in the real estate market, housing loans—which used to grow by RMB 4 trillion annually—recorded negative growth in 2024. Against this backdrop, business loans and consumer loans have gradually emerged as the dominant categories of retail loans. In 2024, among new retail loans of listed banks, housing loans declined by RMB 449.10 billion, representing a smaller decrease than in 2023; business loans grew by RMB 2.4 trillion, an increase of RMB 352.89 billion compared to the previous year; consumer loans grew by RMB 1.3 trillion, an increase of RMB 94.60 billion; and the scale of credit card overdrafts grew by RMB 189.85 billion, an increase of RMB 57.27 billion (Figure 4).

**Figure 4** **Listed banks' new retail loans by category (RMB trillion)**

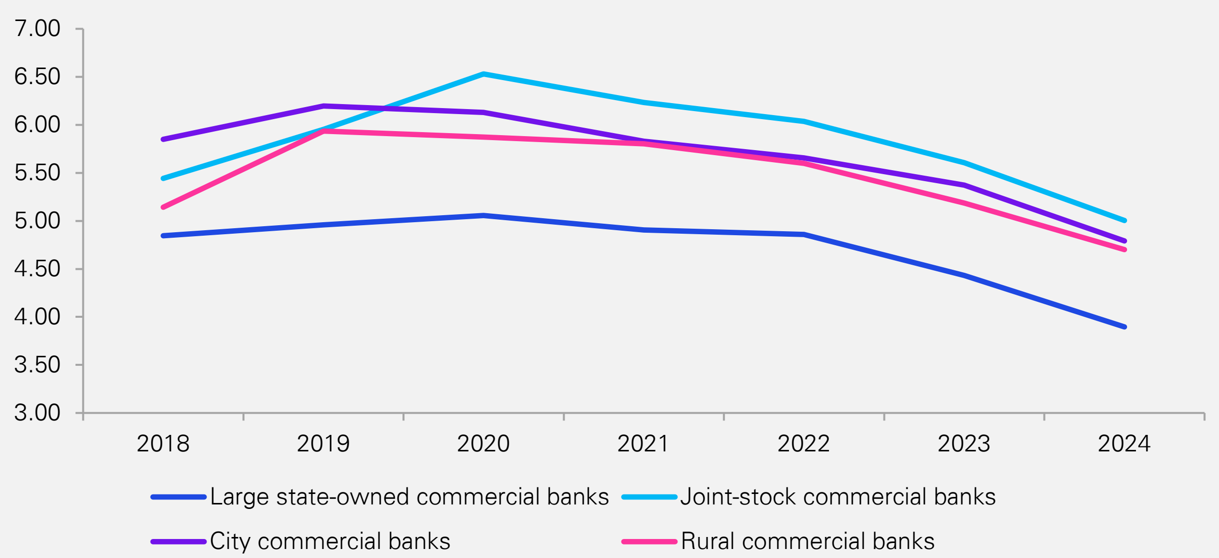



Source: Wind, KPMG analysis

In recent years, listed banks' average return from retail loans has been falling. In 2024, the average return on personal loans and advances decreased to 4.72%, down 56 basis points on the previous year; and this downward trend was consistent across all types of banks. Although joint-stock commercial banks experienced the biggest decline, they still had the highest yield, 110 basis points higher than large state-owned commercial banks, which had the lowest yield (Figure 5).

There has been a systematic downward trend in the pricing of retail loans. On one hand, in order to stimulate demand in the real estate market, in 2024, the People's Bank of China (PBOC) cumulatively cut the loan prime rate (LPR) for loans maturing in more than 5 years by 60 basis points to 3.60%. At the same time, it encouraged banks to dynamically adjust interest rates on existing housing loans, resulting in a decrease in their housing loan yield. On the other hand, in the consumer loan market, banks have been engaged in a fierce price war to compete for high-quality customer groups. Joint-stock commercial banks adopted techniques such as group loans and preferential rates for whitelisted customers and lowered their annualised interest rates to around 3%. Some regional banks even offered consumer loan products priced at below 3%, resulting in a significant narrowing of returns on consumer loans. However, since April 2025, some banks have raised consumer loan interest rates, indicating that they are becoming more rational in their competition and that interest rates on consumer loans are likely to go up.

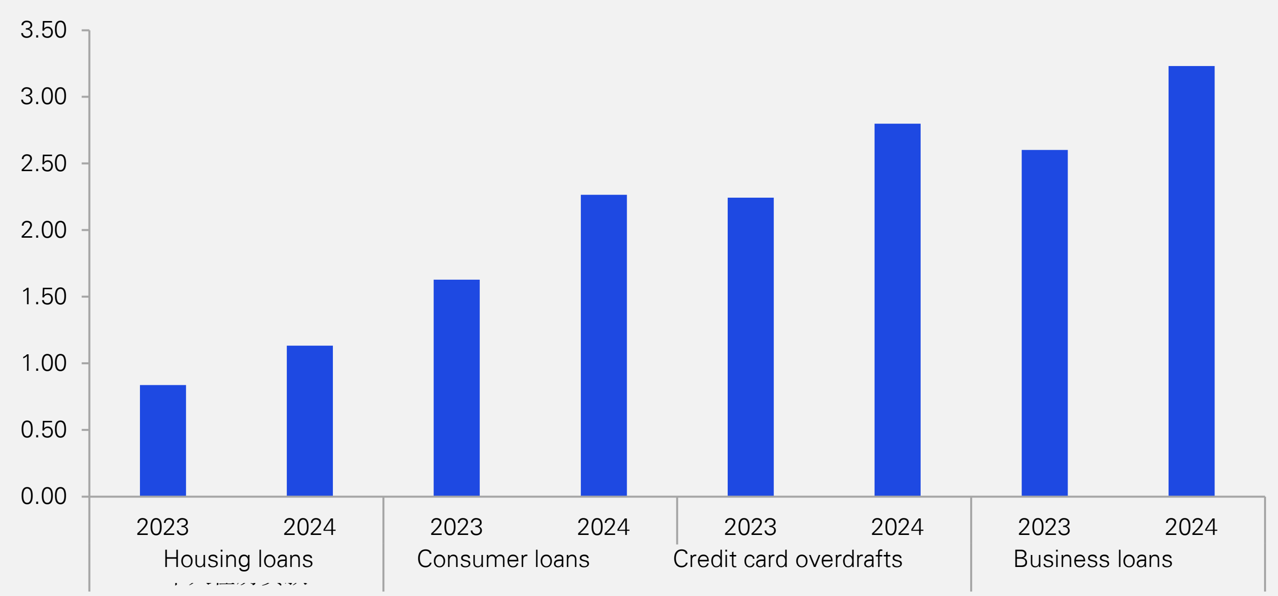
**Figure 5** **Listed banks' retail loan yields (%)**




Source: Wind, KPMG analysis

In 2024, NPL ratios increased across all types of retail loans. Specifically, the NPL ratio of business loans reached 3.23%, the highest among various types of retail loans, up 0.63 percentage point compared to the previous year; the NPL ratio of credit card overdrafts was 2.80%, up 0.56 percentage point compared to the previous year; that of consumer loans increased significantly to 2.27%, up 0.64 percentage point, the largest increase; and the NPL ratio of housing loans was 1.13%, an increase of 0.29 percentage point (Figure 6). As NPL exposure from retail loans has increased at an accelerating pace, banks have been stepping up their disposal efforts. According to data from the Centre for the Registration and Transfer of Banking Credit Assets, as at 31 December 2024, the number of newly transferred non-performing personal loans increased by 260% YoY. Previously accumulated risks associated with credit cards, internet loans, and housing loans are beginning to materialise. Coupled with the impact of increasing macroeconomic uncertainty on residents' income, banks are expected to continue to face pressure from NPL ratios in respect of retail loans.

**Figure 6** **NPL ratio of retail loans by category**




Source: Wind, KPMG analysis

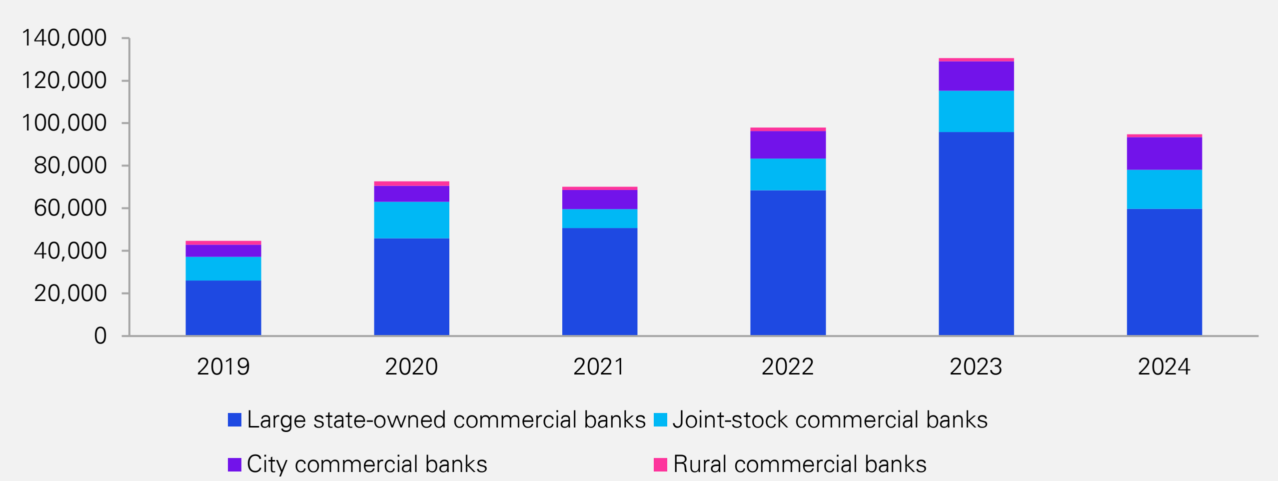
Note: Some listed banks have disclosed their retail loans by category. In 2023 and 2024, 23 banks disclosed housing loans, 18 banks disclosed consumer loans, 15 banks disclosed credit card overdrafts, and 22 banks disclosed business loans. The above analysis is based on these banks that have disclosed loan information by category.

### *Corporate business: Corporate loans decreased by RMB 3.6 trillion YoY, but technology loans grew, bucking the trend*

In 2024, new corporate loans and advances by listed banks amounted to RMB 9.5 trillion, a decrease of RMB 3.6 trillion compared to 2023. Although the PBOC enacted multiple RRR and interest rates cuts in 2024 to support the development of the real economy, enterprises remained reluctant to borrow due to internal and external pressures, sluggish demand, and insufficient corporate confidence, resulting in a significant decline in the loan growth rate.

Different types of banks performed differently in terms of the growth rate of corporate loans, with large state-owned commercial banks adding RMB 6.0 trillion in new corporate loans, a decrease of RMB 3.6 trillion compared to the previous year, joint-stock commercial banks adding RMB 1.8 trillion, a decrease of RMB 101.39 billion, rural commercial banks adding RMB 146.7 billion, a decrease of RMB 2.71 billion, and city commercial banks adding RMB 1.5 trillion, an increase of RMB 152.79 billion (Figure 7).

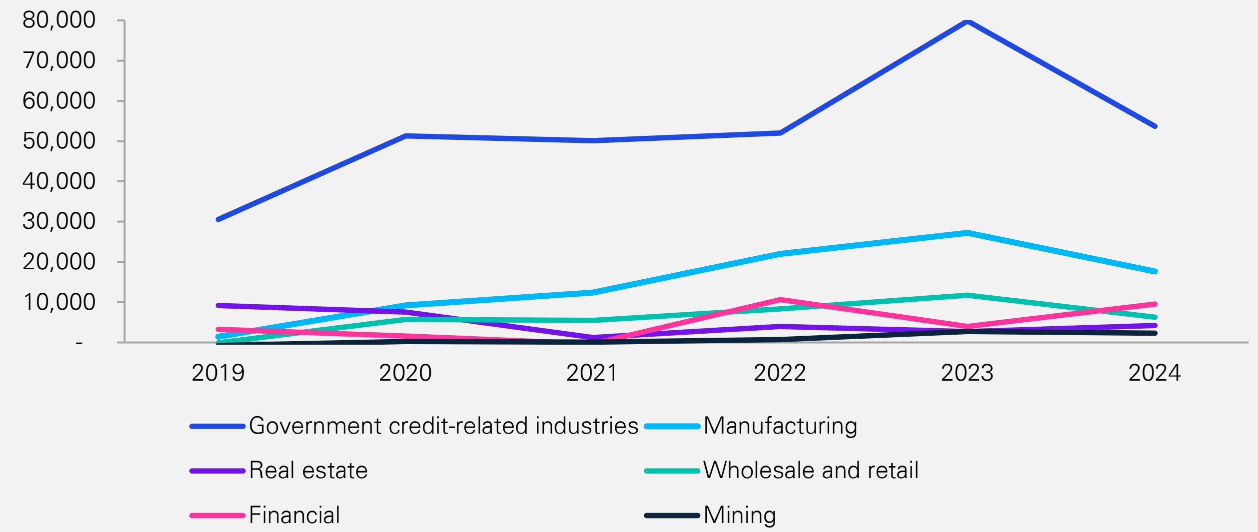
**Figure 7** **Scale of new corporate loans and advances from various listed banks, RMB hundred million**




Source: Wind, KPMG analysis

In 2024, listed banks exhibited different trends in terms of new loans to major industries. On one hand, there was a significant decrease in loan demand from government-related industries[2], including transportation and construction, as well as manufacturing and mining. Loans to government-related industries increased by RMB 5.366 trillion, a decline of RMB 2.6205 trillion compared to the previous year; manufacturing loans increased by RMB 1,765.8 billion, a decline of RMB 957.2 billion; loans to the wholesale and retail industries increased by RMB 629.3 billion, a decline of RMB 544.5 billion; and loans to the mining industry increased by RMB 229.1 billion, a decline of RMB 43.3 billion. On the other hand, loans to the real estate and financial sectors saw significant growth with policy support. As new mechanisms for real estate financing continued to be strengthened in cities across the country, banks increased their lending to whitelisted real estate projects. In 2024, banks added RMB 424.6 billion in new loans to the real estate industry, an increase of RMB 153.9 billion compared to the previous year. In order to activate the capital market and alleviate liquidity pressure on non-bank financial institutions, in 2024, policy-makers took measures to drive the growth of loans to the financial industry. As a result, banks added RMB 954 billion in new loans to the financial sector, an increase of RMB 554.7 billion compared to the previous year, making it the fastest-growing industry in terms of new loans (Figure 8).

**Figure 8** **New loans by listed banks to major industries (RMB hundred million)**




Source: Wind, KPMG analysis

As at the end of 2024, the balance of loans to SMEs in the technology sector stood at RMB 3.27 trillion, a YoY increase of 33.5% (Figure 9)[3]. Against the backdrop of thriving new quality productive forces, a series of policies—such as technology innovation refinancing, compensation for loan risks, linkage between investors and lenders, and innovative mortgage models—have provided financial support for technology companies. At the same time, with the rapid evolution of AI and other technologies, AI Plus has become a new industry trend, greatly boosting technology enterprises' lending needs. In addition, in May 2025, seven ministries including the Ministry of Science and Technology jointly released the *Several Policy Measures to Accelerate the Construction of a Technology Finance System to Support High-level Technological Independence*, which proposed building a technology finance system to promote scientific and technological innovation and enhance financial support for key national scientific and technological projects and technology SMEs. Going forward, with strong policy support and the ongoing drive to develop cutting-edge technologies, technology enterprise loans are expected to continue to grow rapidly.

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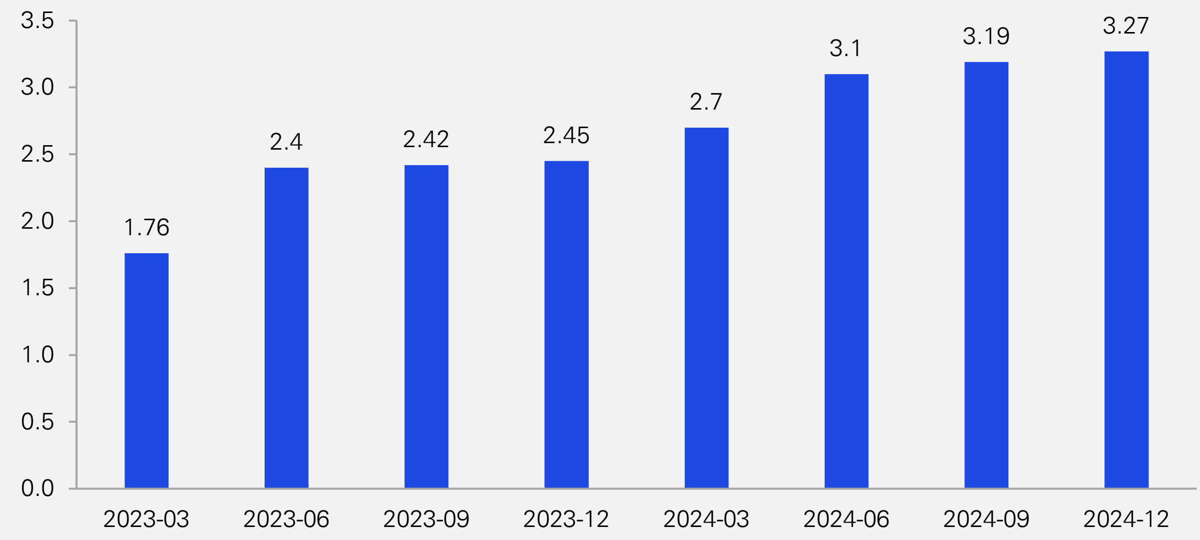
[2] Loans to government-related industries include those to transportation, warehousing, and postal, utilities, construction, leasing and business services, water conservancy, environmental protection, and public facility management.
[3] Some listed banks have not disclosed their technology loans, and data on loans to technology SMEs relates to that issued by financial institutions, sourced from the PBOC.

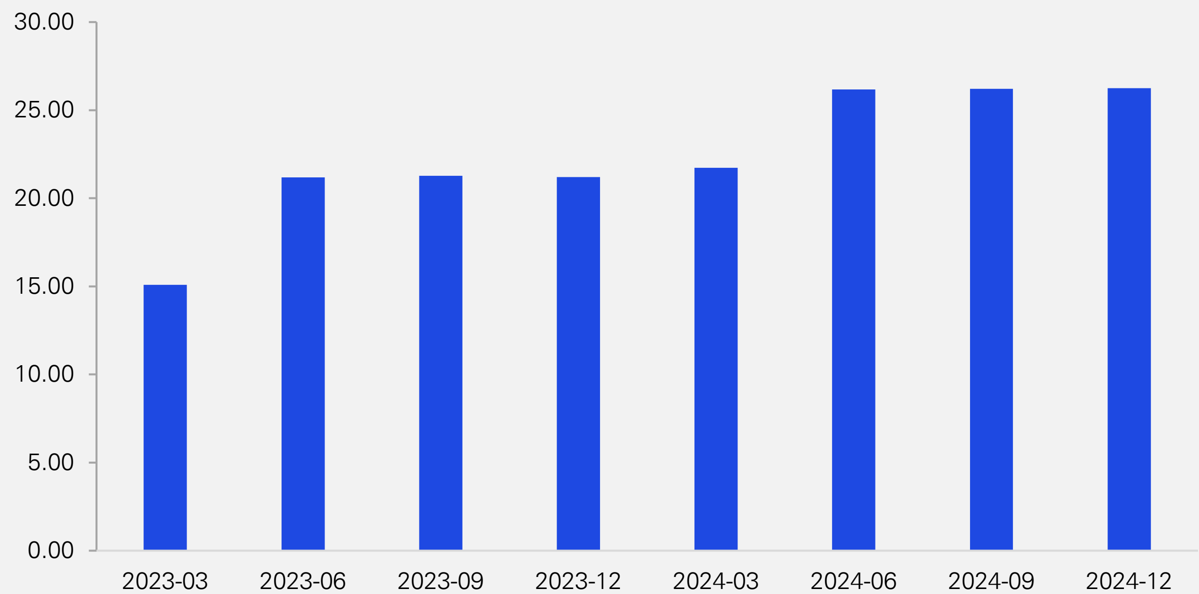
**Figure 9** **Quarterly balance of loans by financial institutions to technology SMEs**




Source: iFinD, People's Bank of China, KPMG analysis

In terms of the number of technology SMEs receiving loan support, 262,500 technology SMEs had obtained loans by the end of 2024, an increase of 50,500 compared to the previous year (Figure 10).

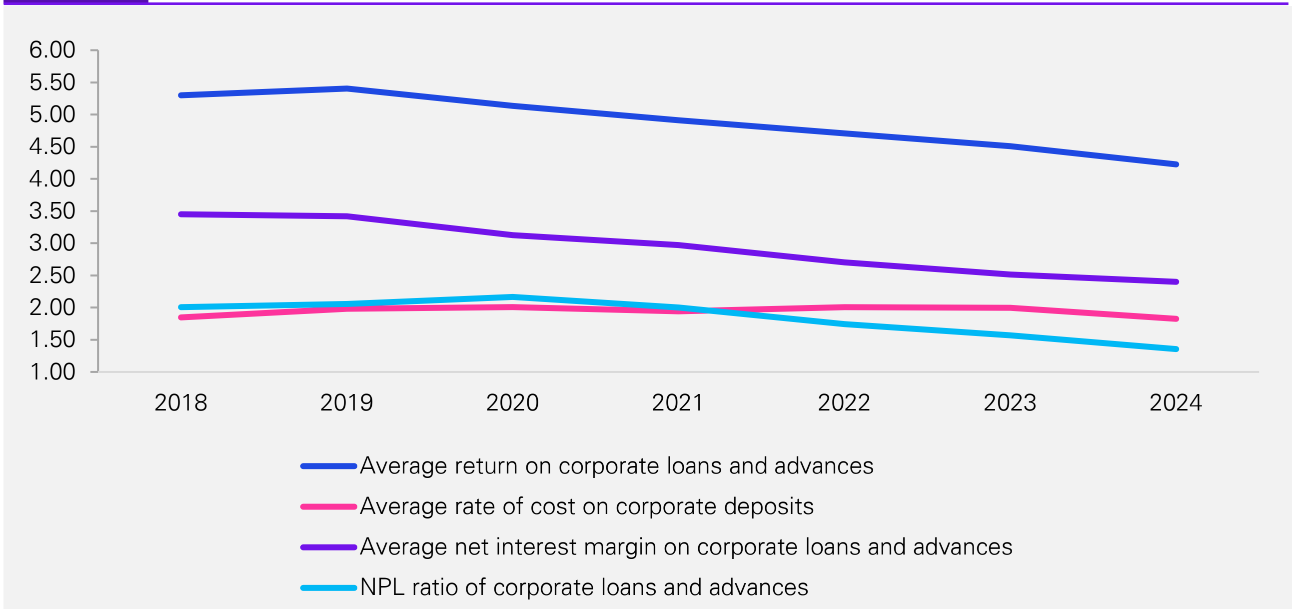
**Figure 10** **Number of technology SMEs receiving loan support during the quarter**




Source: iFinD, People's Bank of China, KPMG analysis

In recent years, banks' net interest margin on corporate loans and advances has been moving downward. In 2024, the average return on corporate loans and advances for listed banks was 4.23%, a decrease of 28 basis points compared to the previous year; the average rate of cost on corporate deposits was 1.83%, a decrease of 17 basis points; and the net interest margin on corporate loans and advances was 2.40%, a decrease of 12 basis points. At the same time, in 2024, the NPL ratio of corporate loans and advances also fell to 1.36%, a decrease of 0.21 percentage point compared to the previous year (Figure 11). To ensure steady profits, banks need to expand their credit assets to cope with declining interest rate spreads and credit risk costs. However, to increase lending, banks will face challenges in areas such as capital adequacy ratios, liquidity management, and risk management; and their limited sources of revenue mean that they have little room to disperse risks and improve profitability through diversification.

**Figure 11** **Movements in the net interest margin and NPL ratio of corporate loans and advances for listed banks (%)**

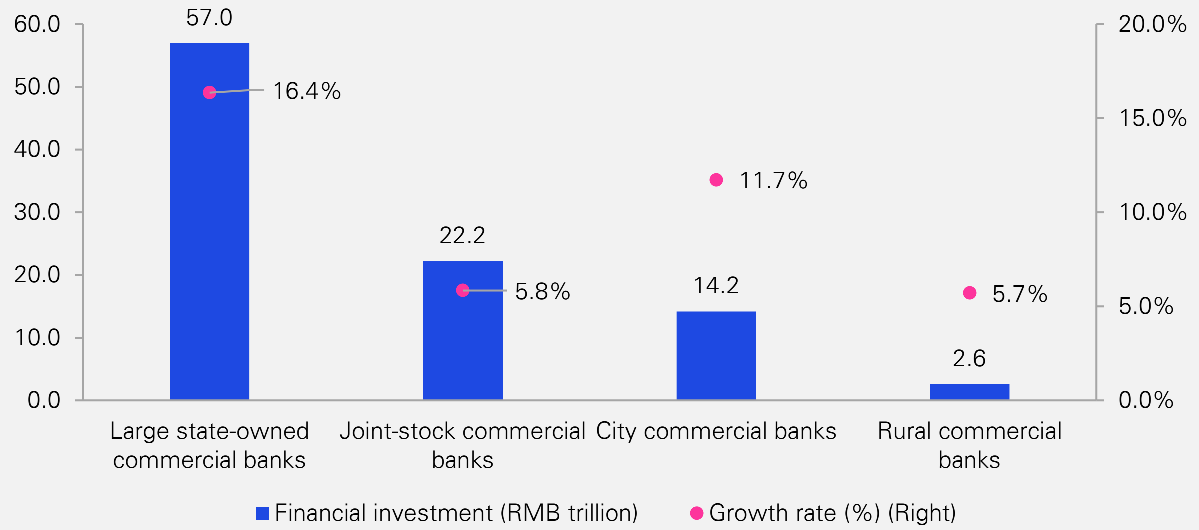



Source: Wind, KPMG analysis

### *Capital business: Financial investment maintained rapid growth, with bond investment accounting for 87.2% of financial investment*

In 2024, listed banks' total financial investment stood at RMB 96.0 trillion, a YoY increase of 12.8%, maintaining high growth. This rise occurred mainly due to the fact that, in the context of weakening credit demand and accelerating government financing, banks have increased their investment in various types of government bonds, local bonds, and green bonds to support the development of the real economy. Specifically, the total financial investment of large state-owned commercial banks was RMB 57.0 trillion, a YoY increase of 16.4%; that of joint-stock commercial banks was RMB 22.2 trillion, a YoY increase of 5.8%; that of city commercial banks was RMB 14.2 trillion, a YoY increase of 11.7%; and that of rural commercial banks was RMB 2.6 trillion, a YoY increase of 5.7% (Figure 12).

**Figure 12** **Listed banks' financial investment (RMB trillion, %)**

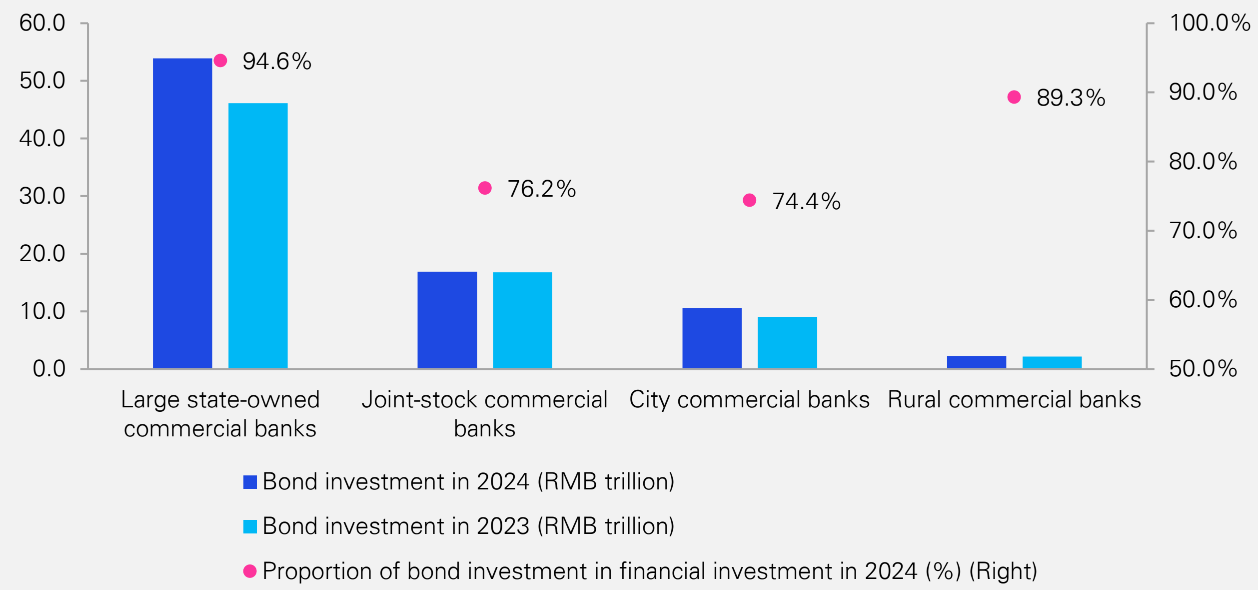



Source: Listed banks' 2024 annual reports, KPMG analysis

In terms of financial investment, listed banks mainly invest in bonds. In 2024, their total bond investment reached RMB 83.7 trillion, a YoY increase of 14.3%. Large state-owned commercial banks and city commercial banks saw rapid YoY increases of 16.9% and 16.3% respectively in their bond investment. Meanwhile, the growth rates of joint-stock commercial banks and rural commercial banks were 0.8% and 4.9% respectively.

Bond investment accounted for 87.2% of listed banks' total financial investment. Specifically, it accounted for 94.6% at large state-owned commercial banks, 76.2% at joint-stock commercial banks, 74.4% at city commercial banks, and 89.3% at rural commercial banks (Figure 13). Compared to large state-owned commercial banks and rural commercial banks, joint-stock commercial banks and city commercial banks have a more diverse investment structure, with funds and other financial investments accounting for a relatively high proportion. The proportion of funds and other financial investments at joint-stock commercial banks and city commercial banks was 23.8% and 25.6% respectively, while it was 5.4% and 10.7% at large state-owned commercial banks and rural commercial banks respectively.

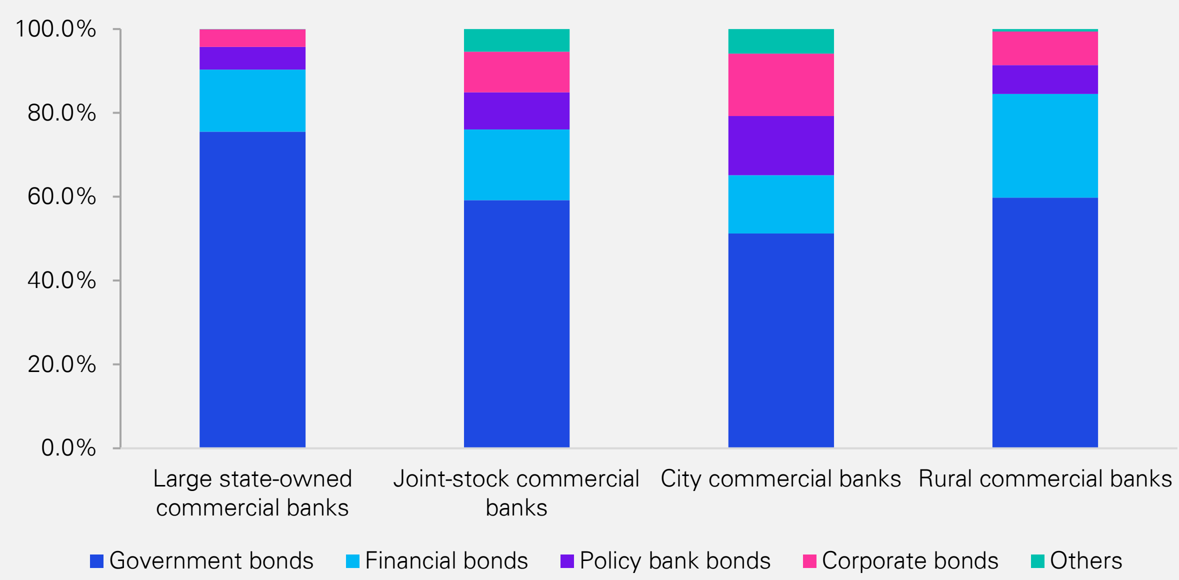
**Figure 13** **Listed banks' bond investment (RMB trillion,%)**




Source: Listed banks' 2024 annual reports, KPMG analysis

In terms of the bond structure held by listed commercial banks, government bonds were the most important item, accounting for 68.7% of total bond investment; while financial bonds, policy bank bonds, and corporate bonds accounted for 15.4%, 7.3%, and 6.7% respectively. Banks consider factors such as returns, risks, and capital occupation comprehensively, and their bond investment structure varies. Government bonds accounted for 75.5% of the bond investment held by large state-owned commercial banks, significantly higher than at other types of banks; for rural commercial banks, financial bonds accounted for 24.7%, higher than the 15.0% ratio for other types of banks. In the case of city commercial banks, they had high proportions of policy bank bonds and corporate bonds at 14.1% and 14.8% respectively (Figure 14).

**Figure 14** **Listed banks' bond investment structure (%)**

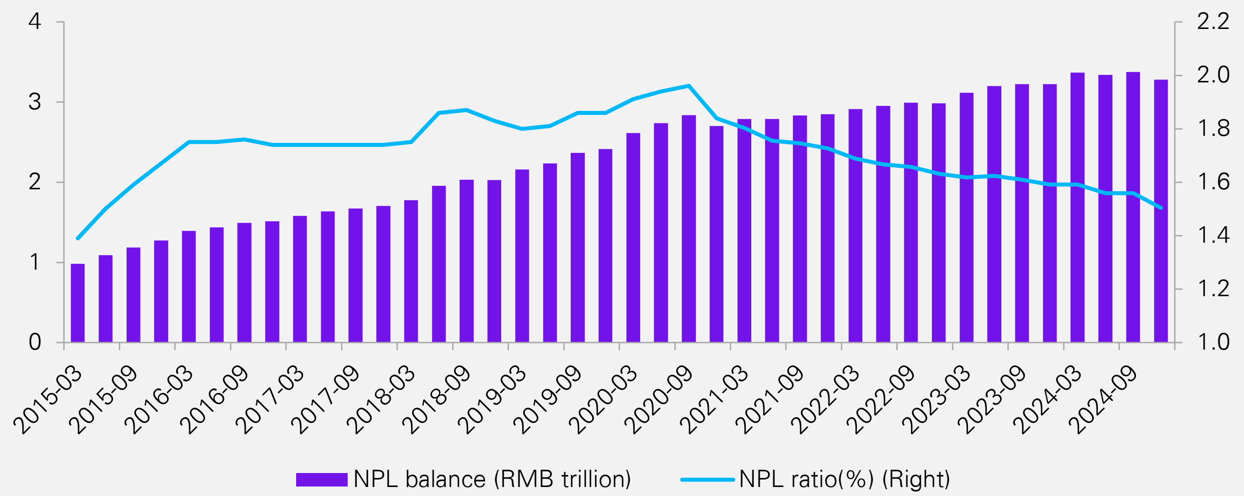



Source: Listed banks' 2024 annual reports, KPMG analysis

***Asset quality: The NPL ratio continued to decline, but there is still pressure from new NPLs***

As at the end of 2024, commercial banks' total NPLs amounted to RMB 3.3 trillion, a YoY increase of 1.66%, reflecting a slight decline in growth rate. The NPL ratio was 1.50% and continued to decline (Figure 15). In terms of loan write-offs, the total amount of loans written off in 2024 was RMB 1.3 trillion, an increase of 21.2% YoY. This shows that commercial banks have stepped up their efforts to dispose of NPLs.

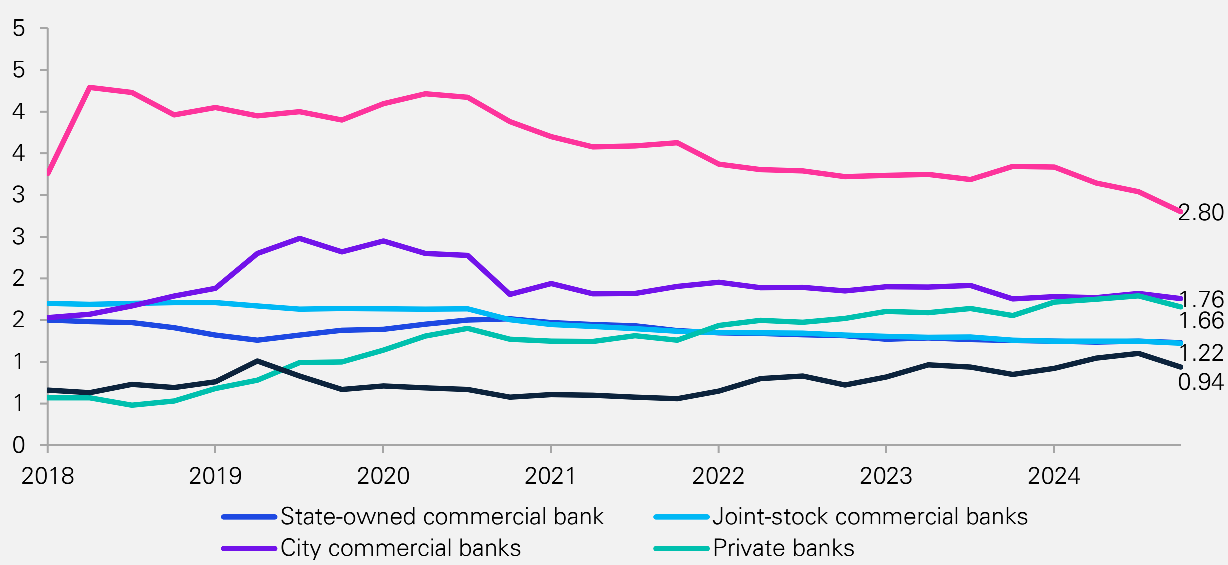
**Figure 15** **Commercial banks' quarterly NPL balance and NPL ratio**




Source: Wind, KPMG analysis

In terms of the different types of banks, the NPL ratios of rural commercial banks and city commercial banks remained relatively high at 2.80% and 1.76% respectively. The NPL ratios of large state-owned commercial banks and joint-stock commercial banks remained at relatively low levels, dropping by 0.03 percentage point and 0.04 percentage point YoY to 1.23% and 1.22% respectively at the end of 2024. Finally, the NPL ratio of private banks reached 1.66% by the end of 2024, reflecting an increase of 0.11 percentage point YoY (Figure 16).

**Figure 16** **Commercial banks' quarterly NPL ratios by type (%)**

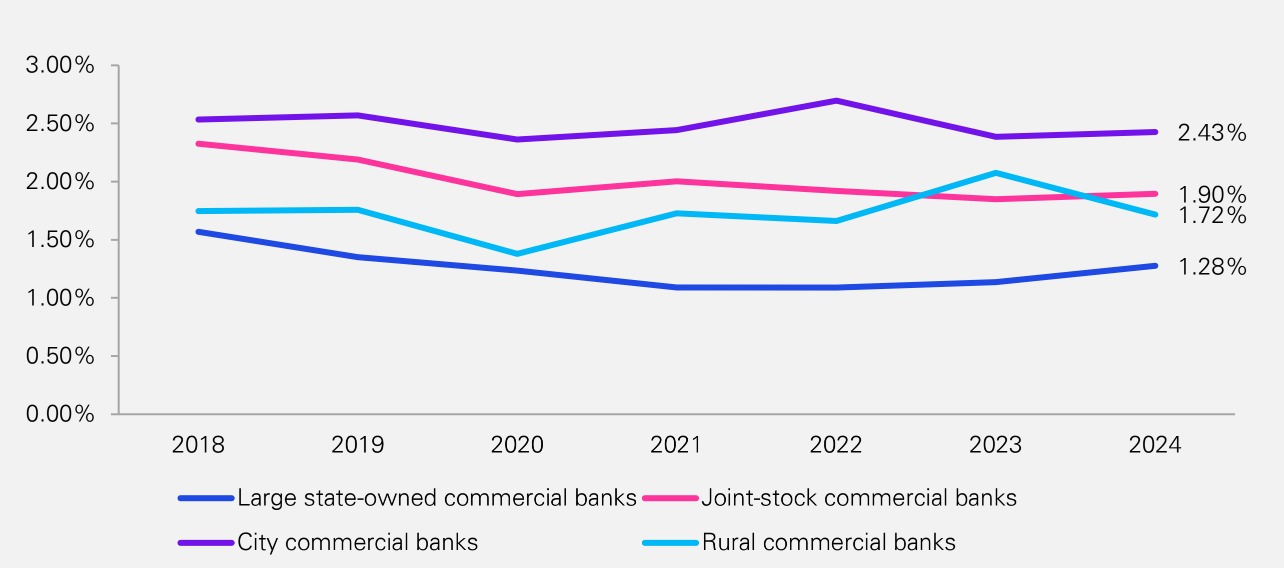



Source: Wind, KPMG analysis

[4] According to the list of banking and financial institutions disclosed by the former China Banking and Insurance Regulatory Commission, large commercial banks include ICBC, China Construction Bank, Agricultural Bank of China, Bank of China, Bank of Communications, and Postal Savings Bank, the last of which has been included in this list since 2019.

Listed banks' loan overdue rates went up in 2024, and they are expected to continue to face pressure from new NPLs moving forward. The loan overdue rates of large state-owned commercial banks, joint-stock commercial banks, and city commercial banks were 1.28%, 1.90%, and 2.43%, respectively, up 0.14 percentage point, 0.05 percentage point, and 4 percentage points compared to the previous year; while that of rural commercial banks was at the same level as the previous year (Figure 17).

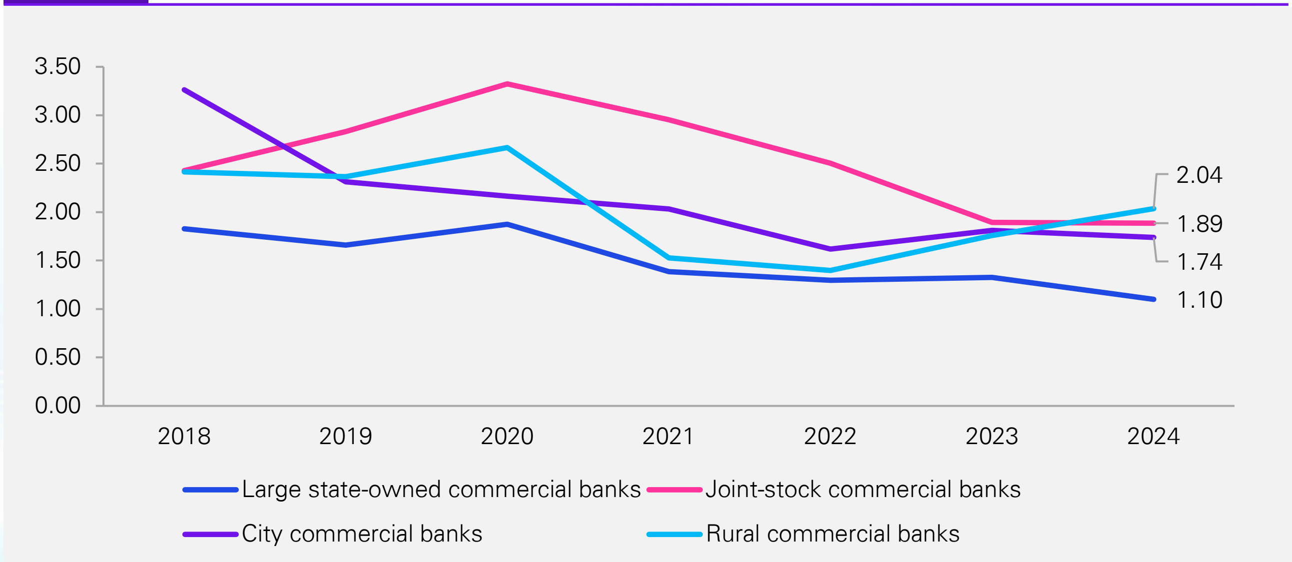
**Figure 17** **Listed banks' loan overdue rates**




Source: Wind, KPMG analysis

In 2024, listed banks saw different trends in the migration rate[5] of normal loans. The rate was 1.10% in the case of large state-owned commercial banks, 1.89% in the case of joint-stock commercial banks, and 1.74% in the case of city commercial banks, representing decreases of 0.23 percentage point, 0.01 percentage point, and 0.07 percentage point respectively compared to the previous year. The rate was relatively high for rural commercial banks, reaching 2.04%, up by 0.30 percentage point, indicating that they faced pressure in the migration of normal loans (Figure 18).

**Figure 18** **Listed banks' normal loan migration rates (%)**

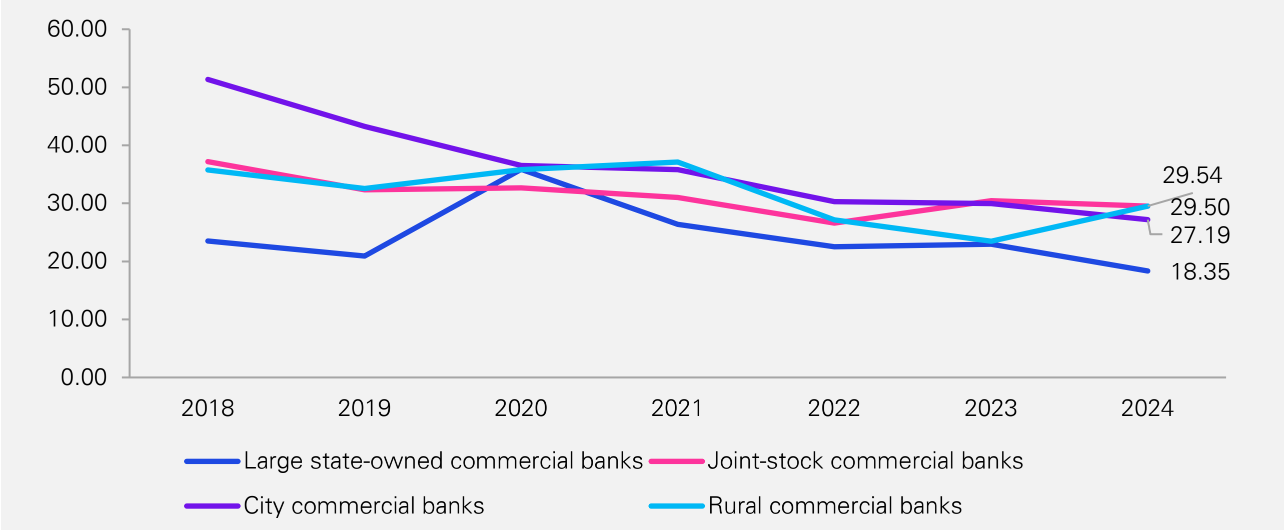



Source: Wind, KPMG analysis

[5] Commercial banks are required by regulators to classify loans into five categories based on the degree of risk: pass, special mention, substandard, doubtful, and loss. The first two categories are normal loans, and the last three are collectively referred to as NPLs. Among normal loans, loans classified as special mention refer to those for which the borrower is currently able to repay the principal and interest, but some factors may exist that may have an adverse impact on repayment.

In 2024, the overall migration rate of listed banks' special mention loans went down. Specifically, the migration rate was 18.35% for large state-owned commercial banks, 29.54% for joint-stock commercial banks, 27.19% for city commercial banks, and 29.50% for rural commercial banks (Figure 19). Compared to 2023, except for an increase in the case of rural commercial banks, the migration rates of listed banks' special mention loans declined, although to varying degrees.

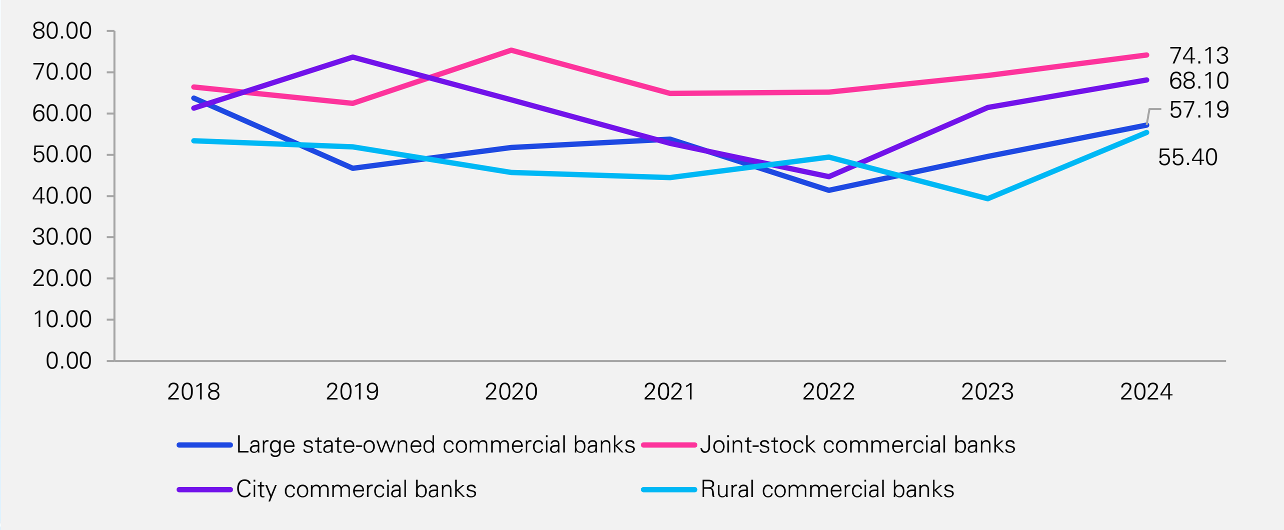
**Figure 19** **Listed banks' special mention loan migration rates (%)**




Source: Wind, KPMG analysis

In 2024, the migration rates of listed banks' substandard loans rose to varying degrees. Specifically, the migration rate was 57.19% in the case of large state-owned commercial banks, 74.13% in the case of joint-stock commercial banks, 68.10% in the case of city commercial banks, and 55.40% in the case of rural commercial banks, reflecting increases of 7.61 percentage points, 4.95 percentage points, 6.67 percentage points, and 16.06 percentage points respectively compared to the previous year (Figure 20).

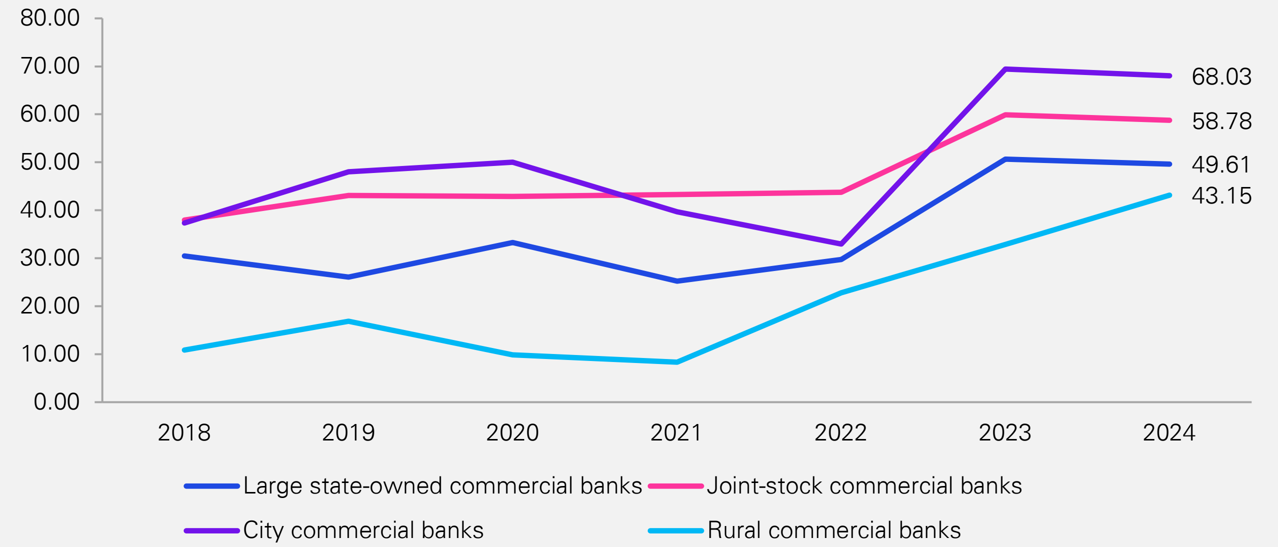
**Figure 20** **Listed banks' substandard loan migration rates (%)**




Source: Wind, KPMG analysis

In 2024, listed banks saw different trends in the migration rates of doubtful loans. The migration rate was 49.61% for large state-owned commercial banks, 58.78% for joint-stock commercial banks, 68.03% for city commercial banks, and 43.15% for rural commercial banks. Compared with 2023, except for a decrease in the case of large state-owned commercial banks, the migration rates of doubtful loans rose for all other banks, especially rural commercial banks which witnessed a significant rise of 10.3 percentage points (Figure 21). Overall, rural commercial banks' loan migration rate increased across all types of loans, while the other three types of banks recorded a decline in their loan migration rates.

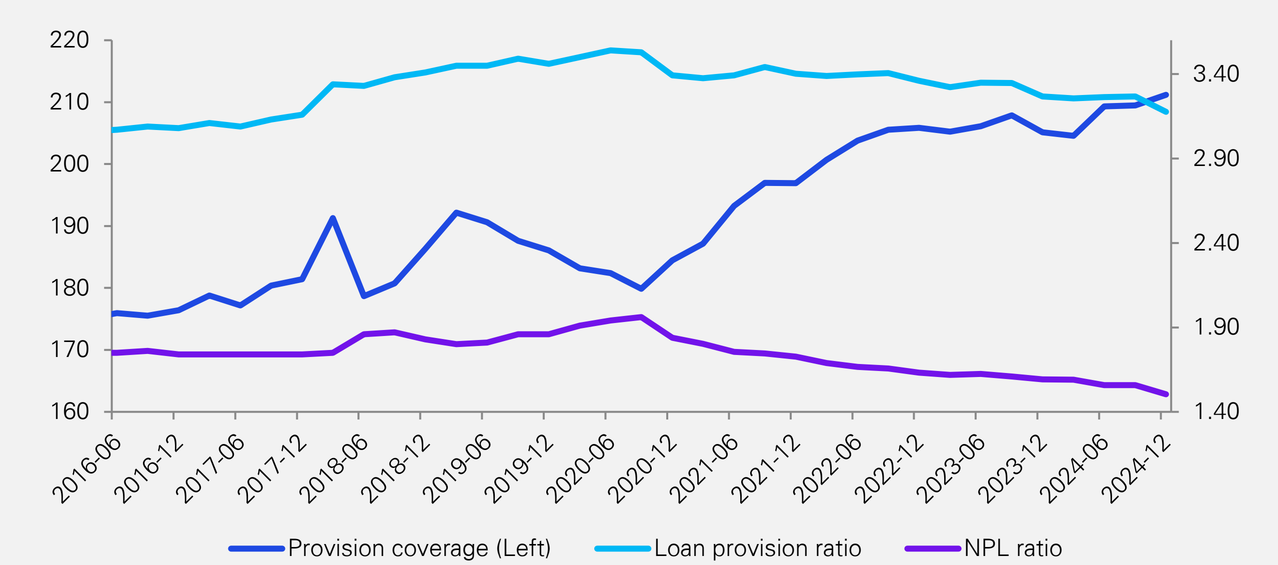
**Figure 21** **Listed banks' doubtful loan migration rates (%)**




Source: Wind, KPMG analysis

As at the end of 2024, commercial banks had an average loan provision coverage rate of 211.19%, a YoY increase of 6.05 percentage points; the loan provision ratio was 3.18%, a YoY decrease of 0.09 percentage point; and the NPL ratio was 1.50%, also a YoY decrease of 0.09 percentage point (Figure 22). Based on 2024 data, banks accelerated the disposal of NPL assets through write-offs and transfers, and as the size of NPLs fell, their provision coverage rose. The slight decrease in the loan provision ratio indicates that banks released their provisions or appropriated less profit for provisions. However, they should keep an eye on the potential impact of a decreasing provision ratio on their long-term resilience.

**Figure 22** **Commercial banks' quarterly loan provision ratios and NPL ratios**

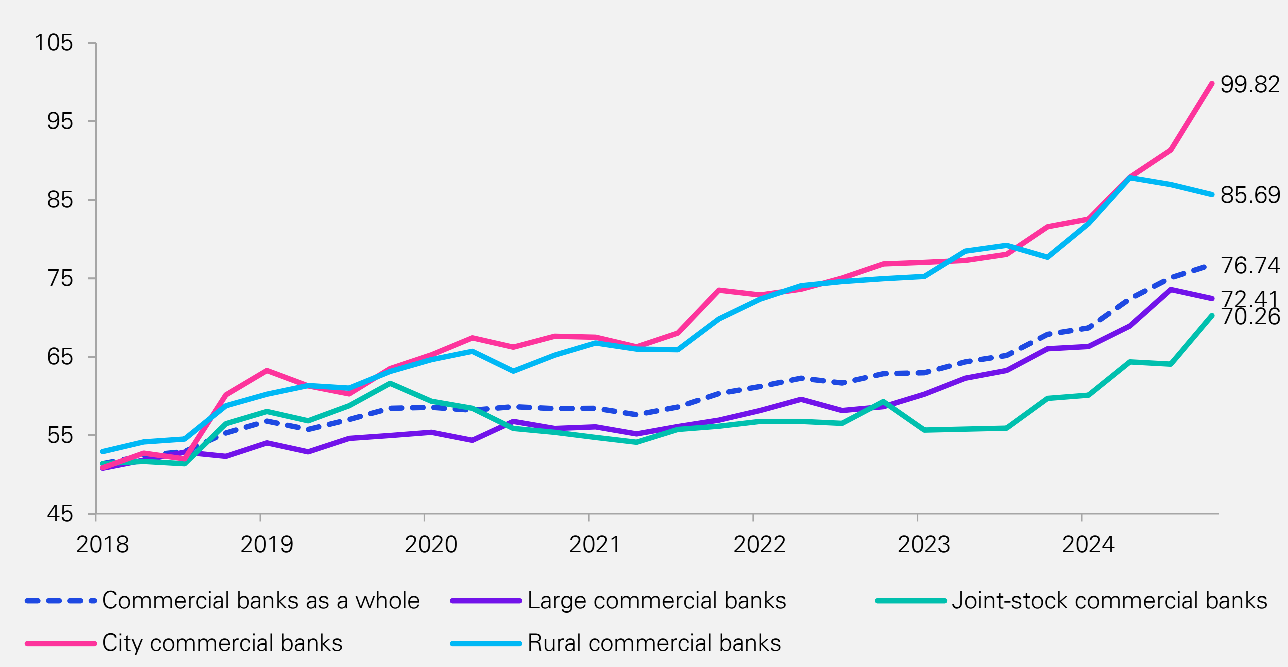



Source: Wind, KPMG analysis

### *Steady improvement in liquidity*

As at the end of 2024, commercial banks had an overall liquidity ratio of 76.7%, an increase of 8.9 percentage points compared to the previous year, representing a higher growth rate than in the previous year. Liquidity ratios rose across all types of banks, with YoY increases of 6.4, 10.5, 18.2, and 8.0 percentage points for large commercial banks, joint-stock commercial banks, city commercial banks, and rural commercial banks, respectively (Figure 23).

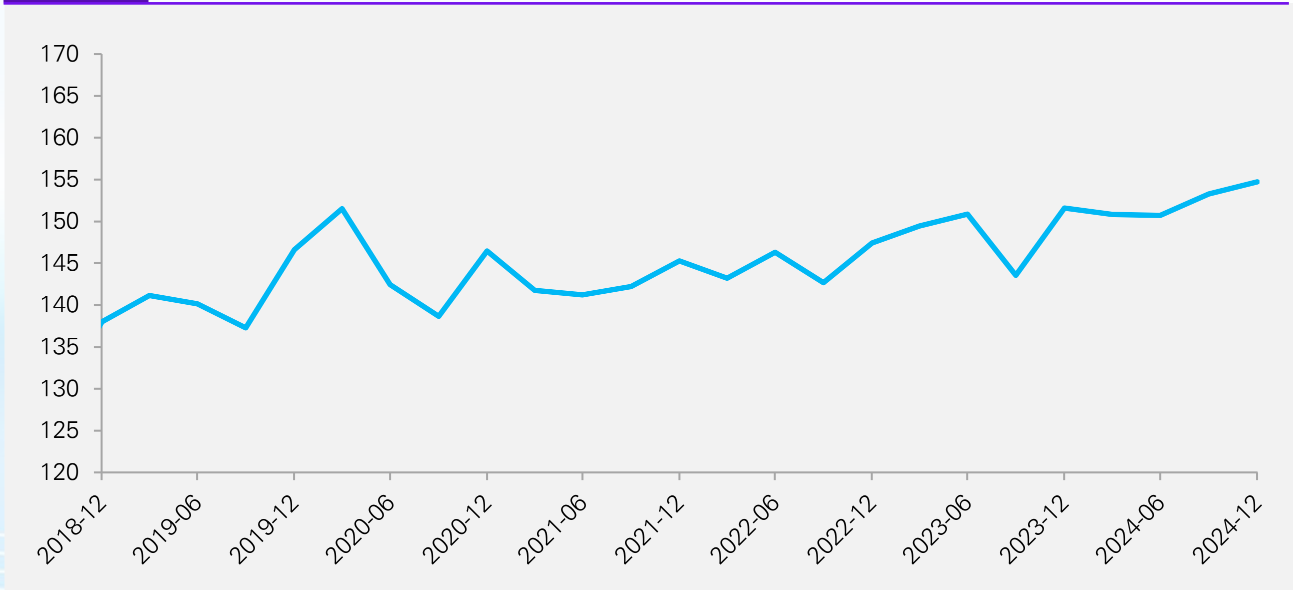
**Figure 23** **Commercial banks' quarterly liquidity ratios by type (%)**




Source: Wind, KPMG analysis

As at the end of 2024, the overall liquidity coverage rate rose YoY by 3.1 percentage points to 154.7%, higher than the 100% regulatory indicator provided in the *Liquidity Risk Management Measures for Commercial Banks* (Figure 24).

**Figure 24** **Commercial banks' quarterly liquidity coverage rate (%)**




Source: Wind, KPMG analysis

## Liability perspective

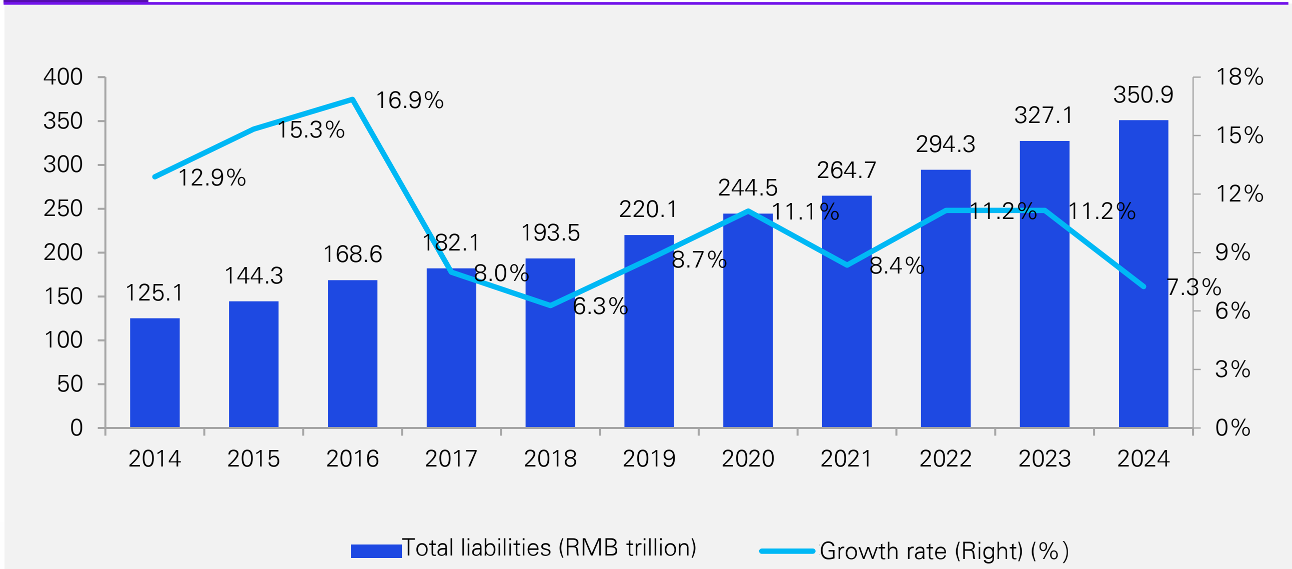
### *Liabilities increased by 7.3% YoY, reflecting a slowdown in growth rate*

In 2024, the total liabilities of commercial banks amounted to RMB 350.9 trillion, representing an increase of RMB 23.7 trillion or 7.3% compared to 2023, which was 3.9 percentage points lower than the previous year (Figure 25). Declining returns on assets induced banks to lower deposit interest rates to control costs. Their liabilities are expected to grow at a slower pace in 2025.

### *Deposits: The proportion of term deposits improved, and the average rate of cost on deposits fell from a high point*

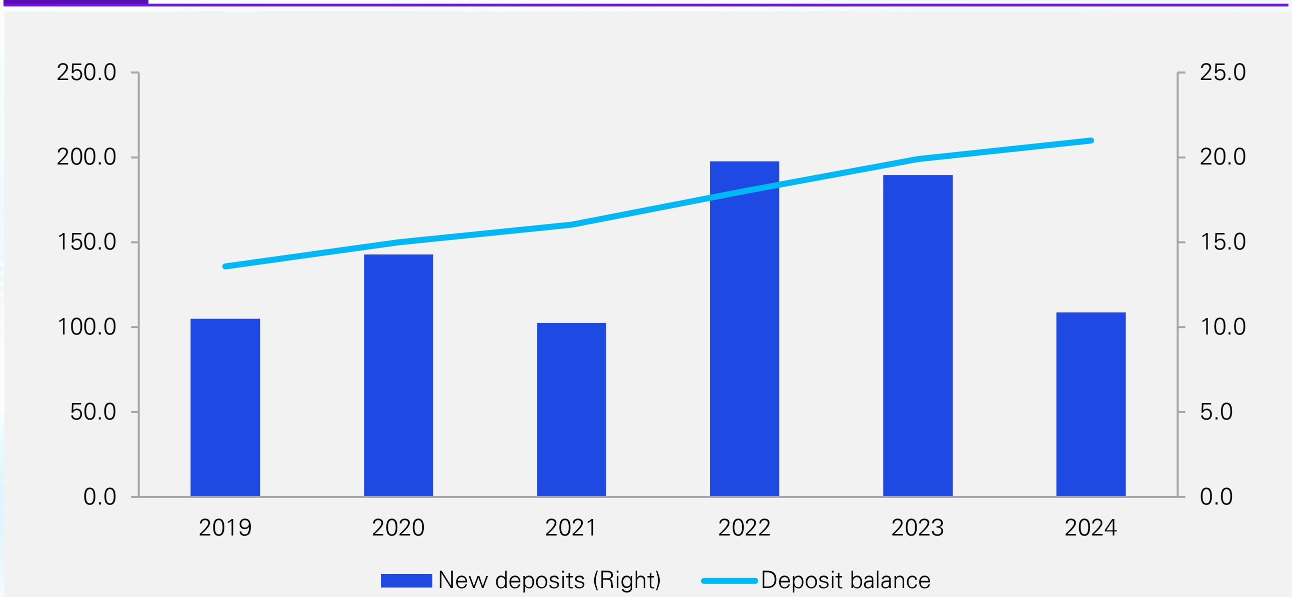
As at the end of 2024, the deposit balance of listed banks stood at RMB 209.9 trillion, an increase of RMB 10.9 trillion or 5.5% compared to the previous year. The rise was RMB 8.1 trillion or 5 percentage points lower than the previous year. The significantly lower growth of deposits is attributable, first, to the decrease in deposit interest rates which has caused deposits to flow into higher-yield financial investment products such as wealth management products; and second, to the regulatory prohibition on "manual calculation of compensatory interest," which has caused some arbitrage-seeking depositors to leave the banking system. In 2025, declining deposit interest rates may continue to discourage depositors, driving new deposits downward (Figure 26).

**Figure 25** Commercial banks' liabilities and growth rate




Source: Wind, KPMG analysis

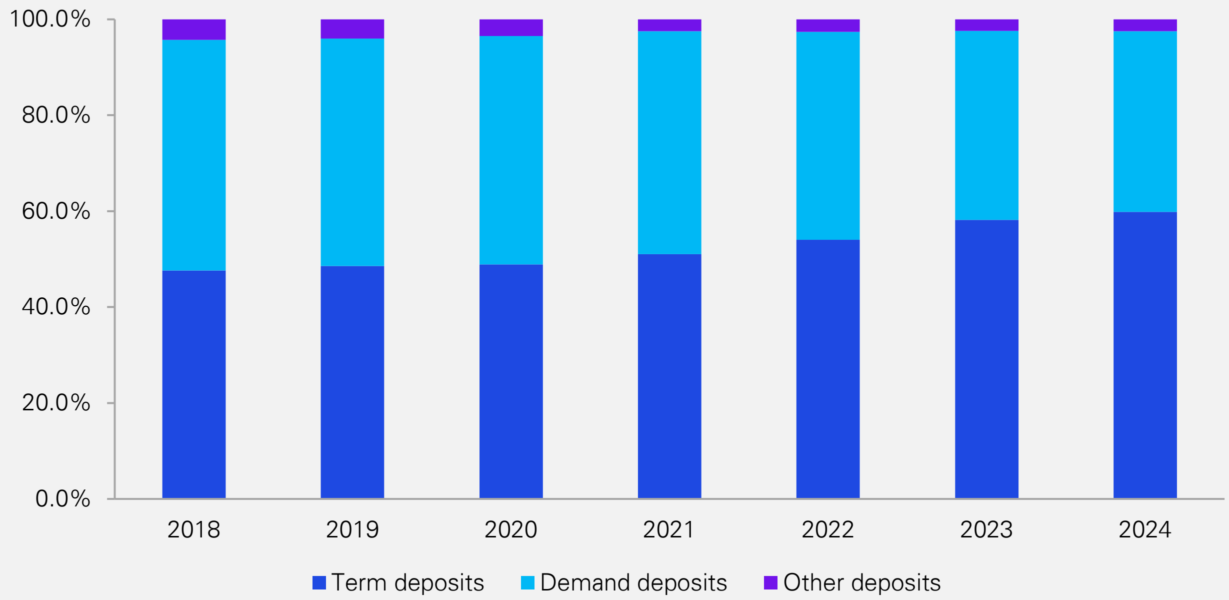
**Figure 26** Listed banks' liabilities (RMB trillion)




Source: Wind, KPMG analysis

In 2024, listed commercial banks' term deposit balance was RMB 125.7 trillion, accounting for 59.9% of total deposits, an increase of 1.7 percentage points compared to the previous year. However, in 2024, the balance of term deposits increased by RMB 9.9 trillion, which was RMB 8.7 trillion lower than the previous year, while the balance of demand deposits increased by RMB 631 billion, which was RMB 384.7 billion higher than the previous year. In other words, the proportion of terms deposits improved (Figure 27). As part of the adjustments to interest rates during the period from 2023 to 2024, interest rates on medium and long-term deposits fell sharply. As term deposits yield less and lose their appeal, enterprises and residents have become less willing to allocate their funds into term deposits.

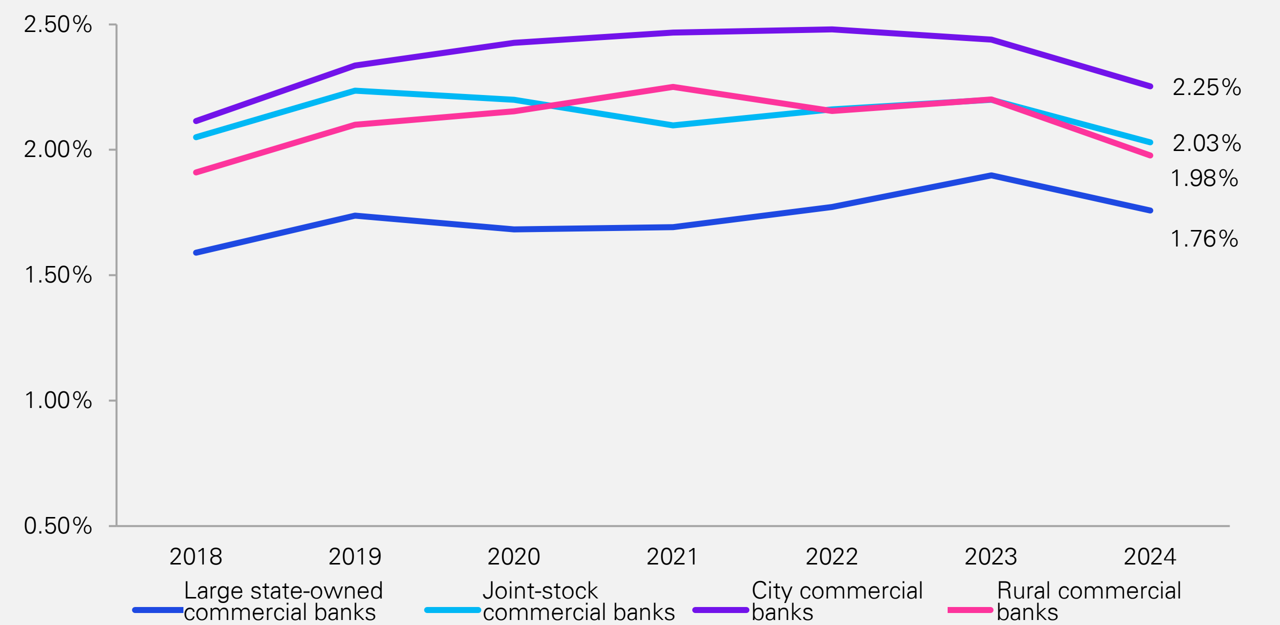
**Figure 27** **Structure of listed banks' deposit balance (%)**




Source: Wind, KPMG analysis

In 2024, the average rate of cost on deposits for listed commercial banks was 2.11%, a decrease of 18 basis points compared to the previous year, marking the first decline in recent years. The average rate of cost on deposits was 1.76% for large state-owned commercial banks, a decrease of 14 basis points compared to the previous year; 2.03% for joint-stock commercial banks, a decrease of 17 basis points; and 2.25% for city commercial banks, which, though the highest among all types of banks, represented a decrease of 19 basis points compared to the previous year. Meanwhile, rural commercial banks experienced the largest decline (Figure 28). On 20 May 2025, both the one-year LPR and the five-year-and-above LPR were cut by 10 basis points. In response, several banks lowered their deposit interest rates, and some large state-owned commercial banks offered a 5-year interest rate as low as 1.3%. With a smoother interest rate transmission mechanism on the liability side, and with the repricing of maturing deposits, banks' cost on deposits is expected to continue to decrease in the future.

**Figure 28** **Listed banks' deposit interest rates**

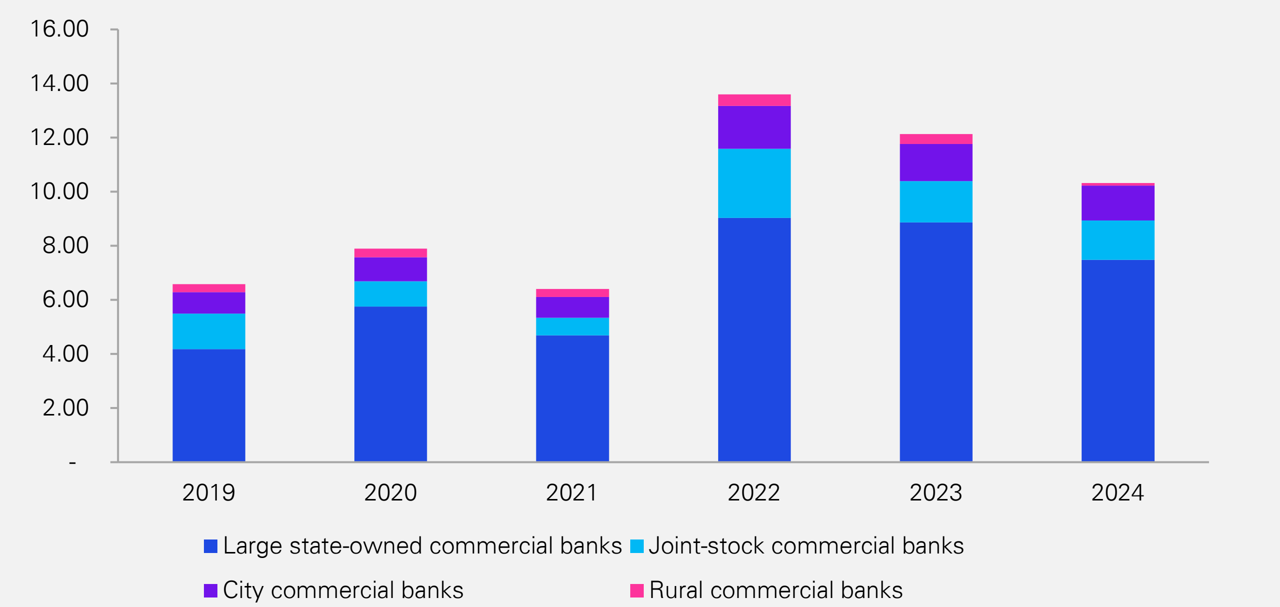



Source: Wind, KPMG analysis

### *Retail business: The decrease in additional personal deposits was less than that in all deposits; new personal term deposits shrank by RMB 3.9 trillion*

In 2024, listed banks added RMB 10.3 trillion in personal deposits, a decrease of RMB 1.8 trillion compared to the previous year. Nevertheless, the drop in new personal deposits was lower than that for other types of deposits. Less personal deposits were added across the various types of banks, with large state-owned commercial banks adding RMB 7.5 trillion, a decrease of RMB 1.4 trillion compared to the previous year; joint-stock commercial banks adding RMB 1.45 trillion, a decrease of RMB 70.87 billion; city commercial banks adding RMB 1.3 trillion, a decrease of RMB 79.37 billion; and rural commercial banks adding RMB 98.31 billion, a decrease of RMB 270.7 billion (Figure 29).

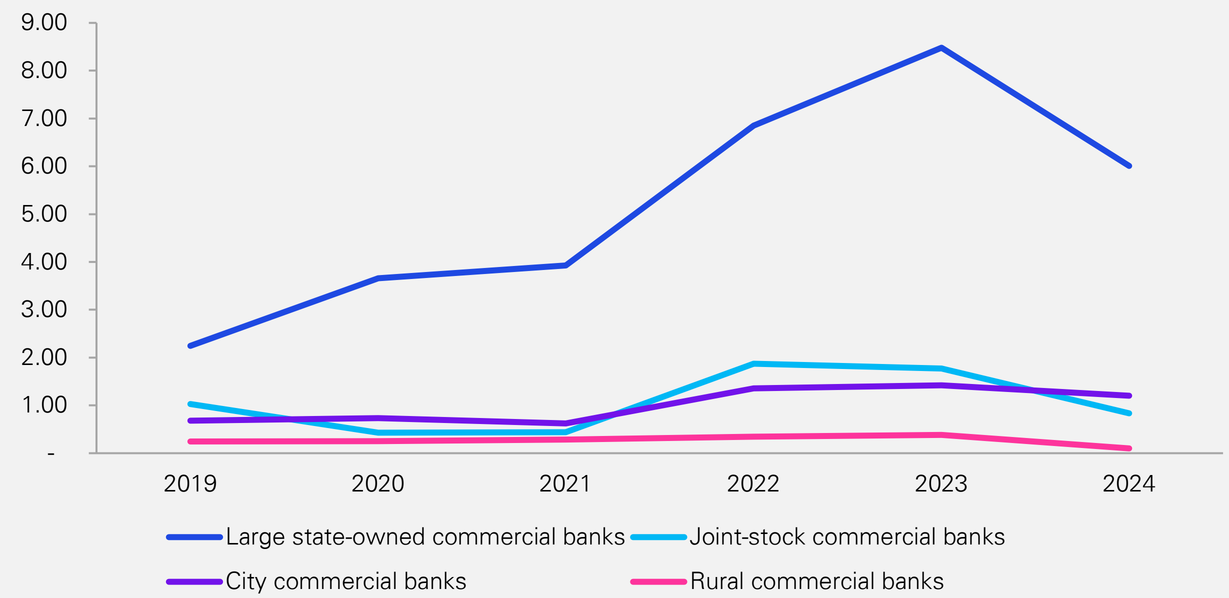
**Figure 29** **Retail deposits added by listed banks (RMB trillion)**




Source: Wind, KPMG analysis

In 2024, listed banks added RMB 8.1 trillion in personal term deposits, a decrease of RMB 3.9 trillion compared to the previous year. At the same time, personal demand deposits increased by RMB 2.2 trillion, which was an impressive RMB 2.1 trillion higher than the rise in the previous year. Due to the continuous cuts to term deposit interest rates and the recovery of the capital market in 2024, residents changed their investment strategies and in order to reserve liquidity for other investments such as stocks and funds, they converted term deposits into demand deposits. Banks proactively adjusted their liability structure and attracted less new personal term deposits. Large state-owned commercial banks added RMB 6.0 trillion in personal term deposits, a decrease of RMB 2.5 trillion compared to the previous year; joint-stock commercial banks added RMB 0.8 trillion, a decrease of RMB 0.9 trillion; city commercial banks added RMB 1.2 trillion, a decrease of RMB 0.2 trillion; and rural commercial banks added RMB 100.63 billion, a decrease of RMB 0.3 trillion (Figure 30).

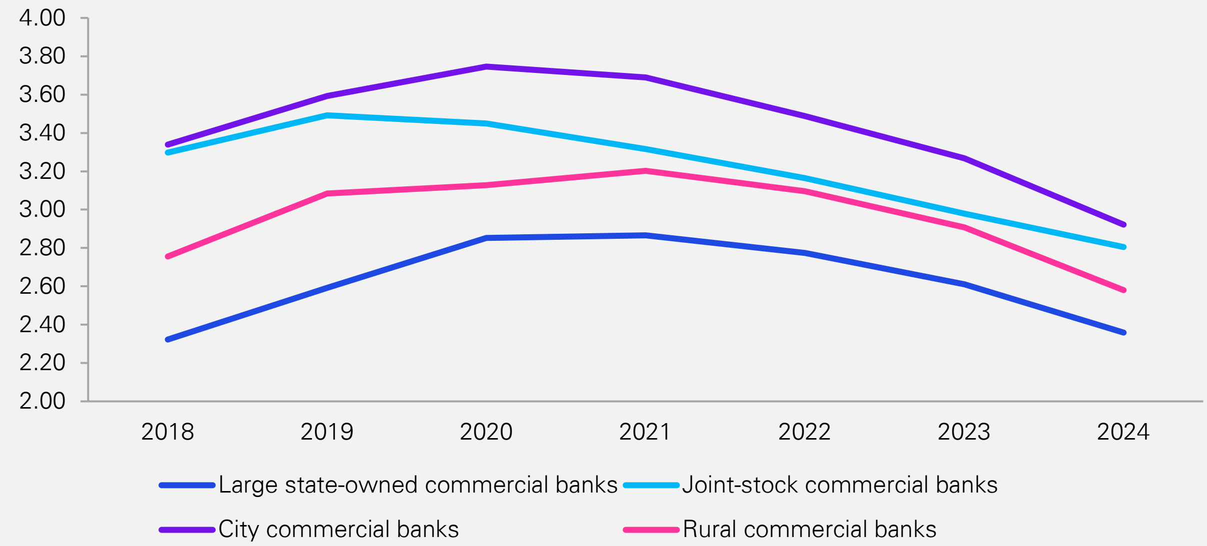
**Figure 30** **Personal term deposits added by listed banks (RMB trillion)**




Source: Wind, KPMG analysis

In 2024, listed banks' average rate of cost on personal term deposits was 2.75%, a decrease of 29 basis points from the previous year; this figure has been on the decline since 2021. The average rate of cost on personal demand deposits was 0.20%, a decrease of 10 basis points, which was smaller than the decrease in term deposits. In 2024, banks made multiple cuts to their deposit interest rates, with a big reduction for term deposits maturing in three years or more. The five-year term deposit interest rates offered by large state-owned commercial banks fell below 2% (Figure 31). Going forward, due to the combined effects of multiple cuts in term deposit interest rates and the repricing of maturing term deposits, banks' average rate of cost on term deposits is expected to decline further.

**Figure 31** **Listed banks' average rate of cost on personal term deposits (%)**

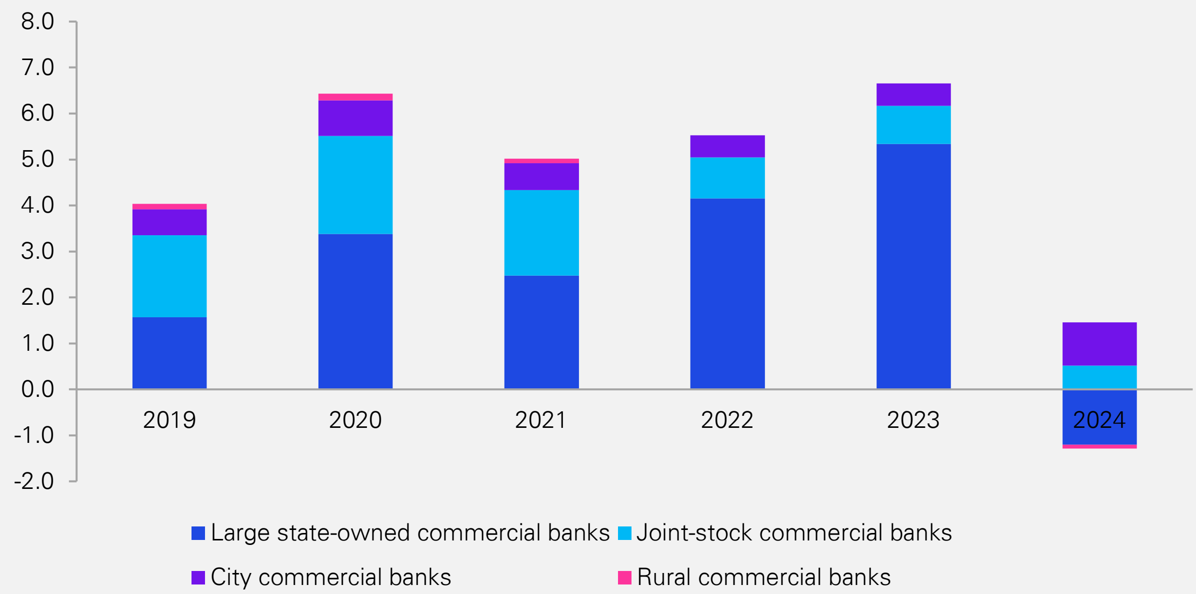



Source: Wind, KPMG analysis

### *Corporate business: New corporate deposits added in the year decreased by RMB 6.5 trillion, and large state-owned commercial banks saw corporate deposits shrink*

In 2024, listed banks added RMB 173.8 billion in corporate deposits, which was RMB 6.5 trillion lower than the increase in the previous year. Different types of banks saw different trends in the growth of corporate deposits. Specifically, large state-owned commercial banks lost RMB 1.2 trillion in corporate deposits, compared to an increase of RMB 5.3 trillion in the previous year; joint-stock commercial banks added RMB 0.5 trillion in corporate deposits, a decrease of RMB 0.3 trillion compared to the previous year; rural commercial banks lost RMB 80.06 billion in corporate deposits; and city commercial banks added RMB 0.9 trillion in corporate deposits, an increase of RMB 0.5 trillion (Figure 32). In 2024, through the self-discipline mechanism for market interest rate pricing, the PBOC issued the Proposal on Prohibiting Manual Calculation of Additional Interest to Attract Deposits in Order to Maintain Competitive Order in the Deposit Market, which explicitly forbids commercial banks from providing implicit interest subsidies to enterprises in the name of "financial advisory fees" and "deposit rewards" in an attempt to circumvent the authorised upper limit on deposit interest rates. As regulators crack down on these practices, which were particularly prominent in corporate banking, banks' corporate deposits will be significantly impacted.

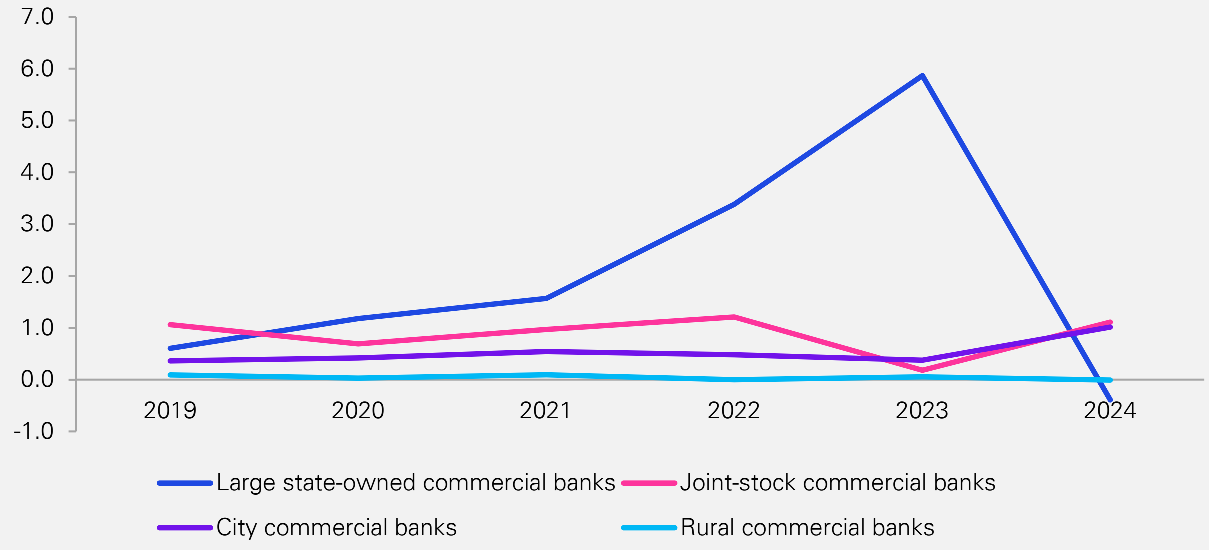
**Figure 32** New corporate deposits added by listed banks (RMB trillion)




Source: Wind, KPMG analysis

In 2024, listed banks added RMB 1.7 trillion in corporate term deposits, a decrease of RMB 4.8 trillion compared to the previous year. In this regard, different trends were seen across different types of listed banks. Large state-owned commercial banks lost RMB 392.2 billion in corporate term deposits, compared to an increase of RMB 5.9 trillion in the previous year. However, joint-stock commercial banks and city commercial banks added RMB 1.1 trillion and RMB 1.0 trillion in corporate term deposits, respectively, an increase of RMB 0.9 trillion and RMB 0.6 trillion compared to the previous year (Figure 33).

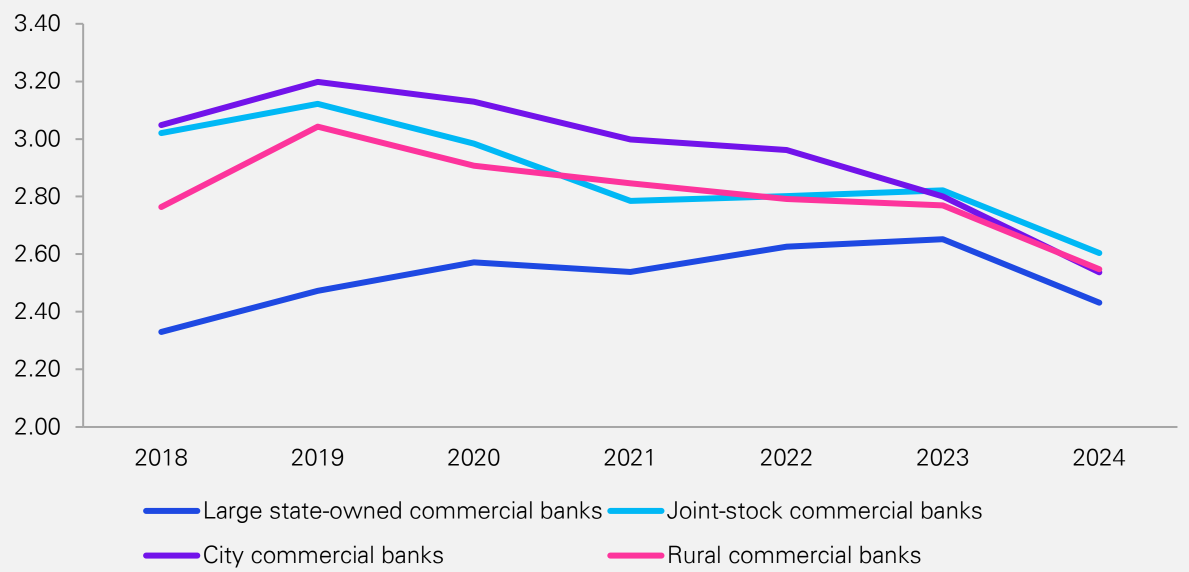
**Figure 33** **Corporate term deposits added by listed banks (RMB trillion)**




Source: Wind, KPMG analysis

In 2024, following the regulatory ban on "manual calculation of compensatory interest," the average rate of cost on corporate term deposits for listed banks decreased. Specifically, large state-owned commercial banks, joint-stock commercial banks, city commercial banks and rural commercial banks saw their average rate fall from 2.65%, 2.82%, 2.80%, and 2.77% in the previous year to 2.43%, 2.60%, 2.54%, and 2.55%, respectively, with city commercial banks experiencing the largest decline (Figure 34).

**Figure 34** **Listed banks' average rate of cost on corporate term deposits (%)**




Source: Wind, KPMG analysis

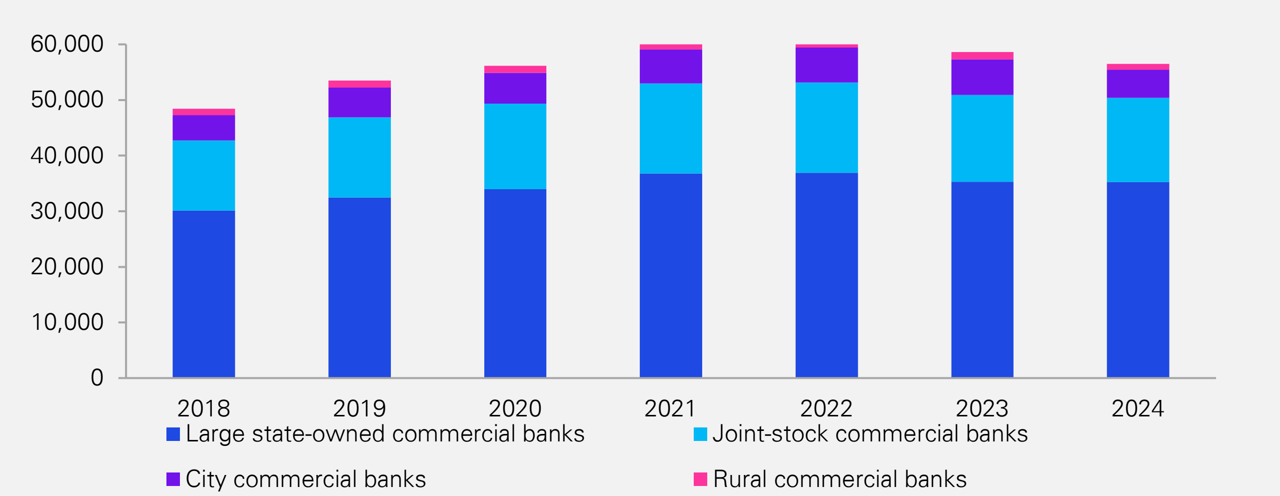
## Profit perspective

***Operating revenue: Listed banks' revenue continued to decline, with rural commercial banks seeing the largest drop***

In 2024, listed banks recorded RMB 5.65 trillion in revenue, a decrease of 3.6% compared to the previous year (Figure 35). All types of banks experienced varying declines in revenue, with rural commercial banks experiencing the largest decline at 24.5%, and large state-owned commercial banks seeing the smallest at 0.3%.

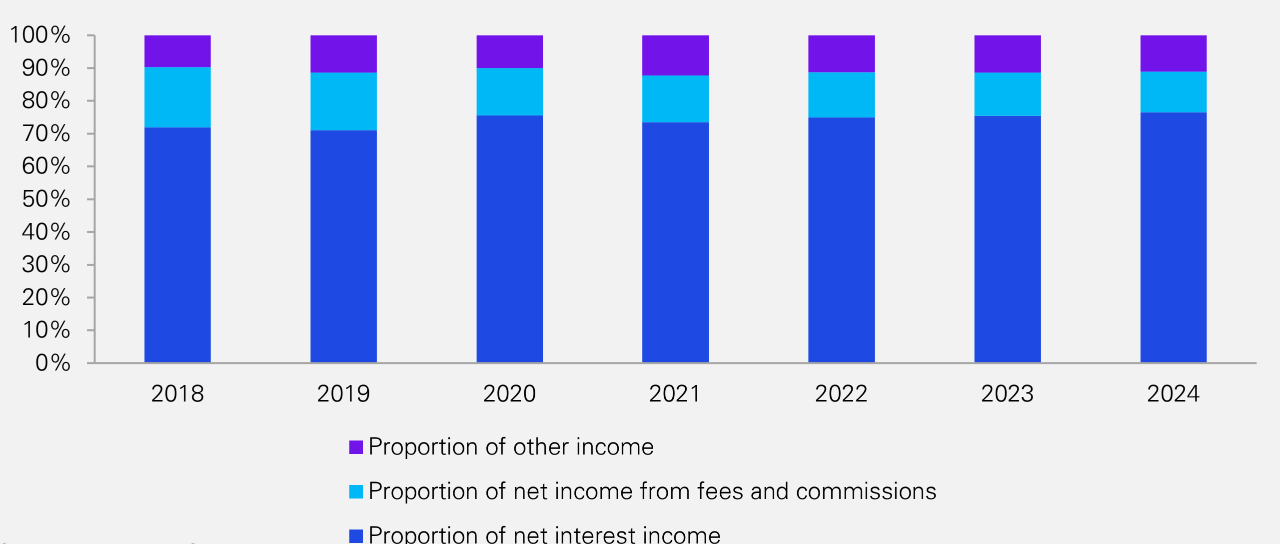
In terms of a revenue breakdown for 2024, listed banks generated net interest income of RMB 4.3 trillion, accounting for 76.5%; their net income from fees and commissions was RMB 700.5 billion, accounting for 12.4%; and other income, including investment income, income from changes in fair value, and exchange gains and income from exchange rate products, amounted to RMB 627.7 billion, accounting for 11.1% (Figure 36). During the same period, international commercial banks, such as those based in the United States, Europe, and Japan, derived about 30% of their revenue from intermediary business. In the context of the current low-interest environment, Chinese banks have been actively growing their intermediary business. This is not only an effective strategy to cope with pressure from declining interest rates, but also an effort to diversify business structures, drive transformation and enhance overall competitiveness.

**Figure 35 Listed banks' operating revenue (RMB hundred million)**




Source: Wind, KPMG analysis

**Figure 36 Composition of listed banks' revenue (%)**

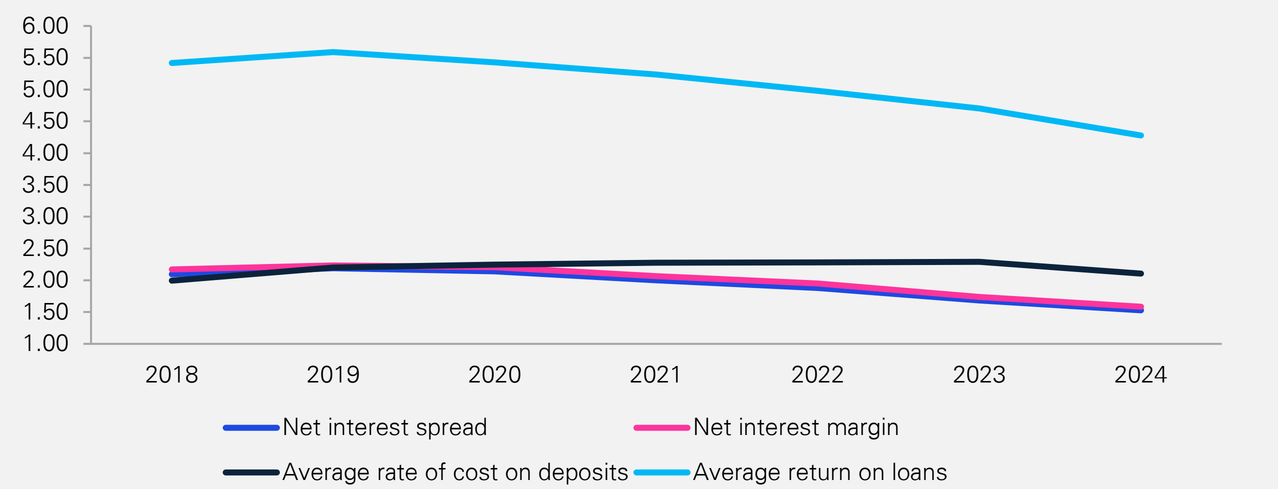



Source: Wind, KPMG analysis

***As net interest margins continued to narrow, net interest income decreased by 2.3% YoY***

In 2024, in the context of declining interest rates offered on the loan market and dynamically adjusted interest rates on existing housing loans, deposit interest rates were not reduced as much as loan interest rates, resulting in lower net interest margin and net interest spread for listed banks compared to the previous year. In 2024, the average net interest margin and net interest spread for listed banks were 1.58% and 1.53%, respectively, a decrease of 15 basis points and 16 basis points. Specifically, in 2024, listed banks generated an average return of 4.28% on loans and had an average rate of cost of 2.11% on deposits, down by 42 basis points and 18 basis points respectively. Listed banks saw a significant decline in their average return on loans in 2024. With further LPR cuts in 2025 in line with moderately loose monetary policy, banks may expect to see declining interest rates on their assets in the future. At the same time, although their average deposit interest rate has been adjusted downward many times, the decrease in their average rate of cost on deposits is not as significant as that in their return on loans due to the increasing proportion of term deposits. Therefore, they are expected to face pressure from net interest margin and net interest spread (Figure 37).

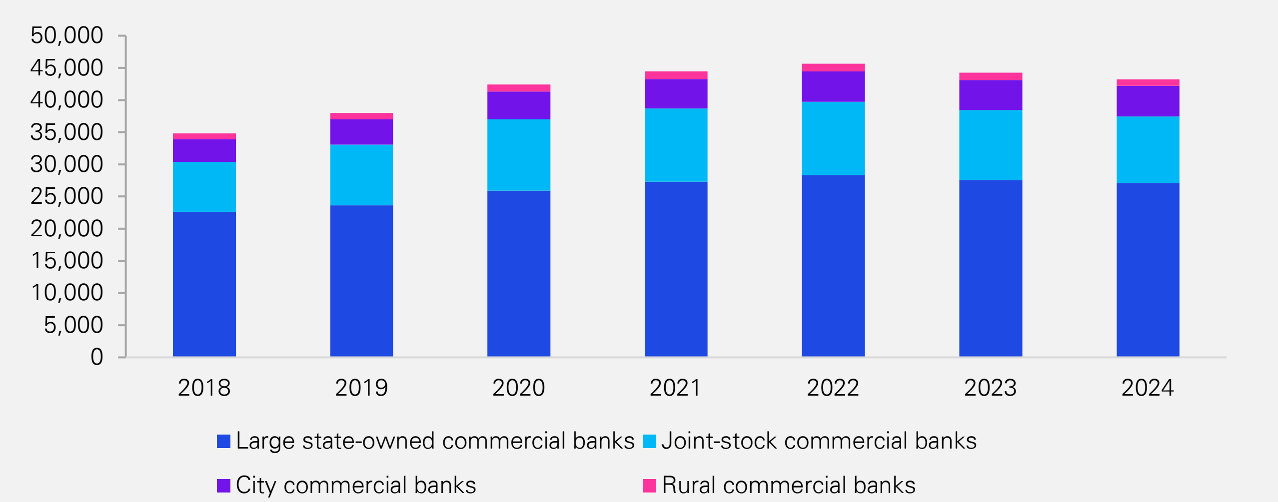
**Figure 37** **Listed banks' net interest margin/net interest spread (%)**




Source: Wind, KPMG analysis

During the year, net interest margin was at a historical low, resulting in a decrease in net interest income. In 2024, listed banks recorded RMB 4.3 trillion in net interest income, a YoY decrease of 2.3%. Large state-owned commercial banks saw their net interest income decrease by 1.6% YoY; rural commercial banks by 10.7% YoY, which was the largest decrease; and joint-stock banks by 5.0% YoY. Meanwhile, city commercial banks recorded a YoY increase of RMB 7.28 billion or 1.5% (Figure 38).

**Figure 38** **Listed banks' net interest income (RMB hundred million)**

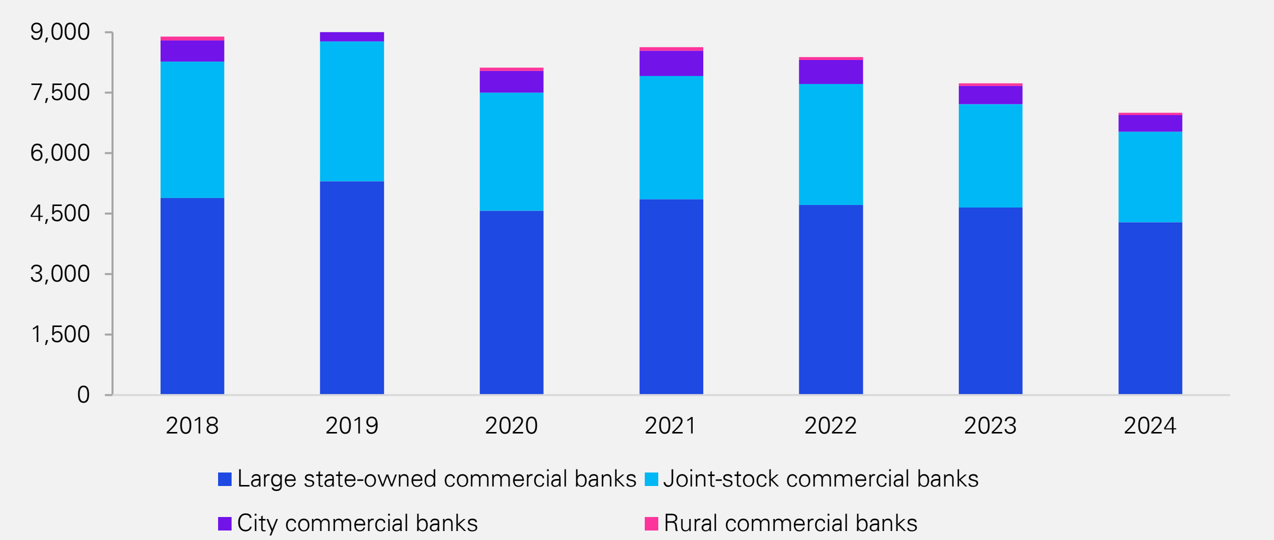



Source: Wind, KPMG analysis

### *Income from fees and commissions decreased for the third consecutive year, with joint-stock commercial banks experiencing the largest decline*

In 2024, listed banks' net income from fees and commissions was RMB 700.5 billion, a YoY decrease of 9.4%; this metric has been on the decline since 2022. Regulators have prohibited insurance companies from directly or indirectly paying any fees other than commissions to banking agents—e.g. in the name of policy issuance fees, information fees, etc.—resulting in a decrease in banks' income from insurance agency business. At the same time, lower escrow fees paid by public funds further ate into banks' profits from escrow business. In addition, weakening demand for corporate loans has impacted banks' fee income from corporate settlement services. In combination, these factors led to a decrease in banks' net income from fees and commissions. Specifically, the big six banks recorded RMB 428.7 billion in net income from fees and commissions, a decrease of 7.9% compared to the previous year, the smallest fall among all types of banks; joint-stock banks made RMB 224.4 billion, a decrease of 12.5%, which was the biggest decline; city commercial banks earned RMB 41.3 billion, a YoY decrease of 7.9%; and rural commercial banks earned RMB 6.1 billion, a YoY decrease of 9.3% (Figure 39).

**Figure 39** **Listed banks' net income from fees and commissions (RMB hundred million)**

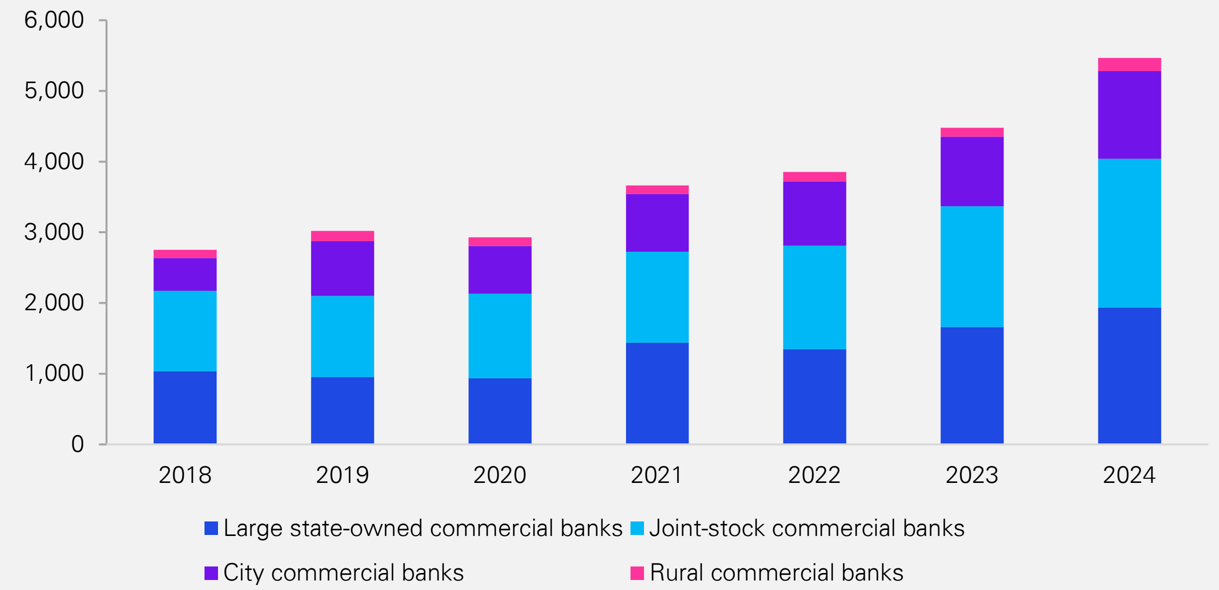



Source: Wind, KPMG analysis

### *Investment income increased by 22.1% YoY, and net income from foreign exchange and exchange rate products doubled*

In 2024, declining bond yields led to a rebound in bond trading; and returns on bonds, funds, and other investments held by commercial banks significantly increased. In 2024, listed banks generated RMB 546.8 billion in investment income, an increase of 22.1% YoY (Figure 40). Different types of banks achieved varying degrees of growth. Joint-stock commercial banks generated the largest amount of investment income at RMB 210.1 billion, climbing 23.0% compared to the previous year. Rural commercial banks recorded eye-catching growth of 47.9% YoY, representing the highest growth rate. Bonds accounted for 89.3% of rural commercial banks' financial investments; and their holdings included financial bonds (24.7%), corporate bonds (8.0%), and policy bank financial bonds (6.9%). In the context of a bullish bond market in 2024, by engaging in flexible allocation or trading strategies, some rural commercial banks doubled their investment income.

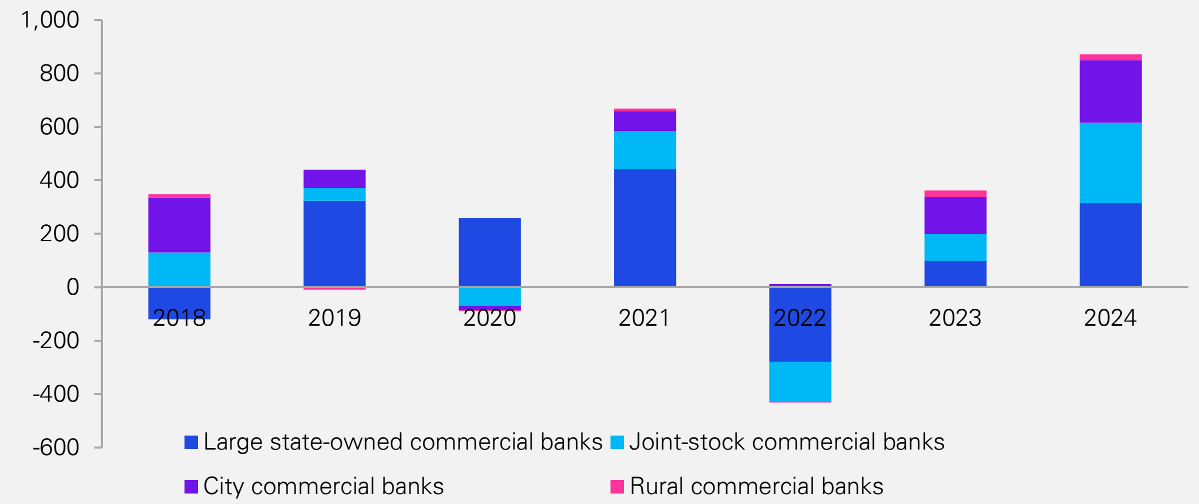
**Figure 40** **Listed banks' investment income (RMB hundred million)**




Source: Wind, KPMG analysis

In 2024, listed banks' gains from changes in fair value were RMB 87.1 billion, and their investment assets were generally floating (Figure 41). Specifically, the big six banks recorded RMB 31.6 billion in gains from changes in fair value, an increase of 219.3% YoY, the largest among bank types; joint-stock commercial banks generated RMB 30 billion, an increase of 200.2% compared to the previous year; city commercial banks generated RMB 23.3 billion, an increase of 68.0% YoY; and rural commercial banks generated RMB 2.2 billion, a YoY decrease of 9.6%.

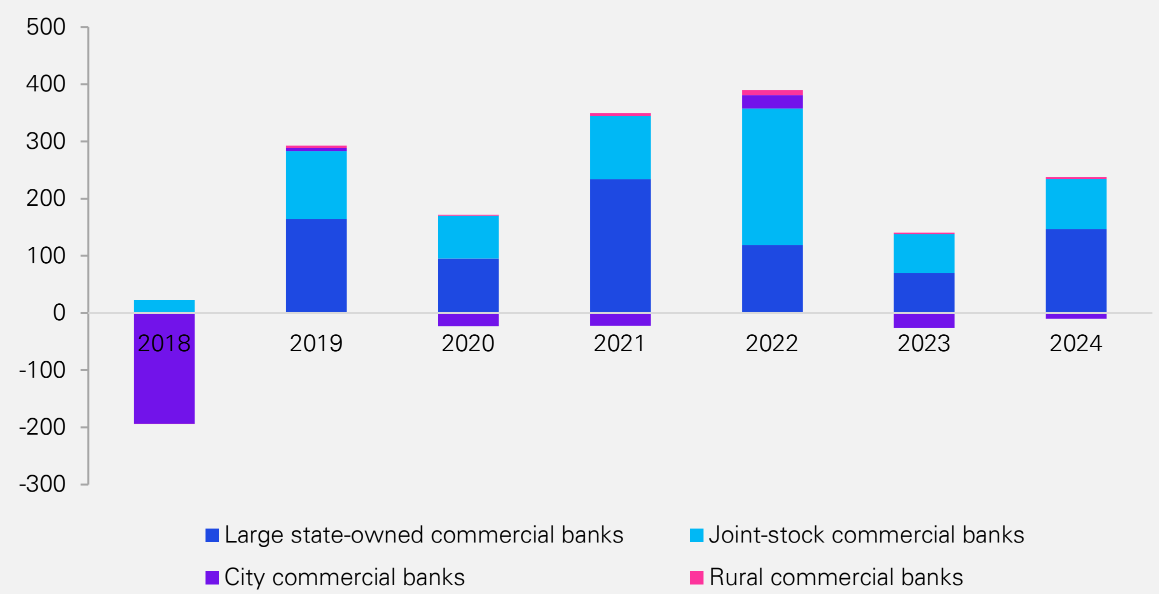
**Figure 41** **Listed banks' gains from changes in fair value (RMB hundred million)**




Source: Wind, KPMG analysis

In 2024, listed banks' foreign exchange-related income significantly increased due to the appreciation of currencies such as the US dollar against the Chinese yuan. During the year, their net income from foreign exchange and exchange rate products reached RMB 22.8 billion, a YoY increase of 99.4%. Specifically, large state-owned commercial banks recorded a YoY increase of 108.6%, the largest among the bank categories. Conversely, city commercial banks suffered losses (Figure 42). With a relatively sound foreign exchange risk management system, large state-owned commercial banks and joint-stock commercial banks benefited from the appreciation of currencies like the US dollar and generated high returns from their cross-border business, foreign exchange assets, and foreign exchange products.

**Figure 42** **Listed banks' net income from foreign exchange and exchange rate products (RMB hundred million)**

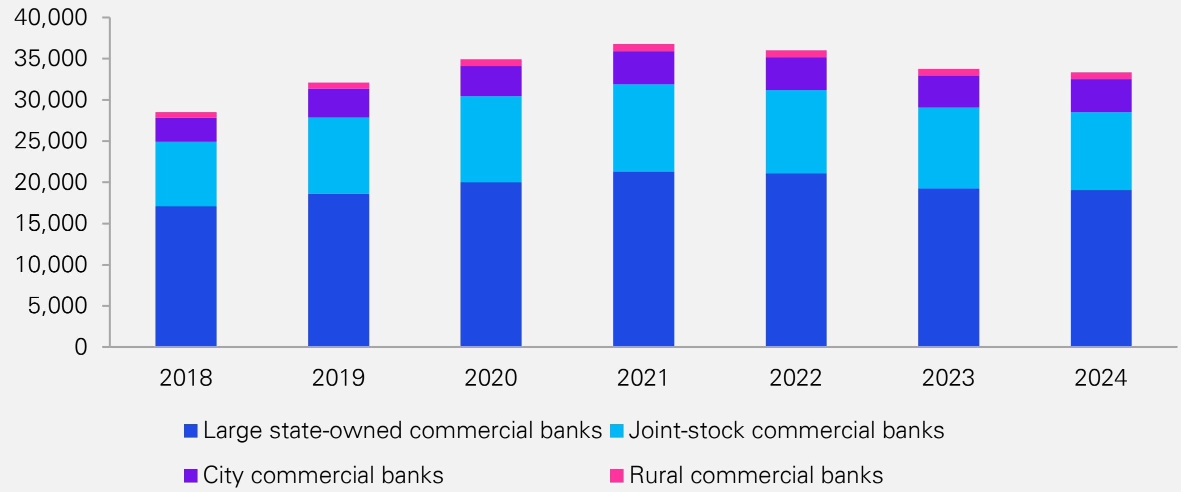



Source: Wind, KPMG analysis

### *Operating expenses continued to drop, with rural commercial banks experiencing the largest decline*

In recent years, listed banks have tightened their budgets, leading to continuous declines in their operating costs. In 2024, listed banks' operating expenses reached RMB 3.3 trillion, a YoY decrease of 1.4%. Among different types of banks, rural commercial banks experienced the largest decline compared to 2023, tumbling 7.2%; joint-stock commercial banks saw a YoY decrease of 3.5%; and large state-owned commercial banks had the smallest YoY decline at 1% compared to 2023. However, city commercial banks were an exception, recording growth of 3.8% (Figure 43). In 2024, the NPL ratio of city commercial banks increased from the previous year, leading to a rise in credit impairment losses and a slight increase in management expenses, which together drove up their operating expenses.

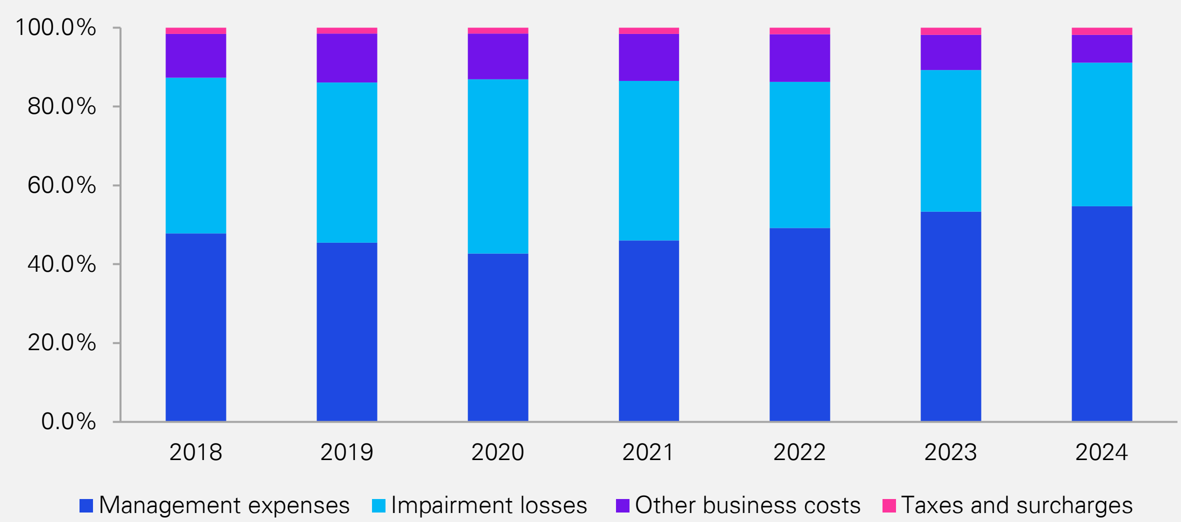
**Figure 43** **Listed banks' operating expenses (RMB hundred million)**




Source: Wind, KPMG analysis

Banks' operating expenses mainly include management expenses, impairment losses, and taxes and surcharges. Specifically, in 2024, listed banks' management expenses amounted to RMB 1.8 trillion, accounting for 54.7%; their impairment losses were RMB 1.2 trillion, accounting for 36.4%; other business costs stood at RMB 235 billion, accounting for 7.1%; and taxes and surcharges amounted to RMB 61.7 billion, accounting for 1.9% (Figure 44).

**Figure 44** **Composition of listed banks' operating expenses (%)**

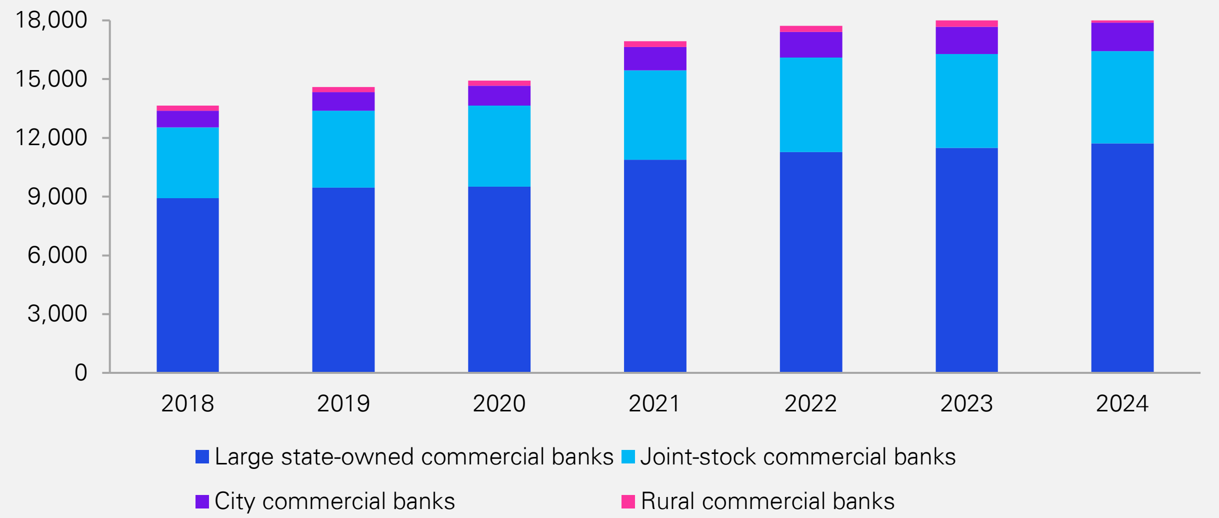



Source: Wind, KPMG analysis

### *The growth of management expenses continued to slow, resulting in a lower cost-income ratio*

As a result of narrowing net interest margins, operational pressure in the banking sector is increasing. To address this challenge, banks have taken measures such as optimising internal management processes, improving operational efficiency, and strictly controlling costs and expenditures. In 2024, listed banks' management expenses totalled RMB 1.8 trillion, an increase of 1.2% compared to the previous year, representing a continued slowing of the growth rate. Specifically, the management expenses of the big six banks were RMB 1.2 trillion, an increase of 2.0%; joint-stock banks recorded RMB 470.7 billion in management expenses, a YoY decrease of 1.6%; and the management expenses of city commercial banks were RMB 145.8 billion, an increase of 4.3%, which was the largest among bank types (Figure 45). Some city commercial banks actively attracted professionals to build a talent pool for key positions, driving the growth of expenses in respect of employee compensation and benefits. At the same time, some increased their investment in technology to empower business transformation, further pushing up management expenses.

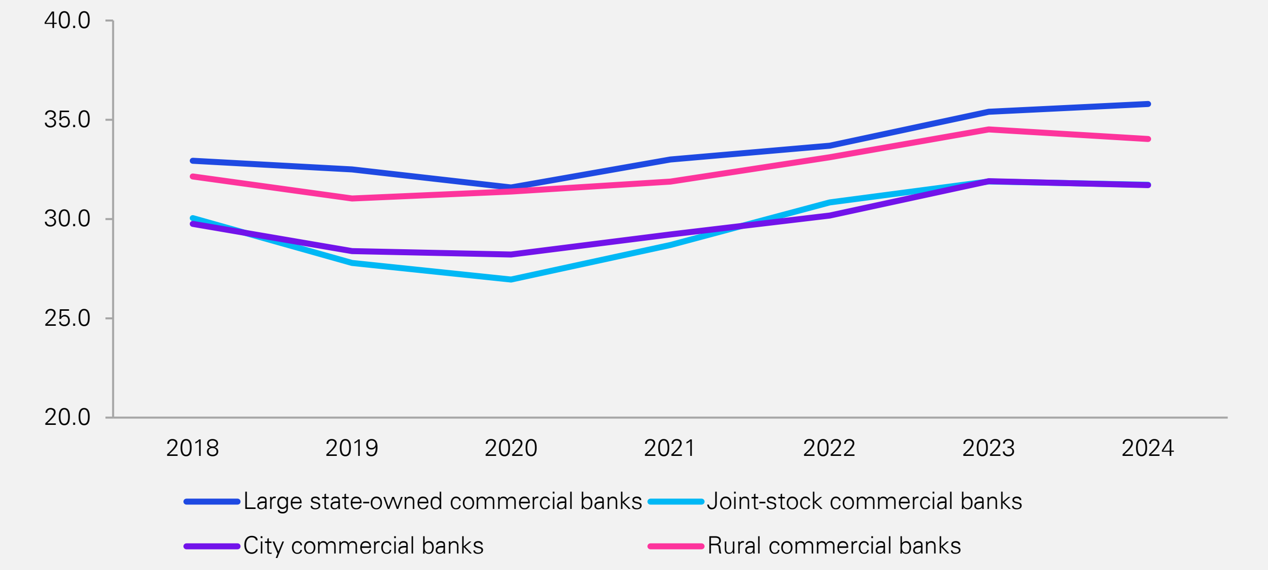
**Figure 45** **Listed banks' management expenses (RMB hundred million)**




Source: Wind, KPMG analysis

At the same time, the cost to income ratio of listed banks went down. In 2024, 30 listed banks saw declines in their cost to income ratio, although to varying degrees (meanwhile, 27 listed banks' cost to income ratios slightly increased). In terms of types of banks, the cost to income ratio of rural commercial banks was 34.0%, down 0.5 percentage point on the previous year, which was the largest decrease; and both joint-stock banks and city commercial banks had a cost to income ratio of 31.7%, a decrease of 0.2 percentage point compared to the previous year. On the other hand, large state-owned commercial banks saw their average cost to income ratio tick upward by 0.4 percentage point to 35.8% (Figure 46).

**Figure 46** **Listed banks' cost to income ratio (%)**

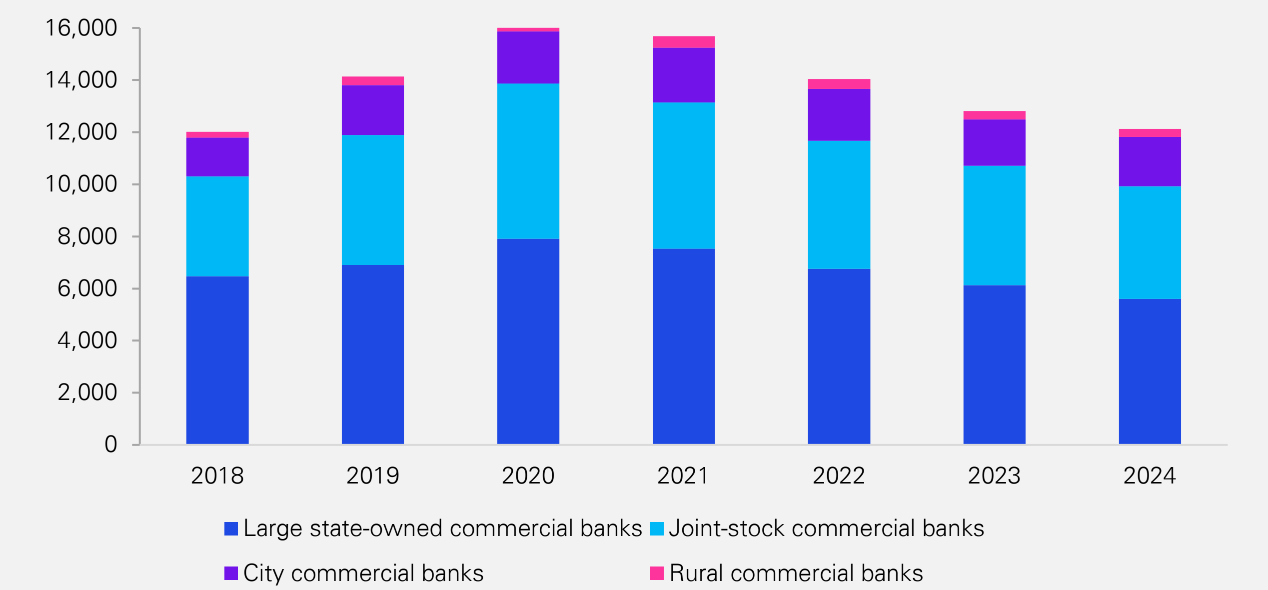



Source: Wind, KPMG analysis

### *Provisions for credit impairment losses fell for the fourth consecutive year*

In recent years, commercial banks have faced significant performance pressure; and in response, some banks have strengthened risk management, optimised their expected credit loss models, and adopted a countercyclical approach to the management of provisions by releasing some provisions into profits. In 2024, listed banks recorded credit impairment losses of RMB 1.2 trillion, a YoY decrease of 5.4%. In terms of types, large state-owned commercial banks' impairment losses amounted to RMB 560.7 billion, down 8.5%, which was the largest decrease; those of joint-stock commercial banks were RMB 431.8 billion, a decrease of 5.8%; city commercial banks recorded RMB 188.9 billion in impairment losses, a YoY increase of 5.9%; and rural commercial banks recorded RMB 31.5 billion, down 2.3% (Figure 47).

**Figure 47** **Listed banks' credit impairment losses (RMB hundred million)**

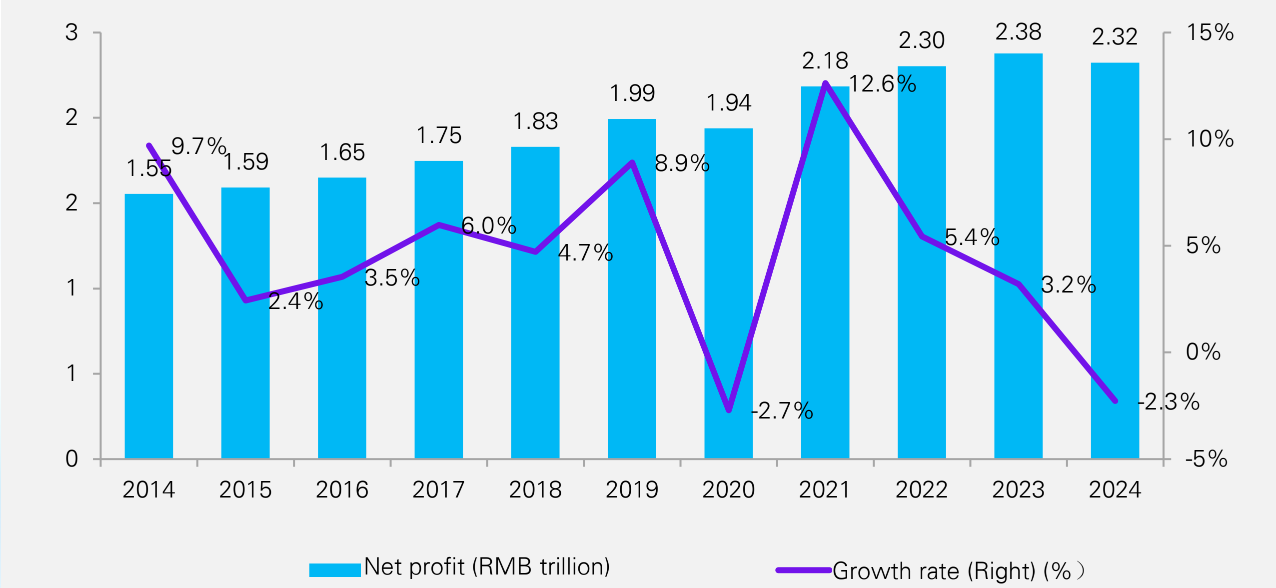



Source: Wind, KPMG analysis

### *Commercial banks recorded negative growth in net profit for the first time since the pandemic*

The current low-interest environment continued to impact the net interest income of commercial banks. At the same time, income from their intermediary business such as fees and commissions also continued to decline, putting unprecedented pressure on net profit growth. In 2024, China's commercial banks generated cumulative net profit of RMB 2.32 trillion, a YoY decrease of 2.3%, similar to the negative growth figure recorded in 2020 (Figure 48).

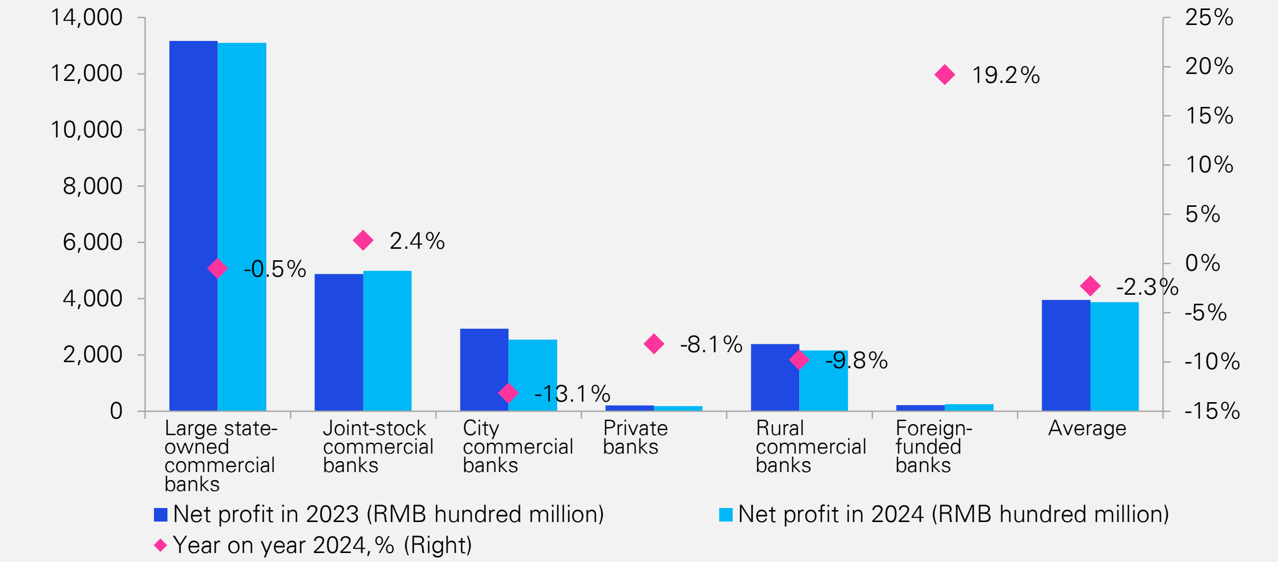
**Figure 48** **Commercial banks' net profit and growth rate**




Source: Wind, National Financial Regulatory Administration (NFRA), KPMG analysis

Different types of commercial banks saw different trends in net profit growth. The big six banks, city commercial banks, and rural commercial banks recorded negative growth, with their net profit falling by 0.5%, 13.1%, and 9.8%, respectively. Joint-stock banks and foreign-funded banks, which recorded positive growth, saw their net profit climb by 2.4% and 19.2%, respectively, compared to decreases of 3.7% and 4.9% in the previous year (Figure 49).

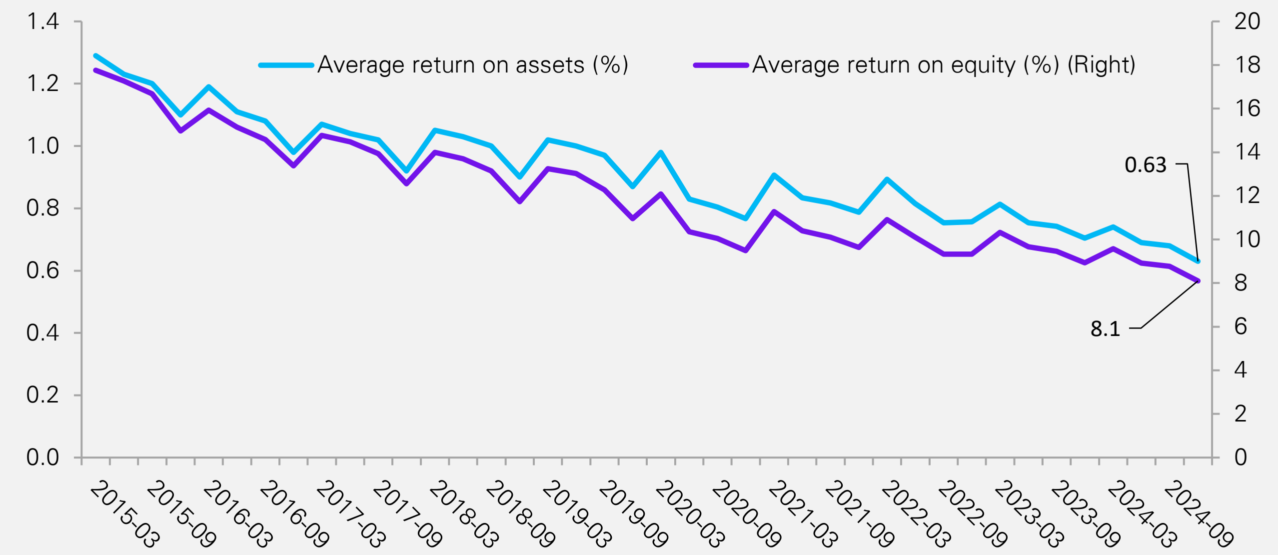
**Figure 49** Commercial banks' net profit scale and YoY comparison by type




Source: Wind, National Financial Regulatory Administration, KPMG analysis

In terms of relative efficiency indicators, in 2024, commercial banks' average return on assets (ROA) and average return on equity (ROE) continued to decline, reaching their lowest levels in more than a decade. In 2024, the ROA was 0.63%, a decrease of 0.07 percentage point compared to the previous year; and the ROE was 8.1%, a decrease of 0.83 percentage point. In 2024, commercial banks' total assets (denominator) increased by 7.2% YoY, while their net profit (numerator) shrunk, resulting in drops in relative efficiency indicators (Figure 50).

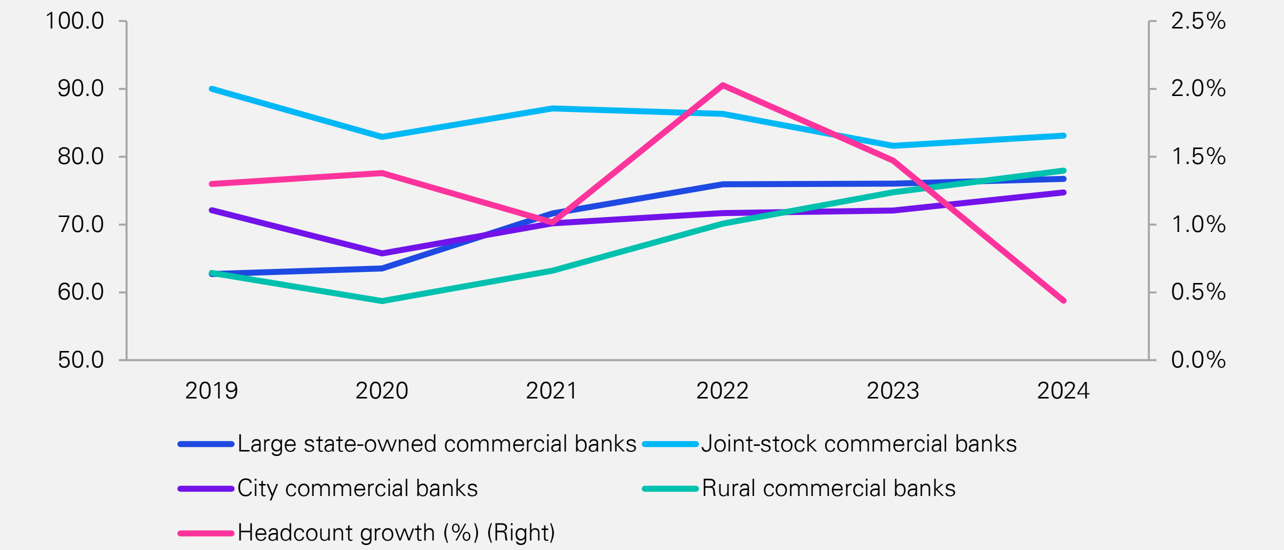
**Figure 50** Commercial banks' quarterly average return on assets (ROA) and average return on equity (ROE)




Source: Wind, National Financial Regulatory Administration, KPMG analysis

In terms of per capita profit, although banks faced challenges from declining net profits, they achieved an increase in per capita profit thanks to proactive cost control. In 2024, listed banks' per capita profit was RMB 771,000, a YoY increase of 3.2%. Specifically, joint-stock banks had per capita profit of RMB 831,000, which, although the highest, was still lower than their pre-pandemic level; rural commercial banks generated per capita profit of RMB 779,000, a YoY increase of 4.3%, representing the highest growth rate; and large state-owned commercial banks generated per capita profit of RMB 767,000, reflecting an increase of 0.9%, the slowest growth rate among the different bank types (Figure 51).

**Figure 51** **Listed banks' per capita profit (RMB ten thousand)**




Source: Wind, KPMG analysis

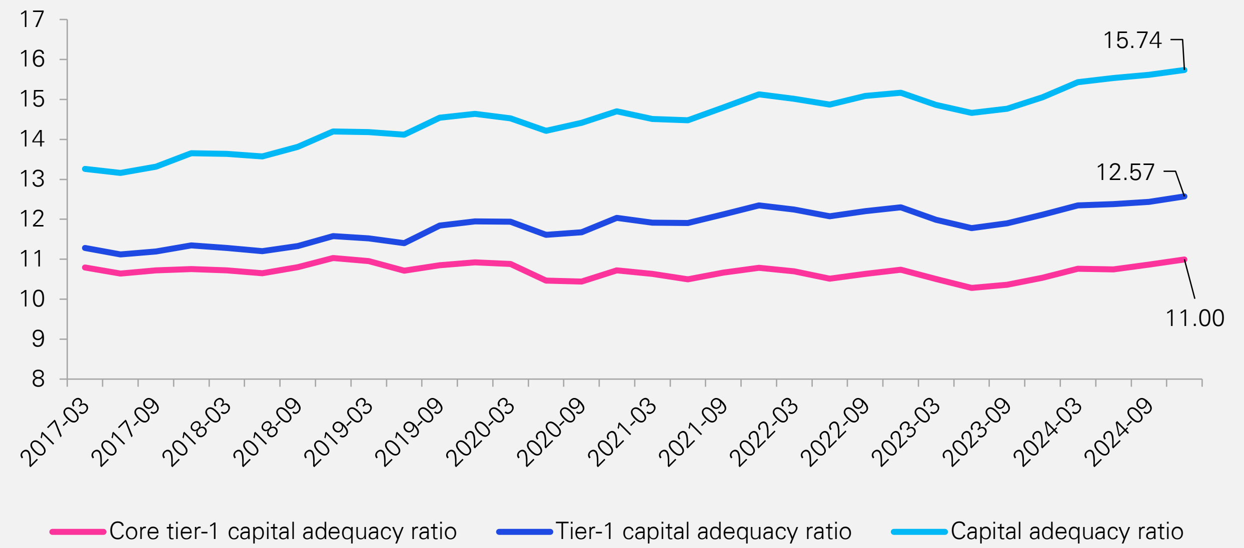
## Capital perspective

***Capital adequacy ratios remained stable and saw slight improvements, reflecting banks' rising resilience***

On 1 January 2024, the *Capital Management Measures for Commercial Banks* (New Measures) came into effect. Compared to the previous risk-weighted approach to measurement, the New Measures adjusted the risk weights for personal housing mortgage loans, corporate debt instruments, and equity risk exposures, which helps enhance banks' resilience. At the end of 2024, commercial banks' capital adequacy ratio[6] stood at 15.74%, and their core tier-1 capital adequacy ratio was 11.00%, reflecting increases of 0.68 percentage point and 0.46 percentage point respectively compared to the previous year (Figure 52). Overall, all capital adequacy ratio indicators improved, pointing to banks' rising financial resilience.

[6] The *Capital Management Measures for Commercial Banks* took effect from 1 January 2024, and the trial version was abolished simultaneously. Starting from 2024, the capital adequacy ratio indicators disclosed by regulators are based on data calculated in accordance with the New Measures.

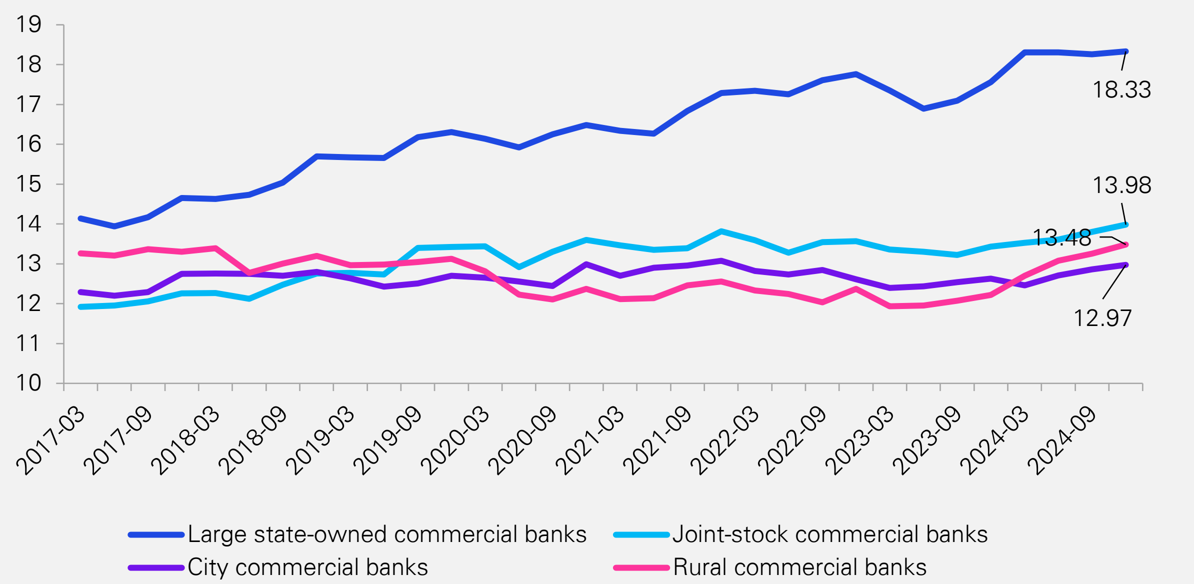
**Figure 52** **Commercial banks' quarterly capital adequacy ratios (%)**




Source: Wind, KPMG analysis

As at the end of 2024, the capital adequacy ratios of all types of commercial banks achieved varying degrees of growth compared to the previous year. The capital adequacy ratio of large state-owned commercial banks was 18.33%, a YoY increase of 0.78 percentage point; that of joint-stock commercial banks was 13.98%, a YoY increase of 0.55 percentage point; that of city commercial banks was 12.97%, up 0.35 percentage point YoY; and that of rural commercial banks was 13.48%, an increase of 1.27 percentage points compared to the previous year (Figure 53).

**Figure 53** **Commercial banks' capital adequacy ratios by type**




Source: Wind, KPMG analysis

### International banking

In 2024, commercial banks in major global economies operated in similar macro conditions, such as slowing economic growth and pressure on the quality of credit assets. But there were also differences, including divergent monetary policies in major developed economies (the US and Europe cut interest rates multiple times, while Japan raised its interest rates), and differences in credit demand due to their unique economic cycles and monetary policies.

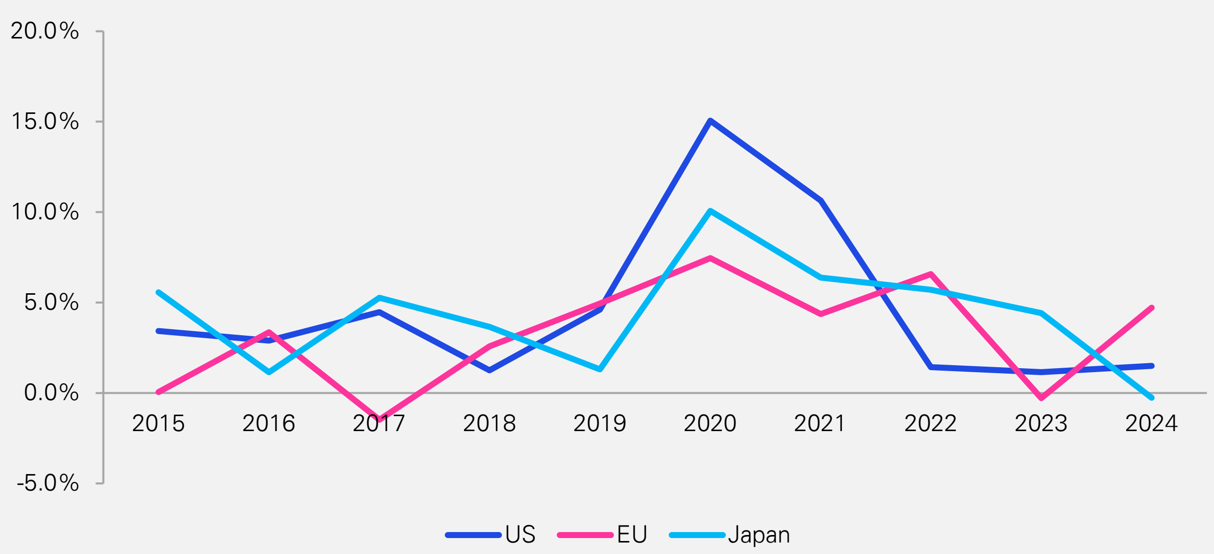
## Capital perspective

***European and American banks faced pressure from an asset perspective, and Japan's monetary policy shift brought about moderate growth in loan demand***

In 2024, the total assets of US commercial banks stood at USD 23.5 trillion, a YoY increase of 1.5%; those of monetary and financial institutions in the Eurozone were at EUR 35.4 trillion, a YoY increase of 4.7%; and those of Japanese commercial banks stood at JPY 1,477.1 trillion, a YoY decrease of 0.3%[7] (Figure 54). As the growth of US banking assets slowed, some big banks reduced their operating costs by exiting retail business in overseas markets and engaging in organisational restructuring and layoffs.

In 2024, the total assets of Chinese commercial banks increased by 7.2% YoY, faster than their international peers in the US, Europe, and Japan. Compared to these developed economies, China is an emerging economy with enormous potential in infrastructure, industrial transformation, and consumption upgrading, providing an abundance of opportunities for the banking industry. Banks play a crucial role in China's financial system, which has a relatively high proportion of indirect financing. As the country's financial market continues to open up and grow, more and more enterprises and residents are in need of diverse, personalised financial services. Against this backdrop, banks that are at the centre of the financial system have seen their asset portfolios expanding. However, it is noteworthy that due to challenges such as the current low-interest environment and narrowing net interest margins, the total assets of Chinese commercial banks are growing at a slower rate than the double-digit rates seen in the past.

**Figure 54** **Growth of the total assets of US, European and Japanese commercial banks (%)**



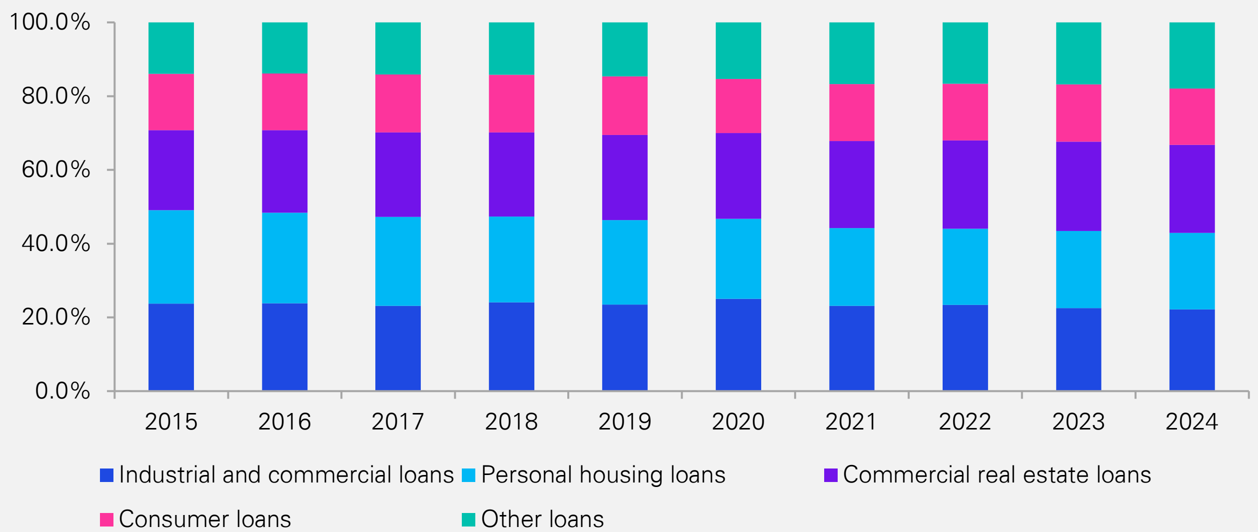

Source: CEIC, KPMG analysis

[7] The total assets of US commercial banks are recorded on a seasonally adjusted basis. Those of monetary and financial institutions in the Eurozone include central banks, credit institutions, money market funds, etc., making the scope larger than that for commercial banks in other regions. The total assets of EU commercial banks represent those of monetary and financial institutions in the Eurozone, while the total assets of Japanese commercial banks are based on data released by them every September.

From the perspective of loan structure, the proportions of corporate and personal loans in the US were relatively balanced; in Europe, commercial banks' loans consisted largely of personal housing loans and loans to non-financial enterprises; and in Japan, corporate and government loans were dominant. In China, loans to non-financial enterprises accounted for 71.8% of commercial banks' loans; due to the significant reduction in personal housing loans, the proportion of retail loans has gradually declined since 2019. Personal consumer loans, business loans, and credit card overdrafts, which have grown significantly, have become the main components of new retail loans.

Since 2022, the Federal Reserve (the Fed) has hiked interest rates, pushing them to multi-year highs. Inflation has fallen but remains stubborn, and the high interest environment has suppressed corporate and personal borrowing. In 2024, commercial real estate accounted for the highest proportion of corporate loans in the US, at 23.8%, while industrial and commercial loans accounted for 22.1%, both down 0.4 percentage point compared to the previous year. The proportions of personal housing and consumers loans among residential loans were 20.8% and 15.3%, respectively, down 0.1 percentage point and 0.2 percentage point. Consumer loans in the US mainly consist of credit card overdrafts and car loans, which accounted for 56% and 25%, respectively, in 2024, the former up 2 percentage points, and the latter down 1 percentage point, compared to the previous year (Figure 55).

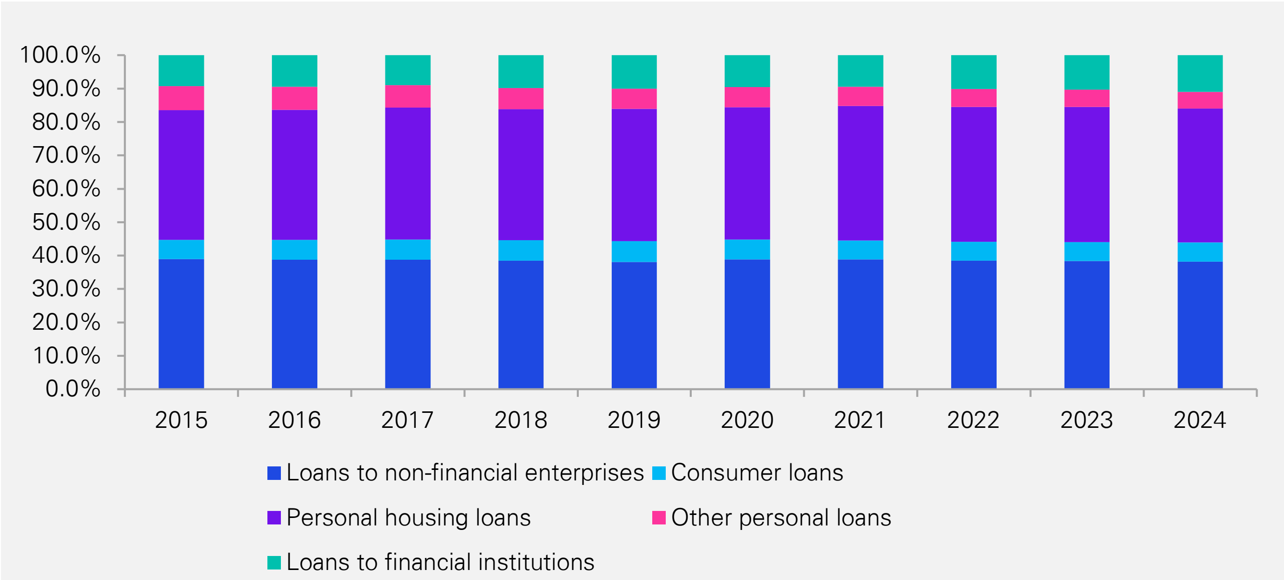
**Figure 55** **US commercial banks' loan structure**




Source: CEIC, KPMG analysis

Since 2022, the European Central Bank (ECB) had been raising interest rates to combat inflation; but starting in June 2024, it began a cycle of rate cuts. However, interest rates are still relatively high. Economic growth in the Eurozone has been weak, with some countries teetering on the brink of recession. The uncertain economic outlook and high interest environment significantly suppressed loan demand in the Eurozone. In 2024, loans to non-financial enterprises accounted for 38.2%, a slight decrease of 0.1 percentage point compared to the previous year, while loans to financial institutions accounted for 11.0%, up 0.7 percentage point. Personal housing loans accounted for 40.1%, down 0.3 percentage point, consumer loans accounted for 5.7%, which was the same as the previous year, and other loans accounted for 5.0%, down 0.2 percentage point (Figure 56).

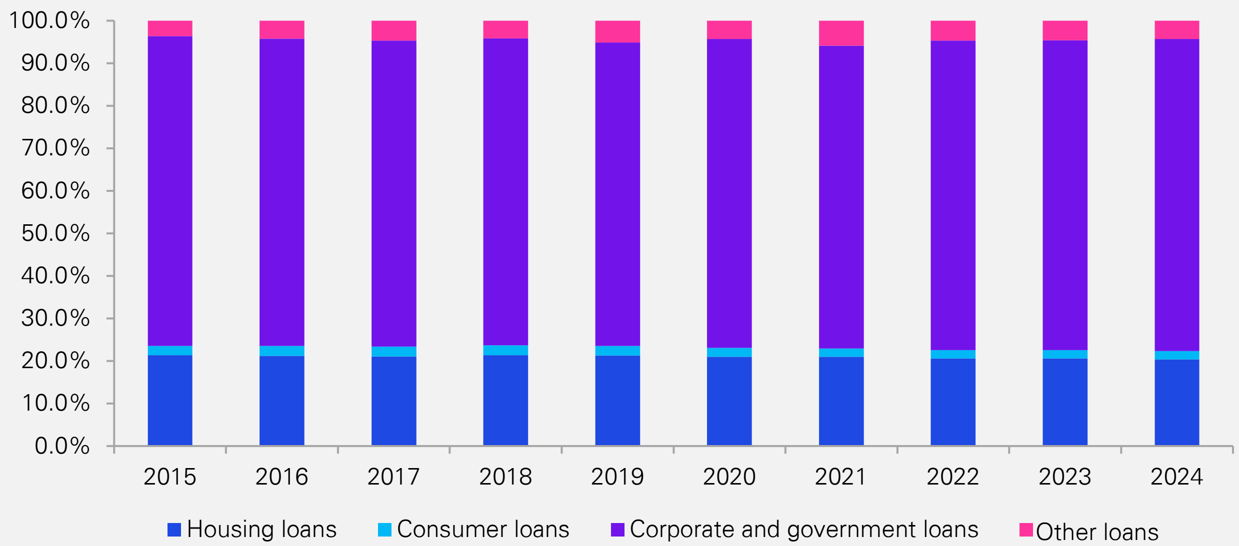
**Figure 56** **European commercial banks' loan structure**




Source: ECB, KPMG analysis

In March 2024, the Bank of Japan (BoJ) historically ended its negative interest rate policy and yield curve control (YCC), marking a shift in its ultra loose monetary policy. Japan saw its inflation going up, and needed to consolidate the foundation for economic recovery. Against this backdrop, Japan's loan demand maintained moderate growth, mainly driven by corporate investment and consumers. In 2024, corporate and government loans accounted for 73.4%, an increase of 0.6 percentage point compared to the previous year; the proportion of personal housing loans was 20.4%, down 0.2 percentage point; and that of consumer loans was 2.0%, which was at the same level as the previous year (Figure 57).

**Figure 57** Japanese commercial banks' loan structure




Source: CEIC, KPMG analysis

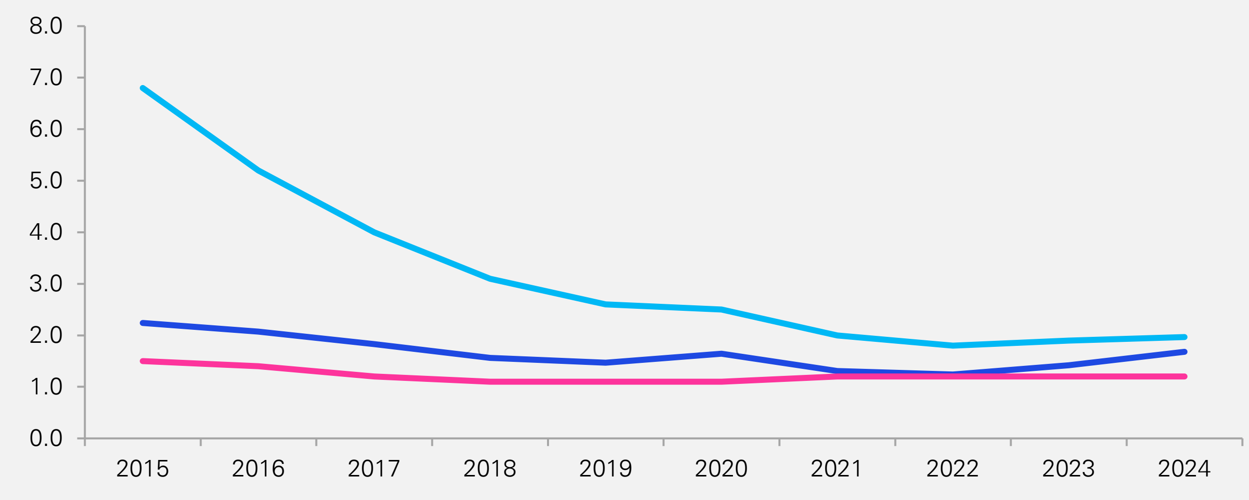
The year 2024 was filled with black swan events in the global economy, especially the financial sector, increasing operational risks for the banking industry. The NPL ratio of US commercial banks in 2024 was 1.7%, up 0.3 percentage point compared to the previous year. The rise was mainly attributable to the commercial real estate sector, especially to office buildings and retail properties which had been subject to the dual impact of remote work and the high interest environment. Second, default rates on credit card loans and car loans increased, as a result of increasing financial pressure on consumers in the context of high inflation and interest rates.

The NPL ratio of EU commercial banks was 2.0%, an increase of 0.1 percentage point compared to the previous year. This impressive performance was mainly due to government support during the pandemic, banks' prudential approach to lending, and active efforts by some countries to dispose of NPLs, which kept the NPL ratio low during the post-pandemic economic recovery stage. However, NPL ratios in some heavily indebted countries such as Italy and Greece were still higher than the average level in the Eurozone despite significant falls from historical highs.

The NPL ratio of Japanese commercial banks was 1.2%, standing unchanged from the previous year. The consistently low NPL ratio reflects the financial soundness of Japanese enterprises and banks' prudential approach to risk management (Figure 58).

The NPL ratio of Chinese commercial banks was 1.5%, lower than that of their US and EU peers, but 0.3 percentage point higher than that of Japanese banks. Considering the increase in both the loan overdue rate and the NPL ratio of retail loans, commercial banks are likely to face pressure from new NPLs in the future.

**Figure 58** NPL ratios of US, European and Japanese commercial banks (%)




Source: CEIC, KPMG analysis

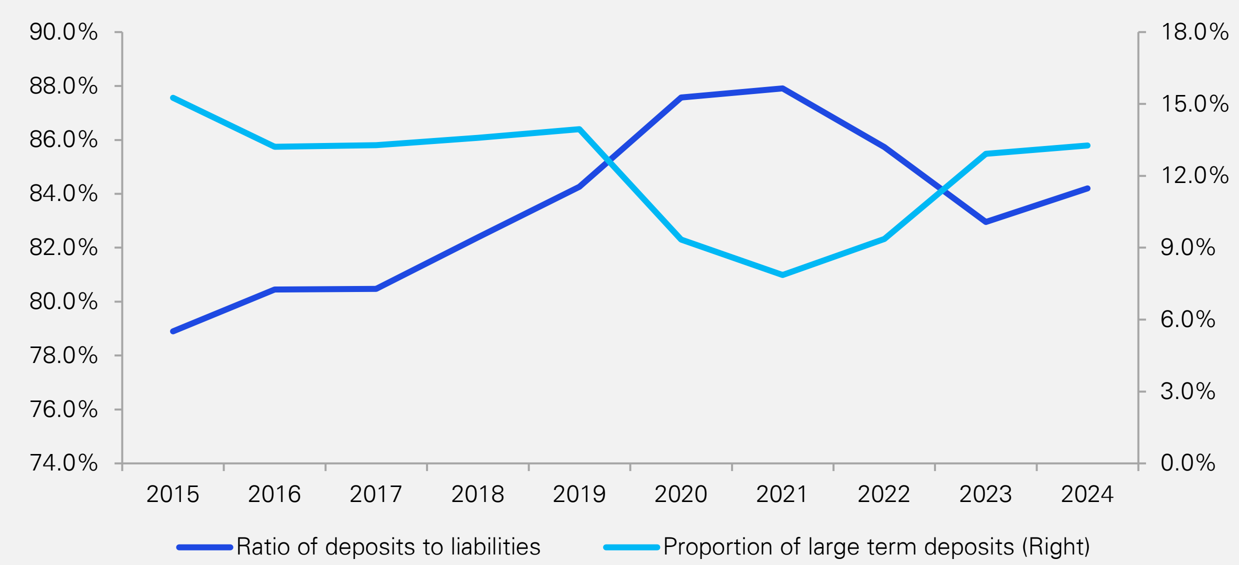
Note: The NPL ratio of European commercial banks in 2024 is based on data from the third quarter of 2024.

## Liability perspective

***The increase in term deposits pushed up financing costs for European and American banks, while the stable deposit structure in Japan kept financing costs low***

In 2024, the total liabilities of US commercial banks were USD 21.2 trillion, reflecting a YoY increase of 1%. This included USD 17.8 trillion in total deposits, representing a YoY increase of 3%, which accounted for 84.2% of total liabilities, an increase of 1.2 percentage points compared to the previous year. Large term deposits increased rapidly by 5% YoY, accounting for 13.3% of total deposits, an increase of 0.4 percentage point compared to the previous year (Figure 59). Customers shifting their funds from interest-free or low-interest accounts to high-interest term accounts or money market fund accounts led to rising costs on deposits for banks.

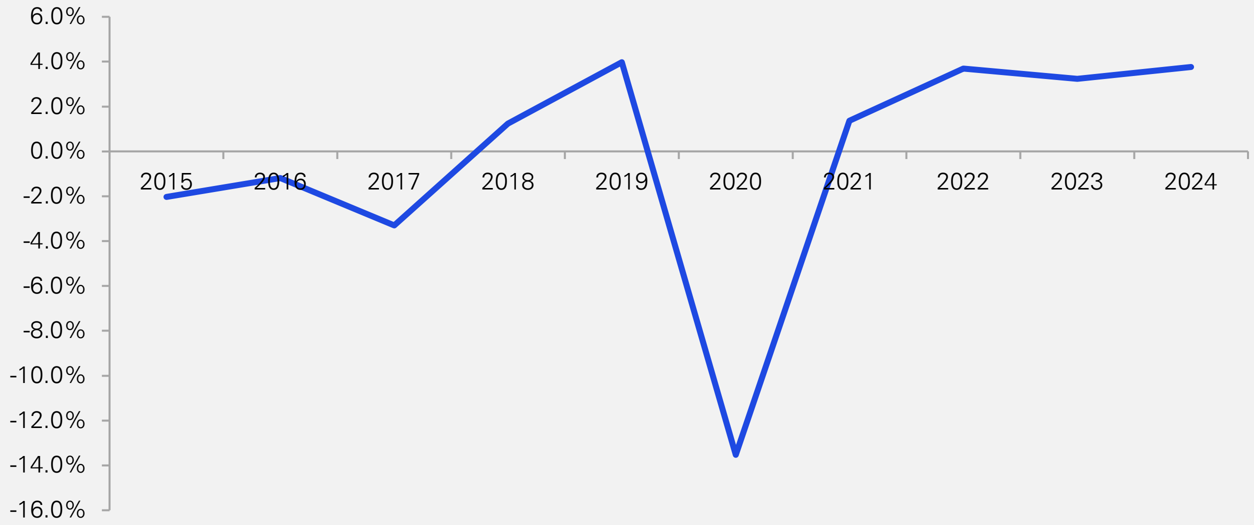
**Figure 59** Proportion of deposits/term deposits in US banks




Source: CEIC, KPMG analysis

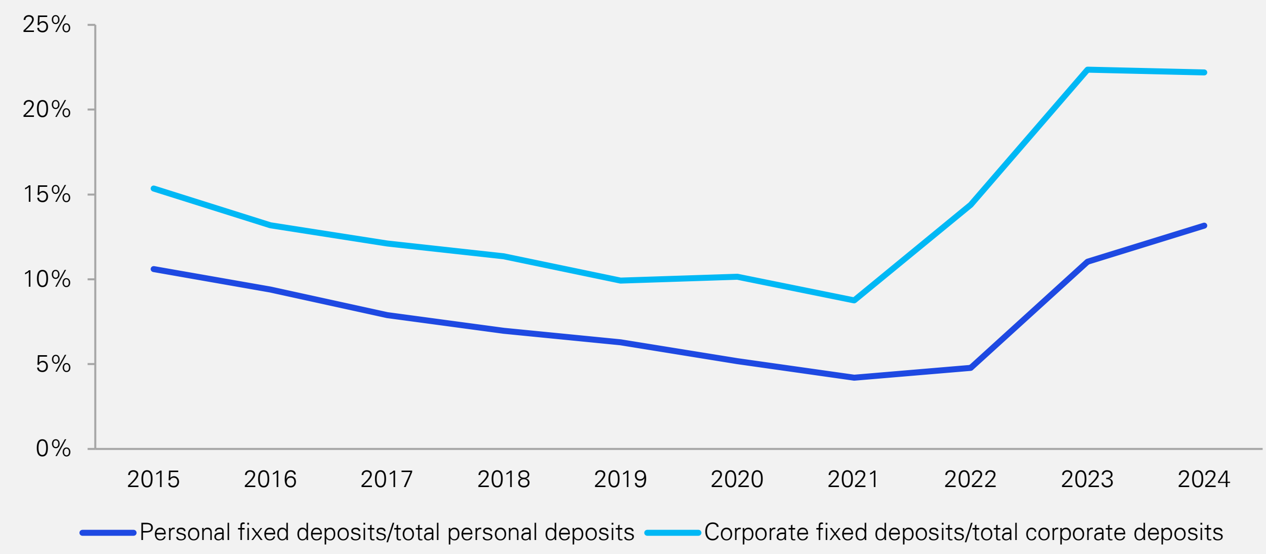
In 2024, the total liabilities of European commercial banks were EUR 33.1 trillion, a YoY increase of 3.8% (Figure 60). Similar to the trend in the US, European commercial banks also saw deposits move from demand to term accounts, which pushed up their financing costs. In 2024, personal term deposits reached EUR 1.25 trillion, up 23% YoY, and accounted for 13% of total personal deposits, an increase of 2 percentage points compared to the previous year. This was the principal driver of total liabilities (Figure 61). In addition, the European Central Bank ended its targeted long-term refinancing operations (TLTROs), which also put greater financing pressure on banks.

**Figure 60** **Growth of European commercial banks' liabilities**




Source: ECB, KPMG analysis
Note: European commercial banks' liability growth rate in 2024 is based on data from the third quarter of 2024.

**Figure 61** **Proportions of term deposits by individuals and non-financial enterprises in the Eurozone**

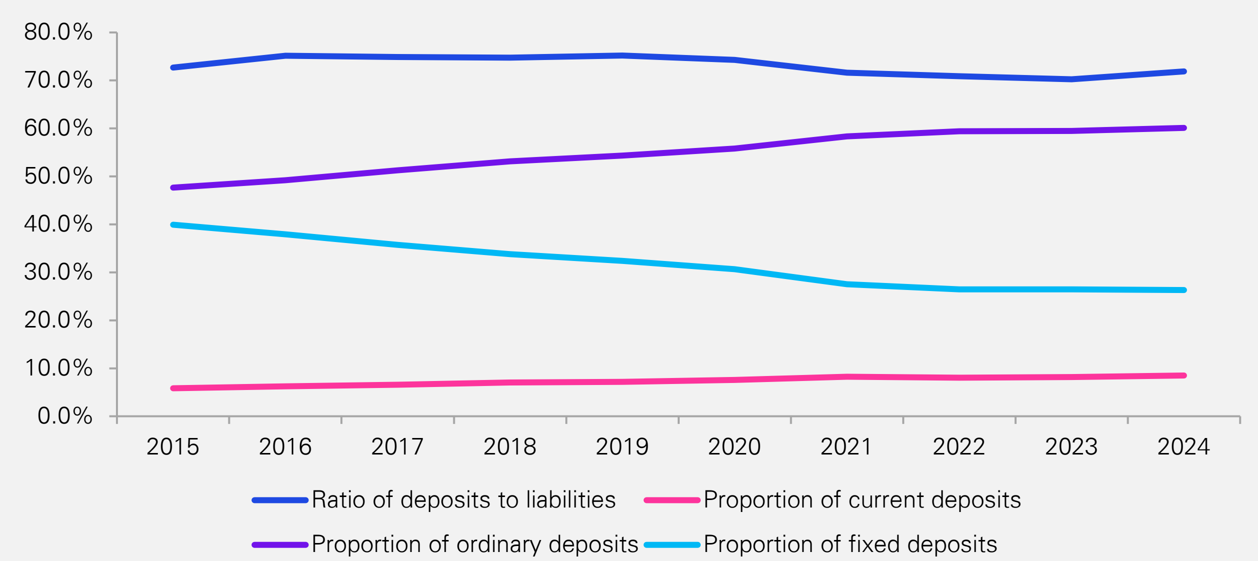



Source: ECB, KPMG analysis

In 2024, the total liabilities of Japanese commercial banks were JPY 1,419.9 trillion, a decrease of 0.5% compared to the previous year. Within this amount, deposits accounted for 71.9%, up 1.6 percentage points; demand deposits[8] accounted for 8.5% of deposits, an increase of 0.3 percentage point; and ordinary deposits[9] accounted for 60.1% of deposits, an increase of 0.6 percentage point. Meanwhile, term deposits as a share of deposits were 26.3%, down 0.1 percentage point[10] (Figure 62). Japanese banks have a large and stable depositor base, with extremely low financing costs. Meanwhile, large Japanese banks have a relatively high proportion of overseas business. For such banks, financing costs on foreign exchange and fluctuations in exchange rates are important considerations.

Although the US and Europe have started a round of rate cuts, interest rates are still at higher levels due to previous hikes, inducing individuals and businesses to increase their term deposits for the sake of high returns. The situation in China is quite unlike that in the US and Europe. The current low interest environment has weakened domestic depositors' appetite for term deposits; and they have turned to other higher-yield investments, leading to fewer new term deposits. This has reduced banks’ costs on liabilities.

**Figure 62** **Proportion of deposits/deposit structure for Japanese banks**




Source: CEIC, KPMG analysis

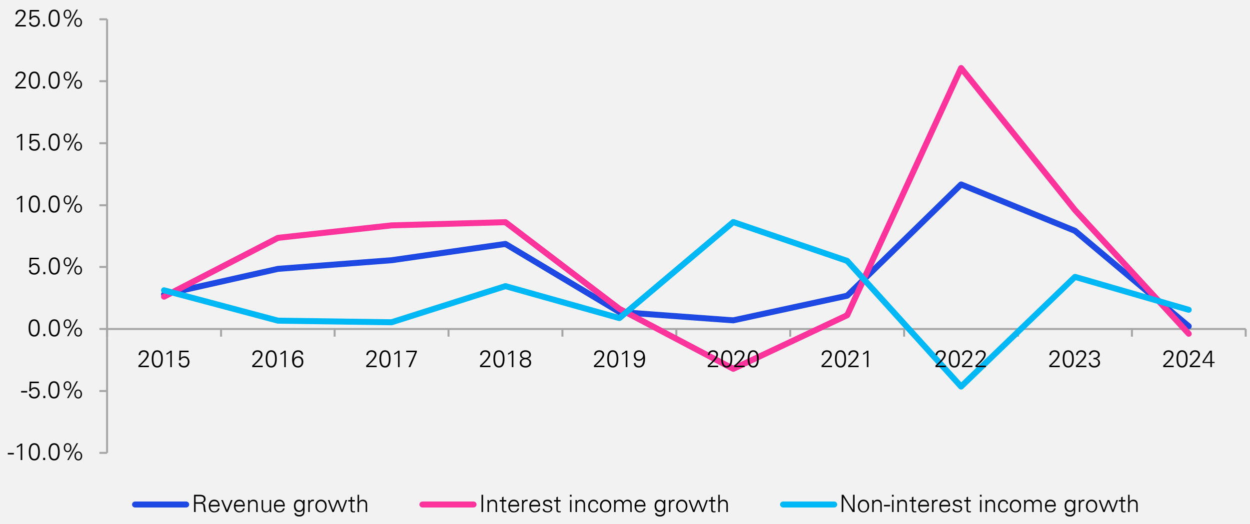
## Profit perspective

***European and US banks faced pressure from net interest margins, while Japan's monetary policy shift led to a slow rebound in net interest margins***

The total revenue of US commercial banks in the first three quarters of 2024 was USD 792.3 billion, a YoY increase of 0.2%, representing a growth rate that was 7.7 percentage points lower than the previous year. Interest income declined by 0.4%, compared to an increase of 9.6% in the previous year; and non-interest income increased by 1.5% YoY, down 2.7 percentage points (Figure 63). The significant decline in the growth rate of US banks’ interest income was mainly due to narrowing net interest margins. Although the Fed maintained interest rates at high levels, rapidly increasing costs on deposits and slower loan growth led to narrowing interest margins.

[8] In Japan, this mainly refers to accounts used for daily business settlement by enterprises and self-employed individuals, similar to corporate demand deposit accounts in China.
[9] This is the most common and basic type of personal deposit account in Japan, similar to a current savings deposit account in China.
[10] Based on data released in March regarding Japanese commercial banks’ demand deposits, ordinary deposits, and term deposits.

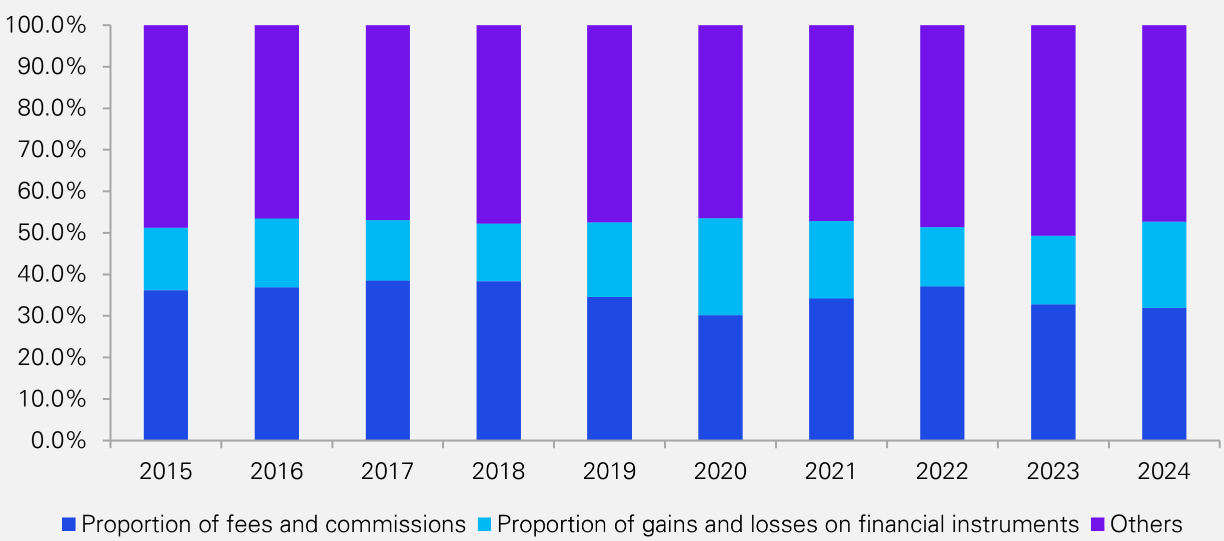
**Figure 63** Growth of US commercial banks' interest income and non-interest income




Source: CEIC, KPMG analysis
Note: The growth rate of US commercial banks' revenue in 2024 is based on data for the first three quarters of 2024.

In terms of the structure of non-interest income, in the first three quarters of 2024, the fee and commission income of US commercial banks increased by 1% YoY, accounting for 32.0% of their non-interest income; this proportion was 0.9 percentage point lower compared to the previous year. Their income from gains and losses on financial instruments increased by 22% YoY, accounting for 20.7% of their non-interest income, up 4.2 percentage points (Figure 64). The significant increase was mainly due to a combination of trading opportunities brought about by market volatility, increased customer demand for hedging, specific high-performing assets, and effective portfolio management. However, these conditions were highly dependent on the market environment and subject to strong cyclical factors and uncertainty, which means this performance is likely not sustainable.

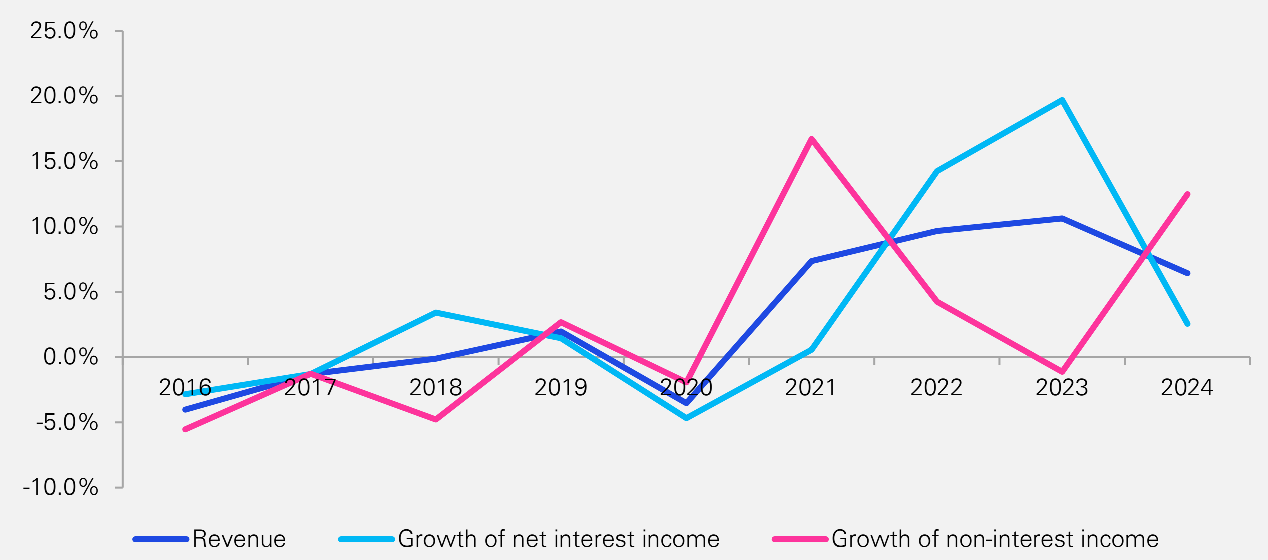
**Figure 64** Structure of US commercial banks' non-interest income




Source: CEIC, KPMG analysis
Note: The non-interest income of US commercial banks in 2024 is based on data for the first three quarters of 2024.

In 2024, European commercial banks recorded EUR 621.1 billion in revenue, a YoY increase of 6.4%, which was 4.2 percentage points lower than the previous year. Their interest income increased by 2.6% YoY, representing a fall of 17.1 percentage points in the growth rate; and non-interest income increased by 12.5% YoY, up 13.6 percentage points (Figure 65). The decline in revenue growth was mainly due to the slower growth of interest income.

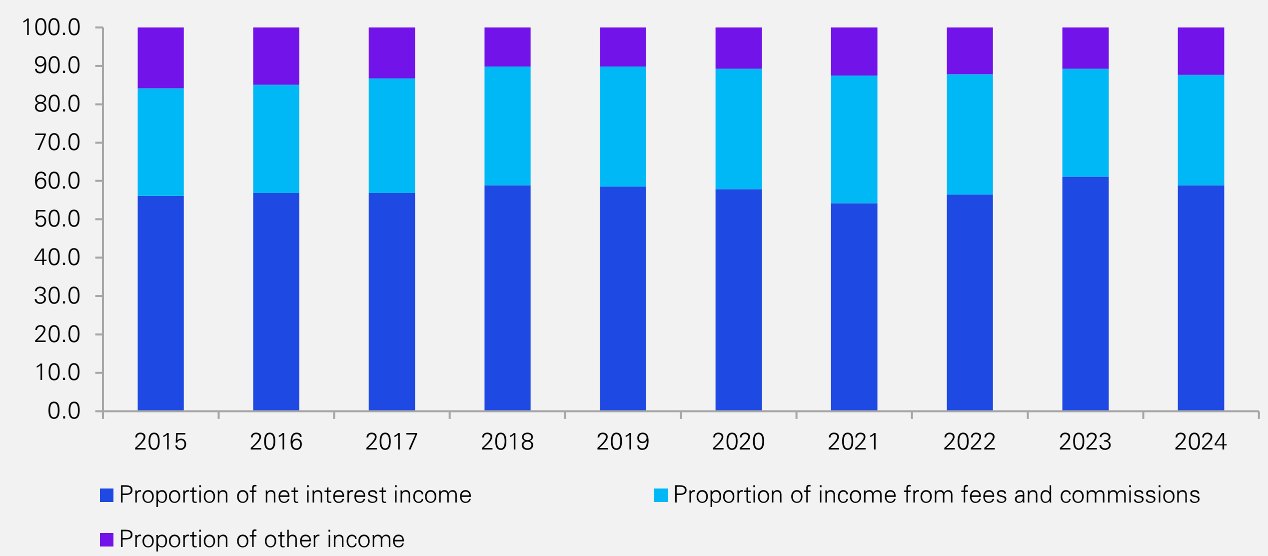
**Figure 65** Revenue growth of European commercial banks




Source: ECB, KPMG analysis

The European Central Bank started a round of rate cuts in June 2024, and there had been seven cuts by April 2025, putting pressure on banks' net interest margins. Meanwhile, as the weak economy limited the growth of fees, banks found it difficult to significantly increase the contribution of non-interest income to revenue. In 2024, net interest income accounted for 58.9% of European commercial banks' revenue, a decrease of 2.2 percentage points compared to the previous year. Fees and commissions accounted for 28.8% of non-interest income, an increase of 0.6 percentage point; and other income accounted for 12.3%, an increase of 1.6 percentage points (Figure 66).

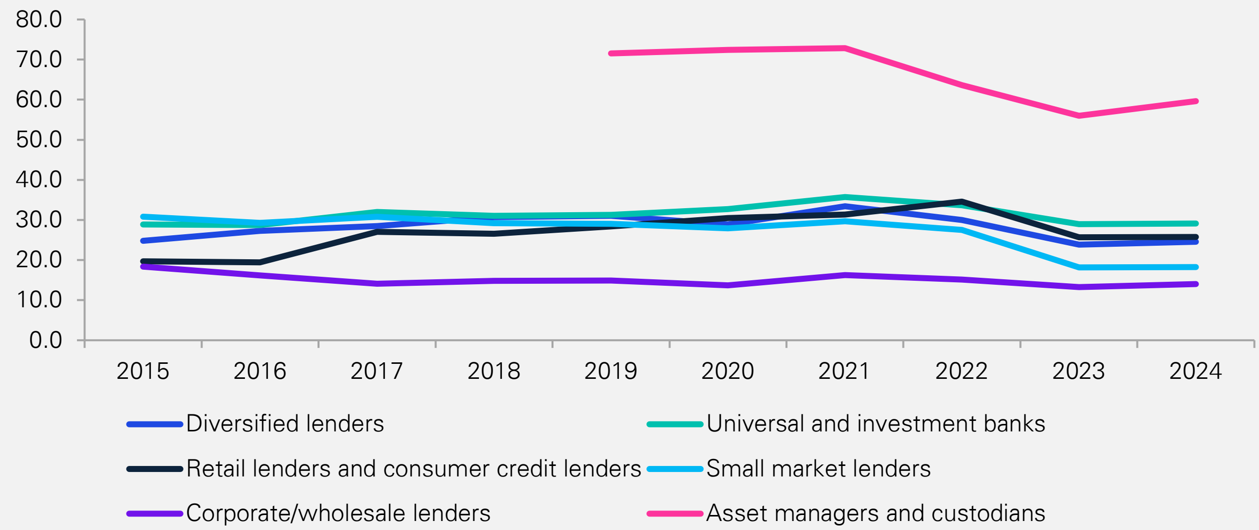
**Figure 66** European commercial banks' revenue structure (%)




Source: ECB, KPMG analysis

In terms of types of institutions, in 2024, fee and commission income accounted for 59.6% of asset managers and custodians' total revenue, an increase of 3.6 percentage points compared to the previous year. The growth rate was more than 10 percentage points below the peak recorded in 2021. In the case of universal banks and investment banks, such income accounted for 29.1% of their total revenue, a slight increase of 0.2 percentage point compared to 2023; in the case of retail and consumer credit institutions, and diversified lenders, such income accounted for 24.6% of their total revenue, up 0.1 percentage point compared to 2023 in the case of the former and 0.7 percentage point in the case of the latter. In addition, for small market lenders and corporate/wholesale lenders, fee and commission income accounted for 18.2% and 14% respectively. For small market lenders, which sustained the biggest fall, the proportion has been declining year by year from 30.8% in 2015 (Figure 67).

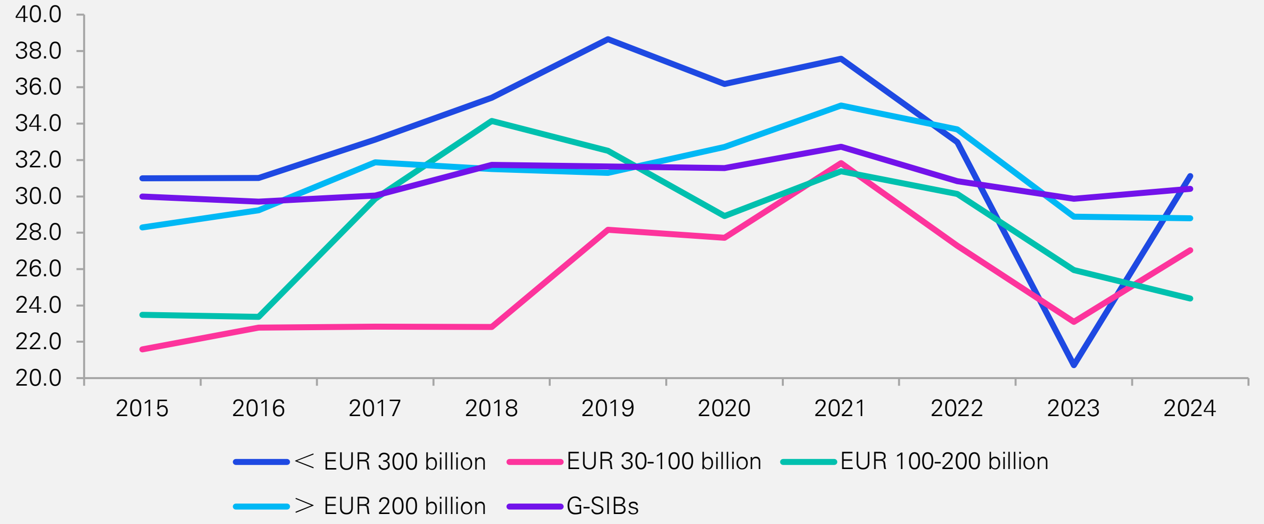
**Figure 67** **Fee and commission income as a proportion of European commercial banks' total revenue by type of institution (%)**




Source: ECB, KPMG analysis
Note: Asset managers and custodians did not disclose data regarding the proportion of their income from fees and intermediary business from 2016 to 2019.

By asset scale, in 2024, institutions whose assets were less than EUR 30 billion had the highest proportion of fee and commission income at 31.1%, a significant increase of 10.6 percentage points compared to 2023. For global systemically important banks (G-SIBs), the proportion was 30.4%, reflecting a slight increase of 0.5 percentage point. For institutions with assets of more than EUR 200 billion, fee and commission income accounted for 28.8% of their revenue, which was basically the same as the previous year. For institutions with an asset scale of EUR 30-100 billion, such income accounted for 27.0% of their revenue, an increase of 4 percentage points compared to the previous year. And institutions with an asset scale of EUR 100-200 billion had the lowest proportion at 24.4%, a decrease of 1.6 percentage points (Figure 68).

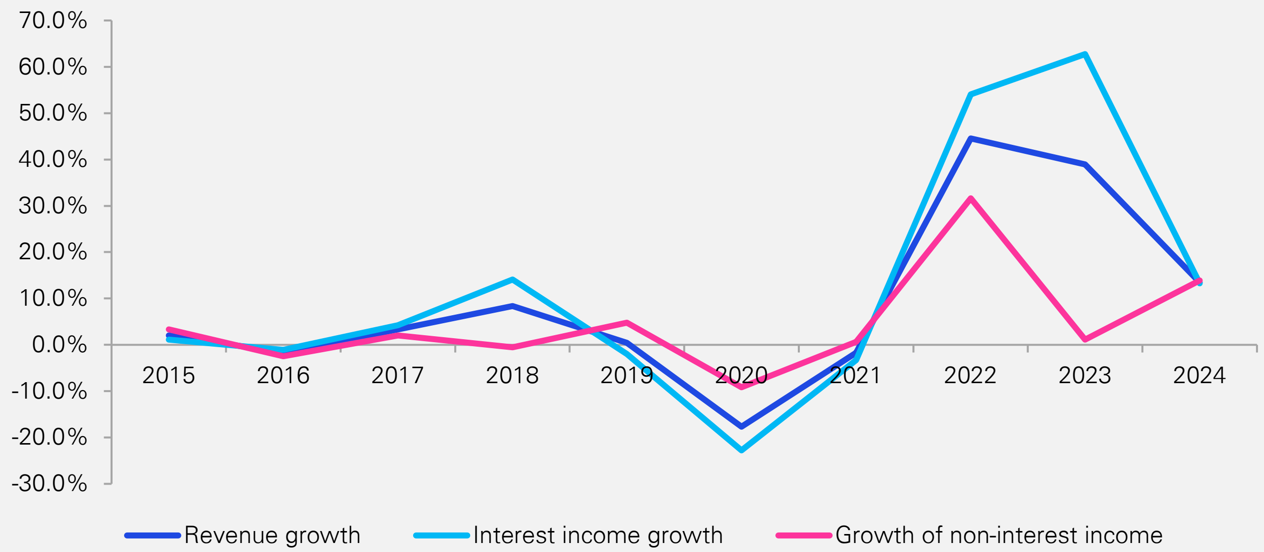
**Figure 68** **Fee and commission income as a proportion of European commercial banks' total revenue by asset scale (%)**




Source: ECB, KPMG analysis

In 2024, Japanese commercial banks' revenue grew by 13.5% YoY, a decrease of 25.5 percentage points compared to the previous year. Interest income grew by 13.3%, a decrease of 49.5 percentage points, mainly due to the low base in 2022 which resulted in a high YoY increase in 2023. Non-interest income grew by 13.9% YoY, up 12.8 percentage points compared to the previous year. Due to a protracted period of negative interest rates, Japanese banks' net interest margins had been at an extremely low level (Figure 69). The policy shift in 2024 is expected to recover net interest margins from their historical lows. However, the recovery will likely be slow, as competition remains fierce and banks are neither very willing nor able to significantly raise deposit rates.

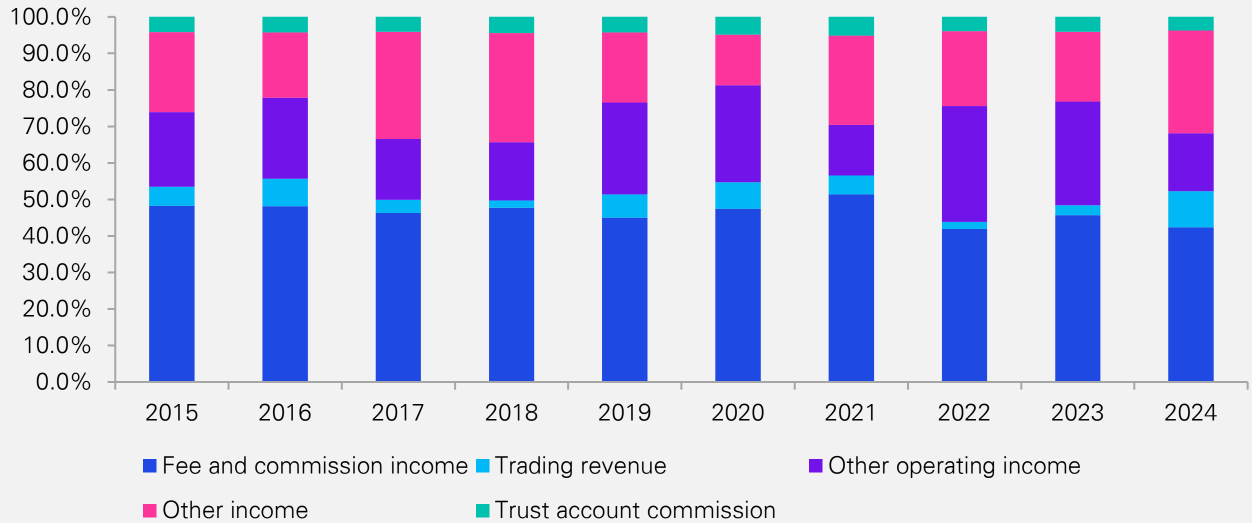
**Figure 69** **Revenue growth of Japanese commercial banks**




Source: CEIC, KPMG analysis
Note: The Japanese Bankers Association publishes data every March and September, with March data covering the entire previous year and September data covering the first half of the year.

In terms of the structure of non-interest income, in 2024, fee and commission income accounted for 42.3%, a decrease of 3.3 percentage points compared to 2023; trading revenue accounted for 9.9%, up 7.2 percentage points compared to 2023; commission income from trust accounts accounted for 3.7%, down 0.3 percentage point; and other operating income accounted for 15.9%, a decrease of 12.5 percentage points (Figure 70). Wealth management was a key growth segment in the fee and commission income of Japanese banks. As the Japanese government promotes a shift among citizens from "savings to investment," coupled with a surge in inheritances brought about by the ageing population, there is considerable room for banks to increase their commission income in areas including investment trusts, insurance sales and financial consulting.

**Figure 70** **Japanese commercial banks' non-interest income structure**




Source: CEIC, KPMG analysis

Amid interest rate cuts and low interest rates, declines in interest income are a common challenge for the global banking industry. The round of rate cuts started by the US and Europe in 2024 has significantly slowed the growth of interest income for their banking sectors. Chinese banks are also facing challenges from declining interest income growth, with net interest margins falling to their lowest point on record, and interest income seeing negative growth. However, during the year, different trends were seen in non-interest income across different regions. The US banking industry achieved slight YoY growth, despite a fall in the growth rate; in contrast, European and Japanese banks witnessed stronger momentum, recording double-digit YoY growth. The Chinese banking industry has been facing a more serious challenge in terms of non-interest income, as evidenced by the negative growth of fee and commission income for three consecutive years. This has undoubtedly exacerbated banks' profitability issues. How to effectively expand non-interest income has become an urgent issue for China's banking industry in the face of narrowing net interest margins and decreasing interest income. To cope with the pressure brought about by low interest rates, banks need to actively explore paths to diversification for non-interest-generating business and develop new sources of growth through differentiation.

# Overview of strategic insights in the banking industry

## — How Chinese commercial banks should navigate the current cycle of low interest margins

**Daniel Zhi**
Head of Financial Strategy Consulting
KPMG China

In 2024, Chinese commercial banks' assets maintained stable growth, but their revenue continued to decline. For example, in 2024, the revenue of listed banks decreased by 3.6% YoY, mirroring the decline seen in 2023[12]. This indicates that commercial banks were not expanding their assets fast enough to make up for price declines, which were mainly the result of rapidly narrowing interest margins. However, we also noted weak growth in income from their intermediary business and that they were unable to effectively adjust their income structure.

Looking at their consolidated operating data and financial statements alone, an observer would not fully understand the profound impact of current changes in the economic and financial environment on banks' business. On the asset front, declining loan interest rates directly led to reduced returns on banks' assets, but it is difficult for banks to find a way out in terms of short-term adjustments to their asset allocation. On one hand, there has been decreasing effective demand for credit from traditional industries, resulting in a dearth of high-quality credit assets for banks; on the other hand, banks' financial products are not sufficiently aligned with the financing needs of economically active emerging areas such as technological innovation. Moreover, banks' enthusiasm for inclusive and retail finance has been shaken by rising risks in related fields.

On the liability front, although interest rates are falling as a whole, banks' costs on liabilities are not falling as fast as their asset yield. With an increasing proportion of deposits being moved into term accounts or moved out of banks into insurance and wealth management products, and with customers still expecting high returns in the low interest environment, banks' costs on deposits remain stubbornly high. At the same time, slower deposit growth has intensified competition among banks for deposits, resulting in increasing overall costs in attracting deposits, eliminating some of the interest margin brought about by deposit interest rate cuts.

As at the end of 2024, the total assets of financial institutions reached RMB 495.59 trillion, according to the Central People's Government of the People's Republic of China, 22 March 2025, https://www.gov.cn/lianbo/bumen/202503/content_7015135.htm

In terms of risks, commercial banks have stepped up their efforts to dispose of NPLs. Under regulatory policies designed to strictly control real estate and financing vehicle-related risks, the NPL ratio slightly decreased in 2024. However, banks still face enormous pressure around the quality of their assets. During the cycle of economic adjustments, accumulated risks may easily spread. Some of the inveterate problems faced by banks include: (1) it will take a long time for them to resolve real estate risks, and (2) there are still huge amounts of debts associated with local government financing vehicles. However, new problems have also emerged, including declining asset quality in inclusive and retail banking, and rising risks associated with financing vehicle business.

Commercial banks that rely solely on asset expansion to stabilise revenue will face severe challenges in terms of capital adequacy constraints. Since 2024, regulators have supported state-owned commercial banks in supplementing their core tier 1 capital through special government bonds and private placement, and have injected capital into small and medium-sized banks through special bonds and adopted differentiated regulatory policies on capital to alleviate pressure on them. Banks have also been encouraged to resolve risks through restructuring and mergers. However, these supportive measures are not a fundamental solution to the difficulties faced by banks. We expect the current low interest margin cycle to cover at least the entire 15th Five-Year Plan period. Therefore, banks should review their business profile and capabilities, formulate clear transformation strategies, and transform their business models and enhance their operational capabilities to drive breakthroughs. We have put forward the following six recommendations to help banks navigate these challenges:

**1. Define the bottom line, strategic transformation goals and implementation paths**

We suggest that banks conduct a systematic and comprehensive analysis of the impact of the current low interest margin cycle on their operational sustainability. Specifically, they can simulate their financial performance in various interest scenarios, and analyse their asset and liability structure, income and cost structure, customer structure, product structure, and channel structure, in order to quantify the impact. At the strategic level, banks should promote consensus across their organisation and define a strategic bottom line based on this consensus. By bottom line, we mean what changes banks must make, what challenges they must embrace and how they can do better to survive this cycle. By devising strategies based on this bottom line, banks can ensure that they are taking actions based on their actual circumstances and avoid being overly ambitious; and they can better define transformation goals, implementation paths, specific strategic initiatives, and roadmaps, and more clearly understand what supporting resources and mechanisms are needed.

**2. Strengthen strategic management and do what is right and difficult**

A clear blueprint is just the starting point. The key to navigating the low interest margin cycle lies in strong strategic management capabilities. Banks should prioritise strategic management and focus on building a closed-loop management system that covers strategy formulation, goals, execution of plans, process monitoring, and effectiveness evaluation. This requires senior management to align themselves with strategies, clearly communicate with stakeholders about the direction of transformation and goals, and provide effective guidance for capacity building and model upgrading across the bank. It is particularly important to deepen the breakdown of and connectivity between strategies and objectives, ensuring their deep integration with day-to-day business management, resource allocation, budget preparation, and performance evaluation systems. A sound assessment mechanism is crucial for accomplishing what is right and difficult, including promoting the transformation of business models, optimising business structures, and enhancing professionalism. While there may be pressure on some indicators in the short term, it is necessary to provide clear guidance and strong support through sound and forward-looking assessments and incentives. At the same time, banks need a dynamic review and adjustment mechanism to regularly review the implementation of strategies, evaluate changes in the internal and external environment, and optimise implementation paths, adjust goals, and prioritise resources accordingly on a timely basis.

### 3. Adopt a new mindset that puts "value creation for customers" at the core of business operations

As banks pursue expansion, in order to ensure speed, they attach more importance to quantity than quality. As a result, banks tend to care more about indicators such as number of customers, product sales, revenue, and profit. They may forget that they are expected to generate returns for customers (such as asset preservation, appreciation, and savings) and help them avoid risks and losses; and they may place insufficient emphasis on customers' value contributions (such as customers' contribution to banks' revenue, cost, and profit throughout their lifecycle). The only way for banks to optimise their asset and liability structures, reduce costs on liabilities, and generate returns on assets is to return to a business philosophy that is centred around customer value. For example, we understand that the increasing proportion of term deposits is complicating banks' efforts to reduce their costs on liabilities. However, some banks have been less affected by this trend, and further analysis reveals that such banks tend to have a better track record in comprehensive services such as customer settlement, wealth management, online banking, payroll services and deposit-loan linkage, which ensures higher customer loyalty. They provide customers with a richer range of financial products and services, and then customers, in turn, contribute more value to the banks.

### 4. Remove organisational barriers and build business models around ecosystems

To implement a customer-centric business philosophy, banks should not be satisfied with just providing products. They should deeply understand customers' needs in specific scenarios (such as smart government, collaboration across the industrial chain, community life, etc.) and provide comprehensive financial and non-financial solutions to meet their demand for integrated and accessible services. To create a bank-wide business model that integrates these scenarios, banks should achieve breakthroughs in four key areas. First, they should remove the barriers between traditional business departments that result in fragmented business lines. Second, they should get rid of bottlenecks to resource coordination in middle and back offices (risk management, technology, operations, human resources, finance, etc.) that prevent them from responding in a timely manner, providing sufficient support, and matching resources. Third, banks need to remove obstacles to empowerment and collaboration between the head office, branches, and sub branches; strengthen the head office's role in strategic guidance and professional empowerment; and enhance branches' capabilities in respect of regional operations and localised services. Fourth, banks should go beyond existing organisational mechanisms and systems to achieve greater agility and flexibility, establish collaboration mechanisms across different business lines and levels, and develop supporting assessment indicators and incentives and strong capabilities for scenario design and operations.

### 5. Adhere to a professional and refined approach to capability building

Amid a complex economic environment and fierce competition, banks should put an end to their unrefined business approach. In terms of personnel training and operations management, they should steadfastly move towards specialisation and refinement. For personnel training, it is necessary to build a systematic talent pool. Employees should not only possess deep financial knowledge; they should also be able to act as industry finance experts or scenario-based finance experts and have insights into industries and customers, which requires them to gain an understanding of how specific industries, customer groups, and scenarios operate and what financial services they need in line with a customer-centric strategy. At the operational and management levels, banks should pursue excellence in four dimensions—cost control, operational efficiency, risk management, and customer experience—to drive more precise customer stratification and marketing insights, stronger comprehensive risk management capabilities, a more refined approach to capital management and resource allocation, and more flexible pricing and service strategies.

**6. Keep abreast of technological trends and embrace digitisation and AI**

Most importantly, we believe that digitisation and AI applications are bringing infinite possibilities for the transformation and development of banks. They are not only tools to improve efficiency, but also crucial drivers of the effort to reshape productivity and relations of production across banks. By applying digitalisation and AI technology, banks can achieve breakthroughs in multiple dimensions. For example, with intelligent risk control, they will be able to more precisely identify and manage asset quality risks and optimise the allocation of credit resources; with intelligent marketing, they will be able to gain precise insights into customer needs and develop personalised products that improve conversion rates and customer value; with intelligent operations, they will be able to significantly improve process automation and reduce operational costs; and with intelligent investment advisors, they will be able to provide more professional and inclusive wealth management services. Using technology, banks can make their services more intelligent, scenario-based, and impactless and seamlessly embed them into customers' lifestyles and business ecosystems, thus creating new service models and sources of revenue and ultimately driving revenue and profit growth.

**Table** **Self-check: How low performers and high performers navigate the low interest margin cycle**

| | Low performers | High performers |
|---|---|---|
| **Strategic management** | Greater emphasis on form over substance in strategic planning<br>Lack of strategic management capabilities and effective mechanisms | Clear strategies and transformation roadmap<br>A smooth closed loop covering strategy, resource allocation, and assessment |
| **Financial performance** | Relying on asset expansion to maintain revenue and pre-provision profit | Assets, revenue, and pre-provision profit growing at similar rates |
| **Revenue-cost structure** | An imbalanced cost-revenue structure<br>Sluggish growth of income from intermediary business | A more balanced cost-revenue structure<br>High proportion of income from intermediary business |
| **Business model in respect of customers** | Focus on the value of individual transactions<br>A monotonous pricing model that prioritises consistency and standardisation | Focus on the comprehensive value of customers and business scenarios<br>A sound and flexible approach to pricing that aims for the best overall result |
| **Internal collaboration** | Fragmented business lines<br>Head office empowering branches insufficiently | Smooth internal collaboration and sound mechanisms in place for pursuing win-win results<br>Head office is strong enough to empower branches |
| **Organisational and human capital** | Organisational inflexibility and no system for cultivating specialised professionals<br>Incentives are undifferentiated (everyone gets the same) or entirely focused on short-term financial indicators | A dynamic organisation and highly professional talent<br>A clear incentive mechanism that is closely aligned with transformation goals |

# Analysis of banking regulatory policies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## 01 Regulatory policies overview

In the final year of the 14th Five-Year Plan period, China will continue to implement the overall strategy of "seeking progress while maintaining stability" in its economic policies. As shown by the recent conclusions reached at the Central Economic Work Conference and the Two Sessions' Government Work Report, in response to the changes and challenges in the international and domestic economic situation, the financial system will mainly assume the functional role of "strengthening countercyclical regulation" and "serving the high-quality development of the real economy" in the economic system. From the perspective of financial positioning, the financial system actively plays the role of "stabiliser" to "stabilise the environment, market, and expectations" according to the times and circumstances. For example, the PBOC is implementing a moderately loose monetary policy while increasing the intensity of macroeconomic regulation, and the National Financial Regulatory Administration (NFRA) is cooperating with the China Securities Regulatory Commission (CSRC) to actively launch hedging policies in line with economic development goals, improve long-term and countercyclical measures, maintain financial stability, and guide financial institutions to better play their roles based on their functional positioning. The financial system also plays the role of a "supporter" through financial services. In response to national strategic plans and industrial policies, the financial sector is supporting the development of new quality productive forces, the "Two Key and Two Renew" policies, internal and external circulation, enterprises in distress, and the Five Priorities in Finance through a multi-level financial service system, with the aim of serving the high-quality development of the real economy. At the same time, in an effort to accelerate the construction of a modern financial system with Chinese characteristics, achieve the goal of building a financial superpower, and further open up to the world, the reform of the financial system has also been accelerated. The legislative plan unveiled in 2025 shows that various important laws and regulations for the financial industry are being formulated, such as the *Financial Law*, the *Financial Stability Law*, the *People's Bank of China Law*, the *Banking Supervision and Administration Law*, the *Commercial Bank Law*, and the *Local Financial Supervision and Administration Regulations*. The PBOC, the NFRA and the CSRC are also accelerating the formulation of updated regulations for institutions and enterprises under their jurisdiction.

In respect of the financial industry itself, financial regulatory policies still prioritise the three main tasks of "risk prevention, strong regulation, and promoting development."

First, for risk prevention, institutional and behavioural supervision is being enhanced, focusing on key issues, key owners, and key behaviours, and prioritising the prevention of substantive risks. In terms of institutional supervision, by strengthening the requirements for administrative licensing, regulatory management, and regulatory ratings of various banking and financial institutions, regulators will strengthen the licensing of businesses, guide institutions to focus on their main responsibilities and businesses, and constrain their behaviour to build a healthier financial environment and ecosystem. For example, the NFRA has introduced new regulations for the supervision of various non-banking financial institutions, and plans to revise the *NFRA Provisions on Administrative Licensing Procedures* and the *Administrative Measures on Permits for Banking and Insurance Institutions*. Regulators will also strengthen requirements for equity management, corporate governance and other areas in order to strengthen institutional responsibilities and enhance their own risk response capabilities. Moreover, regulators will prioritise the prevention of substantive risks, focusing on solving practical problems, strengthening key business management, and improving weak links. For example, the NFRA has revised the *Administrative Measures for Syndicated Loan Operations* and *Administrative Measures on Agency Sales by Commercial Banks*, issued the *Notice on Strengthening Management of Internet Lending Assistance Business of Commercial Banks and Improving the Quality and Efficiency of Financial Services*, and formulated the *Administrative Measures for the Supervision of Custody Business of Commercial Banks*, *Administrative Measures on Product Appropriateness of Financial Institutions*, and *Administrative Measures for Information Disclosure of Financial Institutions*. In addition, regulators will strengthen the performance management of directors and senior management, focusing on key persons and behaviours, and strengthen employee behaviour management. For example, the NFRA has revised the *Administrative Measures on Appointment Qualifications of Directors (Council Members) and Senior Management Personnel of Financial Institutions in the Banking Industry* and established relevant chapters and legal provisions in various new business management regulations to strengthen the responsibilities of senior management and those charged with governance. In respect of law enforcement, regulators are mainly focusing on typical cases and paying attention to major issues and emerging trends. In terms of regulatory penalties, in 2024, there were 342 cases of fines reaching RMB 1 million, accounting for 6.8% of the total number of fines, with a fine amount of RMB 973.57 million, accounting for 54.4% of the total amount of fines. These figures point to a regulatory trend of imposing heavy penalties on typical violations as a warning to the industry.

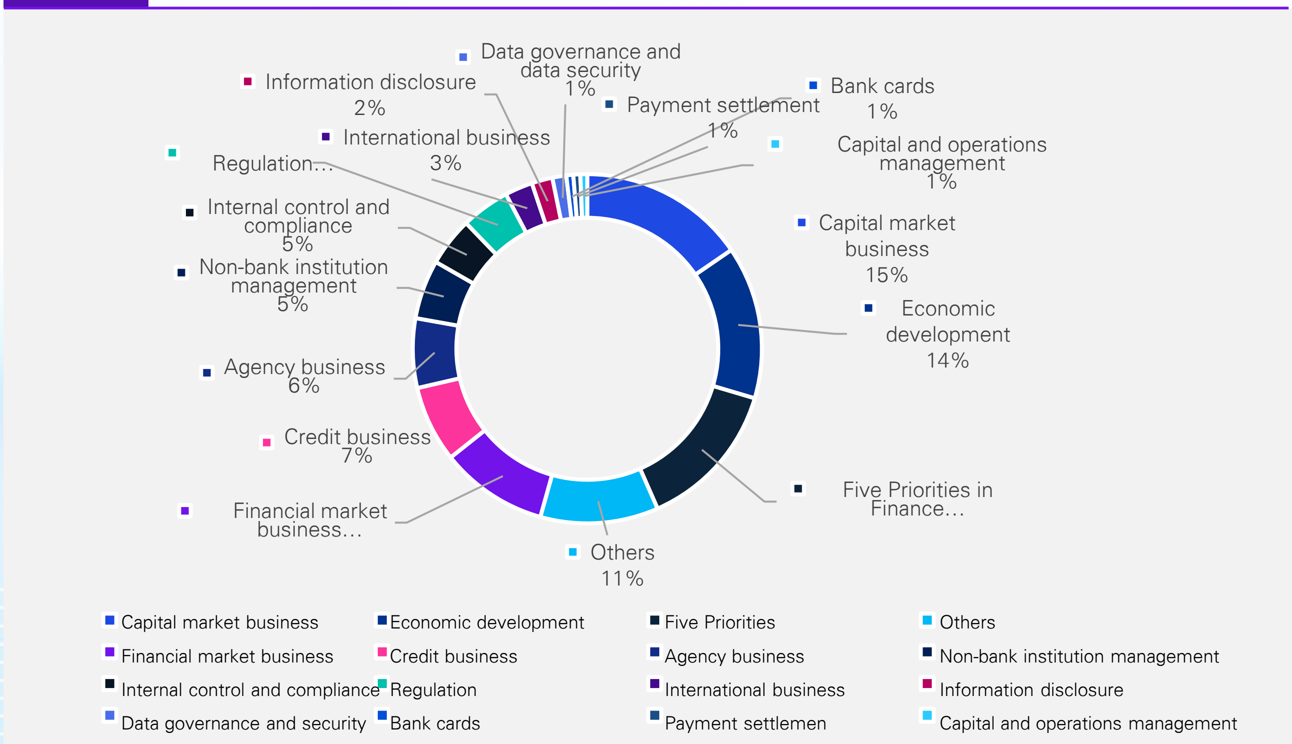
Second, in terms of strong regulation, regulators are further improving the regulatory framework, standardising law enforcement activities, and enhancing regulatory transparency. Based on the 2025 legislative plan and the current completion status announced by the NFRA and the CSRC, legislative progress has significantly accelerated. Moreover, from the perspective of legislative focus and the contents of new regulations, the main focus is on continuously addressing the shortcomings of the regulatory system and ensuring accurate, regulated and efficient law enforcement. At the same time, regulators are attaching great importance to strengthening departmental interaction and central-local collaboration. In addition, financial regulators are striving to establish a law enforcement mechanism that emphasises "strictness, compliance, fairness, and civility." For example, the NFRA has issued the *Implementation Measures of the National Financial Regulatory Administration for Discretion over Administrative Penalties*, the *Measures of the NFRA for Administrative Penalties*, and the *Notice on Regulating the Administrative Inspection Work of the State Administration System*; and the NFRA is preparing to release the *Administrative Review Measures* and the *Measures for the Handling of Public Complaints and Proposals*. The PBOC, the CSRC and other relevant authorities have also issued regulations related to the regulatory responsibilities and administrative discretion of dispatched agencies. At the same time, in order to unleash the vitality of financial institutions and support economic development, regulatory agencies have recently taken measures to reduce the burden on financial institutions, such as regulating administrative inspections and slowing the pace of punishment. For example, the NFRA has issued the *Notice on Regulating the Administrative Inspection Work of the State Administration System*, with the aim of curbing disorderly inspections. In respect of recent regulatory penalties, in 2024, both the number of fines issued and the amount confiscated have decreased compared to previous years, which reflects the intention of regulatory agencies to engage in precise law enforcement under overall regulatory goals and reduce the burden on financial institutions.

Third, in terms of promoting development, regulators will work in deep synergy with economic, industrial, and fiscal policies, and leverage a package of policies in the financial sector to promote economic development. The Government Work Report of the Two Sessions in March 2025 further clarified the need to improve the standard system and basic systems in areas such as technology finance, green finance, inclusive finance, pension finance, and digital finance. The General Office of the State Council (the State Council) has also issued guidance on the Five Priorities in Finance. On 7 May 2025, the PBOC, NFRA, and CSRC launched a package of financial policies and measures in response to overall national strategies, further supporting market stability and boosting expectations. The PBOC plans to implement 10 measures in three categories, including reducing the RRR, lowering policy interest rates, and strengthening structural monetary policies, to support the development of the real economy, technological innovation, consumption, and inclusive finance. The NFRA will accelerate the launch of a series of financing policies that align with the new model of real estate development, and formulate and implement eight incremental policies, including a series of policies and measures to safeguard the development of banking, insurance, and foreign trade, so as to stabilize business operations and expand the global market. The CSRC will make every effort to maintain market stability and focus on serving the development of new quality productive forces. At the same time, it will vigorously drive medium and long-term funds into the capital market, and strive to form a virtuous cycle that "increases returns, injects capital, and stabilises the market."

## 02 Key points at a glance

In respect of regulatory document issuance, since April 2024, government agencies such as the State Council, the Ministry of Finance, the PBOC, the NFRA, the CSRC, and various regulatory agencies, self-regulatory organisations, and exchanges have issued 311 important new regulations for the banking industry (including relevant policies, new regulations, and draft opinions) (Figure 1). The content mainly involves important business areas such as credit business, financial market business, agency business, capital market business, banking management, and payment settlement, as well as important management areas such as corporate governance, accountability management, compliance management, anti-money laundering, consumer rights protection, and information disclosure. In addition, the regulations also include a number of economic promotion policies, covering a wide range of fields such as attracting foreign investment, financial opening up, large-scale equipment renewal, boosting consumption, and rural revitalisation, as well as supportive industrial policies related to the overall management of the Five Priorities in Finance and special documents on technology finance, green finance, inclusive finance, pension finance and digital finance.

**Fig. 1 Composition of regulatory documents issued since 2024**




Source: KPMG analysis

Based on recent regulatory dynamics, banking regulatory agencies are expected to continue to support the real economy, maintain financial stability and security, guide commercial banks to actively implement overall national strategies, and continuously optimise the supply of financial products and services for supporting the construction of a modern industrial system. At the same time, regulators will continue to strengthen institutional supervision, behavioural supervision, functional supervision, penetration supervision, and continuous supervision; and urge commercial banks to strictly control risks, maintain compliance, and focus on their main businesses, so as to achieve differentiated competition and staggered development.

Based on the theme of this Banking Survey, and our focus on the important business and management areas of commercial banks, we have selected 17 new regulations with significance in bank strategic planning, business development, risk prevention and control, digital transformation and compliance management for in-depth interpretation (including six new regulations issued in 2025 and 11 new regulations issued in 2024).

### 1. Five Priorities

- The State Council issued the *Guiding Opinions on Fulfilling the Five Priorities in Finance*; the NFRA issued the *Guiding Opinions on Fulfilling the Five Priorities in Finance in the Banking and Insurance Industries*; and the PBOC and other departments jointly issued the *Overall Statistical System for the Five Priorities in Finance (Trial)* to strengthen the top-level design of the initiative.

### 2. Risk and Compliance Management

- The PBOC and the NFRA jointly issued the *Administrative Measures on Beneficial Owner Information*; the Political Bureau of the Central Committee of the CPC held a meeting to review the *Provisions on Accountability for Preventing and Resolving Financial Risks (Trial)*; the NFRA issued the *Administrative Measures for Criminal Cases Involving Financial Institutions*, *Compliance Management Measures for Financial Institutions*, and *Administrative Measures for Data Security of Banking and Insurance Institutions*; and the 12th meeting of the Standing Committee of the 14th National People's Congress revised and passed the *Anti-money Laundering Law of the People's Republic of China*, with a focus on strengthening risk and compliance management.

### 3. Technology Finance

- Technological innovation is the cornerstone of the innovation-driven development strategy, and technology finance should provide strong support for the economy and serve industrial upgrading. The PBOC and six other departments jointly issued the *Work Plan for Fulfilling the Technology Finance Priority*; and the NFRA and two other departments jointly released the *Comprehensive Pilot Work Plan for the Intellectual Property Financial Ecosystem* and the *Implementation Plan for the High-Quality Development of Technology Finance in the Banking and Insurance Industries.*

### 4. Key Business Management

- The NFRA issued the *Administrative Measures for Syndicated Loan Operations*, the *Notice on Developing Consumer Finance to Boost Consumption*, and the *Administrative Measures on Agency Sales by Commercial Banks*, continuously standardising business management in line with market dynamics.

### 5. Capital Management and Non-performing Asset Management

- The NFRA issued the *Regulations on the Application and Acceptance of Advanced Capital Measurement Methods for Commercial Banks* and the *Measures for the Management of Non-performing Asset Business of Financial Asset Management Companies*, urging banks to enhance their risk resistance capabilities, accelerate the clearance of risks, and revitalise their business.

# 03 Interpretation of key chapters

## ❖ Five Priorities in Finance

### The State Council proposed the Five Priorities in Finance to accelerate the construction of a financial superpower

On 5 March 2025, the State Council issued the *Guiding Opinions on Fulfilling the Five Priorities in Finance* (Guiding Opinions), aiming to promote technology finance, green finance, inclusive finance, pension finance, and digital finance, and accelerate the construction of a financial superpower. The Guiding Opinions propose a main work objective, that is, by 2027, the Five Priorities in Finance will achieve significant results. More specifically, the availability of financing related to major strategies, key areas, and weak links, as well as the alignment between supply and demand of financial products and services, should be significantly improved; and relevant financial management and supporting systems and mechanisms should be further enhanced.

The Guiding Opinions clarify the key areas and main focus points of the Five Priorities initiative as follows:

**Strengthening financial support for achieving high-level technological self-reliance and building a technological powerhouse**

In terms of technology finance, banks should integrate equity, debt, insurance and other means to strengthen financial support for key national technology projects and technology SMEs. They should leverage multi-level capital markets to support technological innovation, with a focus on start-ups, SMEs, long-termism, and key technologies; and they should develop equity investment, venture capital (VC), and angel investment, and strengthen patient capital.

**Providing high-quality financial products to drive green economic and social transformation and the Beautiful China initiative**

In terms of green finance, banks should coordinate support for green development and low-carbon transformation, improve the standards and systems for green finance, and add variety to green finance and transition finance products and services.

**Putting in place a multi-level, wide-ranging, and sustainable inclusive finance system**

In terms of inclusive finance, banks should improve the quality and efficiency of financial services in key areas such as SMEs, private enterprises, rural revitalisation, and people's livelihood by improving the multi-level organisational system for inclusive finance.

**Establishing a sound pension finance system in response to the ageing population**

In terms of pension finance, banks should continuously improve relevant policies, strengthen financial support for the silver economy, contribute to the development of a multi-level and multi-pillar pension insurance system, strengthen the management of investments with pension funds, and vigorously develop commercial insurance annuities to add variety to pension finance products and services.

**Promoting the high-quality development of digital finance**

In terms of digital finance, banks should focus on accelerating digital transformation and digital finance innovation, building an accessible and secure digital payment service system, steadily promoting the development and application of e-CNY, improving the digital finance governance system, and enhancing their digital capabilities.

The Guiding Opinions also strengthened policy guidance and supporting measures from the following three aspects:

- Strengthening incentives and guidance for financial institutions; leveraging monetary and credit policies quantitatively and structurally; scientifically designing and accurately implementing structural monetary policy tools such as re-lending; optimising the loan risk sharing mechanism in the Five Priorities; and strengthening the joint impacts of fiscal, monetary, and regulatory policies.
- Establishing sound standards and systems and supporting mechanisms; improving the assessment indicators and systems for technology enterprises; comprehensively implementing an "innovation point system"; strengthening evaluation to drive the high-quality development of specialised and innovative SMEs; improving the standards and systems for green finance, and carbon accounting and environmental disclosure systems; accelerating research on transition finance standards; establishing a system of statistical indicators for pension finance; and establishing a mechanism for regular recommendations of projects from key industries.
- Piloting reforms in the Five Priorities in an orderly manner; deepening efforts in the construction of existing pilot zones for technology innovation finance, inclusive finance, and green finance, with a focus on promoting successful experience; supporting regions that meet the conditions to take early actions and experiment in the Five Priorities; and strengthening coordination with technology innovation centres and pilot projects for industry-finance cooperation.

**KPMG observations:**

The Guiding Opinions stress the functional importance of finance and provide guidance for optimising financial resource allocation through inclusion in business development strategies, "top leaders" taking responsibility, and incentive mechanisms. They also encourage financial institutions to innovate financial products and services in line with the needs of the real economy, such as by promoting the development of technological innovation capabilities in financial services and accelerating digital finance innovation. At the same time, banks should leverage digital technology to empower business decision-making, risk management and product development in order to better meet the needs of the real economy. Driven by innovation, banks can compete through differentiation based on their market positioning to enhance their competitiveness.

It is worth noting that the Guiding Opinions for the first time explicitly propose the establishment of a statistical system and an assessment system for the Five Priorities to strengthen organisational coordination and risk control. These systems are expected to play an important role in the following areas: first, encouraging the industry to strengthen information sharing and the application of evaluation results; second, establishing a mechanism for regular exchanges of information and communication about policies; and third, driving synergies. These measures will help to promote high-quality financial development and ensure the effective implementation and evaluation of financial policies.

**The National Financial Regulatory Administration (NFRA) clarified specific measures for banks and insurance institutions to do a good job in the Five Priorities**

In order to act on the spirit of the Central Financial Work Conference and effectively strengthen high-quality financial services for key strategies and areas and weak links, on 9 May 2024, the NFRA issued the *Guiding Opinions on the "Five Priorities" for Finance in the Banking and Insurance Sectors* (Guiding Opinions), which put forward specific measures to help banks and insurers drive development in the Five Priorities: technology finance, green finance, inclusive finance, pension finance and digital finance. The Guiding Opinions defined the directions and goals for the development of the banking and insurance industries, aiming to deepen supply-side structural reforms in the financial sector, improve the quality of financial services for the real economy, and promote the development of new quality productive forces.

The Guiding Opinions consists of 20 articles in five sections and put forward specific requirements for the Five Priorities from the following five areas: overall requirements, optimising financial products and services, leveraging the functional advantages of banks and insurers, improving their organisational management systems, and providing regulatory support. The key points include:

**01**

**Removing barriers to improve the quality and efficiency of technology finance**

Encouraging banking and insurance institutions to provide lifecycle financial services for technology enterprises in line with their development patterns and characteristics; and enhancing funding and insurance support for the commercialisation of R&D results.

**02**

**Focusing on the 30/60 carbon goals to improve the green finance system**

Providing guidance for banks and insurers to support key industries in energy conservation, pollution and carbon reduction, greening, and disaster prevention, and adding variety to green finance products and services; continuously improving the green finance standards and evaluation systems, and strengthening financial support for the green, low-carbon, and circular economy.

**03**

**Addressing pain points to strengthen inclusive financial services**

Banks and insurers should treat all types of enterprises fairly and continue to increase financial support for private, small and micro enterprises and self-employed individuals; and they should actively contribute to rural revitalisation, strengthen financing support, and optimise the supply of products and services in key areas of inclusive finance.

**04**

**Focusing on real needs to accelerate the development of pension finance**

Establishing a sound pension finance system, increasing financial support for the health, elderly care and silver economy industries, offering a wide range of pension finance products, and introducing standards for the development of the third pillar of pension insurance.

**05**

**Focusing on efficiency and security to promote the development of digital finance**

Actively guide the digital transformation of banking and insurance institutions to enhance their digital capabilities; establish a sound regulatory system that is adapted to the digital era; and enhance digital regulatory capabilities and the ability to protect financial consumers.

To ensure policy implementation, the Guiding Opinions emphasise the following points in terms of strengthening regulatory support. First, the NFRA will continue to improve the policies and systems for the Five Priorities to provide clear policy guidance and evaluation standards for financial institutions. Regulators at all levels will strengthen monitoring, analysis, evaluation and inspection, and take timely actions against issues such as inadequate implementation and deviation from policies.

Second, regulators and local governments should strengthen cooperation, establish and improve risk-sharing mechanisms, enhance the credit evaluation systems for corporates and individuals, establish and improve financing credit service platforms, and jointly drive the improvement of the external environment. At the same time, they should crack down on illegal activities and financial crimes to effectively maintain the order of the financial market and social stability.

### KPMG observations:

The Guiding Opinions propose focusing on the development of new quality productive forces, removing barriers and bottlenecks that impede the development of new quality productive forces and the Five Priorities, and taking practical and concrete actions in these areas. This reflects the high importance that the NFRA attaches to supporting the real economy with financial services and defines the directions and goals for the banking and insurance industries.

With the continuous development of the financial sector, strengthening regulatory efficiency and preventing financial risks have become key to ensuring the stability of the banking and insurance industries. At the same time, improving supporting mechanisms is of great significance for driving the efficiency of financial supervision and promoting the high-quality development of the banking and insurance sectors. The Guiding Opinions also state that the NFRA will continue to improve relevant policies and systems, formulate implementation plans, and strengthen policy incentives in the future. More supporting measures are expected to be introduced going forward.

The Guiding Opinions require financial institutions to optimise financial products and services based on their functional advantages, and they highlight the positioning and roles of institutions such as development-oriented and policy-oriented financial institutions, national commercial banks, small and medium-sized banks, insurance institutions, and non-banking financial institutions, and encourage institutions to focus on their main business and pursue development through differentiation. We recommend that these institutions pursue innovation in financial products and services that play to their strengths based on their own positioning, to avoid homogeneity and disorder in competition. At the same time, they should act in accordance with regulatory guidance, explore the construction of management systems such as organisational structures for proprietary business, dedicated risk control systems, specialised product systems, and special assessment mechanisms, to ensure the healthy and sustainable development of business.

### Departments including the PBOC issued statistical standards for the Five Priorities

To implement the spirit of the Central Financial Work Conference and support the development of the Five Priorities, which include technology finance, green finance, inclusive finance, pension finance, and digital finance, on 15 April 2025, four departments including the PBOC issued the *Overall Statistical System for the Five Priorities (Trial)* (Statistical System), which aims to achieve full coverage of statistics and build a panoramic view of financial services for key areas of the real economy.

The Statistical System follows the principles of comprehensive coverage, integrated statistics, overall implementation, key breakthroughs, unified standards, coordination and connectivity, soundness and effectiveness, and aggregation for sharing, with a focus on providing unified standards for statistical objects and scope, statistical indicators and calibre, data collection, sharing and publishing, and departmental division of labour in respect of the Five Priorities.

The main content of the Statistical System includes:

1. Achieving full coverage of statistical objects and businesses to provide systematic and comprehensive information and support for the Five Priorities. The statistical objects of the Statistical System cover financial institutions, and financial infrastructure institutions in the banking, securities, and insurance industries. The statistical scope includes financial instruments and products such as loans, bonds, equity, creditor's rights held by asset managers, funds, insurance, derivatives, etc., with the aim of collecting comprehensive statistics regarding the Five Priorities.
2. Unifying and coordinating the key statistical indicators, standards, and calibres for the Five Priorities. The Statistical System defines over 200 key statistical indicators, covering financing in the Five Priorities, financial products and services provided by financial institutions, digital transformation of financial institutions, and other key indicators. Unified and coordinated statistical standards and calibres have been established for each indicator to align with national statistical standards, industry policies, the comprehensive statistical system for the financial sector, and existing practices.
3. Establishing a coordinated and collaborative work mechanism to drive synergies. Under the Statistical System, the PBOC is responsible for collecting and summarising data, and preparing comprehensive statistical reports and indicators on a centralised basis. Financial institutions and financial infrastructure institutions should be organised to implement the requirements for data collection and the quality of source data and strengthen data sharing in accordance with their respective responsibilities.

### KPMG observations:

The Statistical System clearly stipulates statistical standards, which will have a significant effect on improving the quality of underlying data. First, in the absence of unified statistical indicators and calibres, the Statistical System has defined over 200 key statistical indicators, integrating scattered statistics into an organic whole, and effectively solving inconsistencies and ambiguities in statistical calibres and standards. By achieving full sharing and efficient utilisation of data, it will provide strong support for the implementation of various policies.

Second, in response to the arbitrary expansion of statistical scopes and unauthorised adjustments to statistical standards by some institutions to highlight their achievements and compete for policy incentives, the Statistical System has established a coordinated and collaborative mechanism to drive synergies. This not only helps decision-makers and regulators to comprehensively and accurately understand facts and reduce instances of data inflation, but also further improves the effect of structural policies and measures.

## Outlook

1. Strengthening the loop of top-level design, industry practices, effectiveness evaluation, and policy optimisation, with a focus on driving practical results. From the State Council's *Guiding Opinions on the Five Priorities*, to the issuance of policy implementation plans for the capital market, banking and insurance industries by the CSRC and the NFRA, to the recent release of the Statistical System by departments such as the PBOC, a loop from policy planning to effectiveness monitoring has been established for the Five Priorities. The PBOC also stated that going forward, it will establish or revise statistical requirements for relevant sub-sectors, which, together with the overarching Statistical System, will form a 1+N statistical system for the Five Priorities. By strengthening effectiveness data collection and evaluation, regulators can understand the implementation of policies in real time and adjust policy measures in a timely manner. This provides data support and bases of evaluation for policy implementation, and forms a closed loop that strengthens implementation effectiveness. Commercial banks also need to strengthen monitoring of policy implementation, adjust development strategies and business strategies on a timely basis, seize the development opportunities provided by policy-makers, communicate with regulators on pain points, difficulties, and obstacles in policy implementation, assist regulators in establishing a loop from policy to practice, and work together to make progress in the Five Priorities.
2. A three-dimensional 1+N policy system that stimulates industry potential, local vitality, and service capabilities in an orderly manner. In terms of the policy structure for the Five Priorities, first, in addition to overall policies, supporting policies will be introduced, as appropriate, in industries such as banking, insurance, and capital markets, in line with their positioning and expertise. Second, in addition to overall policies at the central level, local governments and regulators have also introduced policies and plans with a local touch based on local advantages, industrial characteristics, and other factors. And third, suitable policies have been introduced in line with the development goals for and business characteristics of technology finance, green finance, pension finance, digital finance and inclusive finance. A multi-dimensional 1+N policy system has been put in place, and it is expected to be improved and refined on an ongoing basis.
3. Upgrading the financial ecosystem and regulatory system. In addition to the Five Priorities system, recently, regulators have also released opinions on promoting high-quality development in various financial sub-sectors, such as government investment funds, government financing guarantees, trusts, financial asset management companies and insurers, to address risk-sharing issues in the provision of deep financial services for the real economy and national strategies. In an effort to horizontally connect various financial institutions, the Five Priorities will promote cooperation among financial institutions within the financial ecosystem, taking the financial ecosystem to new heights. In terms of tools and methods, regulators are also striving to promote digitisation and intelligence. For example, the PBOC is focusing on strengthening the data foundation while improving its statistical system, and has stated that it will spare no effort in making technological preparations for implementation. This will encourage financial institutions to further improve data governance and technological support, and promote the transformation of the financial industry based on digital and intelligent technologies.

Overall, the significant new regulations recently released, together with the special documents issued by financial regulators in various fields, form a complete system of policies that will drive alignment across the country. These efforts will comprehensively improve the efficiency of financial services that support the high-quality development of the real economy. Going forward, deepened policies will further enhance synergies between the government, regulators, financial institutions, and market participants. As a milestone in China's financial reform, the Five Priorities are not only a key lever to promote high-quality economic development, but they will also drive practical results through centralised planning, concrete actions, and multi-dimensional coordination. These steps will further enhance the efficiency and coverage of financial services in China and enable financial institutions to play a greater role in serving national strategies and supporting the real economy.

## ❖ Compliance and risk management

### The PBOC and NFRA require the registration of beneficiary information to promote mutual trust among market participants

On 29 April 2024, the PBOC and the NFRA jointly issued the *Beneficiary Information Management Measures* (Beneficiary Information Measures). The Beneficiary Information Measures conform to international standards and practices and aim to establish a system for registering beneficiary information to improve market transparency and order, prevent and curb money laundering and terrorist financing activities, and further optimise China's business climate.

The Beneficiary Information Measures follow the principles of enforcing the rule of law, streamlining, and facilitating. Based on China's national circumstances, the Measures introduce additional standards for the registration of beneficiary information by companies and other entities in terms of scope, exemption clauses, identification standards, etc. The main content covers the following four areas:

**Market entities that need to register beneficiary information, and conditions for exemption**

- The types of market entities that should register, and those that are exempt or temporarily exempt from registering, beneficiary information, have been determined. Entities composed of natural person shareholders and partners with a registered capital of no more than RMB 10 million may be exempt from registering beneficiary information if they provide a statement that they meet the conditions.

**Beneficial owner and identification criteria clearly defined**

- Definition of beneficiary has been given in line with international standards and taking into account China's actual circumstances;
- Operable beneficiary identification criteria have been developed for companies, partnerships, and other entities.

**What beneficiary information should be collected and how**

- Listed beneficiary information items that should be registered;
- Puts forward requirements for registering, updating, and verifying inconsistencies in beneficiary information for new and existing market entities.

**Framework for the management of beneficiary information**

- Identifies the responsible department for information management;
- Specifies the scope of information usage and requirements for feedback on information quality.

Registering beneficiary information on a centralised basis has gradually become a standard requirement and practice internationally. Establishing a national centre for the registration of beneficiary information was made mandatory by the Financial Action Task Force (FATF). The World Bank's new business climate assessment system has also included a beneficiary registration system as one of its key indicators. In order to align with international standards, since April 2024, financial work conferences in China have emphasised the need to expand institutional openness in the financial sector, and financial infrastructure management is expected to improve going forward.

### KPMG observations:

The Beneficiary Information Measures help to strengthen the use of beneficiary information in business management and risk control. Registering beneficiary information will help identify illegal activities such as shell companies, fictitious capital increases, and nested holdings; and such information can be widely applied in customer due diligence, comprehensive credit granting, and anti-fraud in financial institutions. Financial institutions should optimise their business management processes and information system functionalities, and upgrade their risk control models accordingly.

In addition, with the further implementation and improvement of the Beneficiary Information Measures, corporate entities that previously conducted legal and tax planning historically or to benefit from policies, may face potential compliance risks. In this context, financial institutions should pay attention to the compliance status of such enterprises and changes in their operations and conduct business analysis in advance.

### The Political Bureau of the CPC Central Committee deliberated on the trial version of the *Provisions on Accountability for Preventing and Resolving Financial Risks*

The Decision of the Third Plenary Session of the 20th CPC Central Committee proposed to deepen the reform of the financial system, improve the regulatory system for the financial sector, achieve regulatory coverage of all financial activities in accordance with the law, and strengthen regulatory responsibilities and accountability systems. In order to strengthen and improve the accountability mechanism for financial risks, on 27 May 2024, the Political Bureau of the CPC Central Committee met to review the *Provisions on Accountability for Preventing and Resolving Financial Risks (Trial)* (Risk Accountability Provisions), which aims to strengthen the accountability mechanism, ensure the safety and stability of the financial system, and promote the role of financial services in driving the high-quality development of the real economy.

The Political Bureau meeting pointed out that preventing and resolving financial risks is key to national security, national development, and the security of people's property, and is a gateway to high-quality development. The Risk Accountability Provisions will provide a strong institutional guarantee for China's financial supervision and risk prevention. The main contents of the Risk Accountability Provisions include:

**Purpose**
The Provisions aim to prevent and resolve financial risks, ensure financial safety, and promote high-quality financial development. By strengthening financial supervision and accountability mechanisms, the authorities aim to promote the sustainable and healthy development of the financial sector.

**Responsibilities**
The Provisions further strengthen the responsibilities of relevant regulators, financial institutions, competent authorities, and local Party committees and governments in the financial field. They should effectively fulfil their responsibilities, strengthen cooperation and collaboration, and jointly maintain the stability and security of financial markets.

**Accountability mechanism**
Under the Provisions, parties responsible for financial risks caused by failure to perform their duties or by inappropriate performance of their duties will be held accountable in accordance with laws and regulations. This helps to deter violations and promote strict Party governance in the financial sector.

**Regulatory requirements**
The Provisions emphasise the need to strengthen the construction of financial regulatory systems and improve regulatory approaches and efficiency. Financial regulators should toughen their approach to ensure the stability and healthy development of financial markets. At the same time, regulators should strengthen cooperation in cross-border financial regulation to jointly address global financial risks and challenges.

In June 2024, the *Financial Stability Law (Draft for Comments)* was submitted for a second review. The draft proposed to improve systems designed to prevent financial risks and strengthen the monitoring and identification of, early warnings against, and timely rectification of financial risks. Once released, the *Financial Stability Law (Draft for Comments)* will complement the Risk Accountability Provisions functionally. They will provide support for each other in implementation and form the framework for financial risk prevention and resolution. The former provides top-level design for financial risk management, while the latter ensures the implementation and effectiveness of the system through accountability mechanisms, jointly promoting compliance and stability in the operations and development of the financial sector.

The promulgation of the Risk Accountability Provisions is an important way to further promote the Party's comprehensive strict governance in the financial sector, effectively strengthen the centralised and unified leadership of the CPC Central Committee in the financial sector, and further consolidate the responsibilities of relevant regulators, financial institutions, competent authorities, and local Party committees and governments in the financial field. Parties responsible for financial risks caused by failure to perform their duties or inappropriate performance of their duties will be held accountable in accordance with the law and regulations. This helps to deter violations in the financial sector; promote early detection, warning and disposal of financial risks; and effectively maintain financial stability and security.

**KPMG observations:**

Due to the fact that financial risks often involve multiple industries and areas, previously, rights and responsibilities were not well defined, resulting in potential exposures. Therefore, clarifying responsibilities in advance is key to the prevention of systemic financial risks. The Risk Accountability Provisions reviewed at the CPC Political Bureau meeting indicate that preventing financial risks is not only a matter of policy adjustment, but also a key part of national strategies. Relevant financial institutions need to improve their internal accountability mechanisms, strengthen internal controls and compliance in operations, and enhance their risk management capabilities in accordance with the updated requirements of the Risk Accountability Provisions. Regulation needs to focus on law enforcement to ensure the effective implementation of accountability mechanisms, in order to truly enhance financial regulation. To resolve risks associated with local government debts, real estate, and small and medium-sized financial institutions, relevant parties should cooperate with regulators and define the responsibilities for risk resolution.

**The NFRA cracks down on financial crimes and promotes high-quality financial development**

In line with the spirit of the Central Financial Work Conference, and to further improve the management of criminal cases involving financial institutions and crack down on financial crimes, on 2 September 2024, the NFRA issued the *Notice on the Management Measures for Criminal Cases Involving Financial Institutions* (Management Measures for Criminal Cases), further improving the management of criminal cases involving financial institutions, cracking down on financial crimes, and promoting the high-quality development of finance.

The Management Measures for Criminal Cases consists of 45 articles divided into seven chapters: General Provisions, Case Definition, Information Submission, Institutions' Responses, Regulators' Responses, Supervision and Management, and Supplementary Provisions. The main amendments include:

**01**

**Focusing on preventing and resolving substantive risks**

Improving regulatory precision and effectiveness, taking into account the characteristics of financial business.

**02**

**Optimising the case management process**

Shifting the focus of case management forward, and setting reasonable time limits for each step in case management to improve the quality and efficiency of case management.

**03**

**Stepping up efforts to deal with major cases**

Focusing regulatory measures on cases involving financial institution leaders at various levels, especially on key matters, individuals, and acts; adopting a rigorous approach to investigation, accountability and reporting to impose higher costs on breaches and irregularities.

**04**

**Consolidating the responsibilities of financial institutions**

Guiding financial institutions to develop and implement case management systems, strengthen management in key links, conduct educational sessions for warning purposes based on cases, remove causes of crime, and prevent costs associated with risk spillovers.

The Management Measures for Criminal Cases require financial institutions to establish a case management system that is suitable for their own size, complexity, and internal control management requirements; and they provide guidance in this regard. In accordance with the new regulations, financial institutions need to optimise their management system for preventing criminal cases within their own management framework, with a focus on the system's synergy with internal control, compliance management, accountability management, and other mechanisms.

**KPMG observations:**

Compared to the 2020 version of the *Management Measures for Criminal Cases Involving Banking and Insurance Institutions (Trial)*, the Management Measures for Criminal Cases defines consistent standards for serious cases, including cases where the balance of the relevant business reaches a certain scale, cases where the amount and proportion of risk exposure reach certain criteria, cases that have caused significant adverse social impacts, and other cases identified by the NFRA and its dispatched agencies as serious. Consistent standards help to identify serious cases in a timely manner and solidify a consistent approach to the supervision of financial institutions. At the same time, the Management Measures for Criminal Cases also require financial institutions to strengthen the management of criminal cases, and establish a case management system that is suitable for their own size, complexity, and internal control management requirements. They emphasise the responsibilities of financial institutions.

At the same time, in terms of building digital capabilities for case management and strengthening self-inspection and prevention, the Management Measures for Criminal Cases encourage financial institutions to conduct self-inspections. For cases discovered through self-inspections, reduced punishment or accountability is recommended for relevant personnel and institutions, and regulators take such cases into account when engaging in differentiated supervision. Financial institutions are encouraged to strengthen digital capabilities and enhance case prevention and self-inspections.

### The National People's Congress adopted the revised *Anti-Money Laundering Law*, strengthening the "firewall" for financial security

On 8 November 2024, the 12th Meeting of the Standing Committee of the 14th National People's Congress adopted the revised *Anti-Money Laundering Law of the People's Republic of China* (AML Law), which was promulgated by Order No. 38 of the President of the People's Republic of China and came into effect on 1 January 2025.

The revised AML Law consists of 65 articles divided into seven chapters: General Provisions, AML Supervision and Management, AML Obligations, AML Investigations, International Cooperation in AML, Legal Responsibilities, and Supplementary Provisions. The revision mainly covers the following areas:

1. Expanding the types of upstream money laundering crimes

Article 2 of the revised AML Law retains the original seven types of upstream crimes: drug crimes, crimes committed by organised criminal gangs, terrorist activities, smuggling, corruption and bribery, crimes that disrupt the financial management order, and financial frauds. At the same time, a catch-all clause for "other crimes" has been added to further expand the scope of upstream crimes. The revised language states, "This Law applies to the prevention of terrorist financing activities."

2. Refining financial institutions' AML obligations and improving the customer due diligence mechanism

The revised AML Law further clarifies the AML obligations of financial institutions, strengthens the responsibilities of financial institutions, non-bank payment institutions, specific non-financial institutions, and individuals in AML, defines know-your-client (KYC) and due diligence requirements, and puts in place safeguards against money laundering risks enabled by new technologies. In addition, the new AML Law also strengthens integration with other relevant legal requirements and management mechanisms, provides safeguards against organisations and individuals suspected of terrorist financing, and imposes punishments on those failing to report beneficiary owner information as required.

3. Establishing a risk-based approach to regulation in line with international leading practices

The revised AML Law states that AML efforts should follow a risk-based approach to ensure that the AML measures taken are matched with the level of money laundering risks. In addition, special preventive measures have been added for high-risk areas so that financial institutions can be more cautious in tackling money laundering risks in cross-border business.

4. Strengthening legal responsibilities for AML and imposing higher costs on illegal activities

The revised AML Law imposes greater punishments against violations by financial institutions and raises the upper limit on penalties. Responsible persons such as directors, supervisors, and executives will also be subject to punishments. The law further improves the legal system for AML breaches, and defines multi-level punishments against the illegal behaviour of financial institutions and their responsible persons in accordance with the Punishment Fits the Offence principle. Specific regulatory actions include ordering the offender to take remedial actions, issuing warnings, and imposing fines or restrictions on operations. At the same time, the revised AML Law includes a provision stating that those who can prove they have exercised due care can be exempt from punishment. In deciding on the administrative penalty, the competent authorities on AML will consider factors such as the financial institution's size, how much care personnel have exercised, the duration of the illegal activity, what harm has been done, and what remedial actions have been taken. For money laundering crimes committed through illegal channels, those accountable will be handled in accordance with the criminal law and other means.

**KPMG observations:**

The revised AML Law will further enhance the AML responsibilities of financial institutions, and will act as a catalyst for far-reaching changes across the industry. First, AML compliance requirements are moving towards a higher level. Financial institutions need to coordinate and plan at the group level and establish sound internal information sharing mechanisms and procedures to achieve cross-departmental and cross-institutional collaboration. This means that financial institutions will need to invest more to comprehensively optimise their existing AML management systems, including but not limited to strengthening KYC, verifying the identities of beneficiaries, and conducting in-depth analyses of what transactions are for and where funds are from.

At the same time, financial institutions' ability to manage money laundering risks will also be put to the test. With the rapid development of financial technology, financial institutions need to monitor money laundering risks that may arise from new technologies, products, and business models, and dynamically adjust their management strategies. Especially in response to AML challenges posed by new technologies such as blockchain and virtual currency, financial institutions need to continuously improve their risk warning and response capabilities, optimise their AML strategies in a timely manner, and adapt to the constantly changing market.

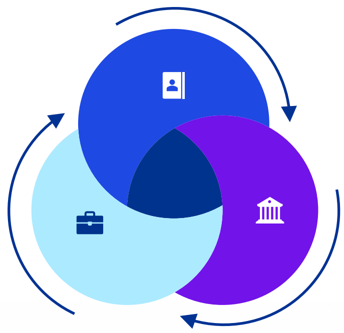
[13] Anti-Money Laundering Knowledge Classroom - Interpretation of the Revised AML Law, Shengjing Bank Shenyang Branch, 3 December 2024
https://mp.weixin.qq.com/s?__biz=MzIxODA1NDY0Ng==&mid=2651706412&idx=2&sn=850492f902c80a019d80201971d45a4e&chksm=8c091eb5bb7e97a38e0795b4431104c1cf70e66153741f7da9aba25e7807fe0a6c6ae9490c6c&scene=27

### The NFRA is guiding the financial sector towards proactive compliance governance

In line with the spirit of the Central Financial Work Conference, and to encourage financial institutions to operate in accordance with law and cultivate a financial culture with Chinese characteristics, the NFRA issued the *Compliance Management Measures for Financial Institutions* (Compliance Management Measures) on 25 December 2024, aiming to enhance the effectiveness of compliance management for financial institutions and promote the high-quality development of the financial industry. The Compliance Management Measures are the latest set of measures formulated by the NFRA on the basis of the *Compliance Risk Management Guidelines for Commercial Banks* and the *Compliance Management Measures for Insurance Companies*, after taking into consideration new realities and requirements. This issuance marks a new milestone in compliance management for Chinese financial institutions.

The Compliance Management Measures clarify various matters, including the compliance management framework, compliance culture, responsibilities of the board of directors and senior management, the establishment of positions such as chief compliance officer and compliance officer and their responsibilities, the responsibilities of the compliance management department, and the division of labour. They also require financial institutions to put in place compliance safeguards and define relevant administrative penalties and other regulatory measures. In addition to general provisions such as the date of implementation and the transitional period, the Compliance Management Measures also provide for the following matters in detail:

**Compliance management safeguards**
Enhancing support for the chief compliance officer, the compliance officer, the compliance management department, and relevant personnel in performing their duties. Requiring financial institutions to equip their compliance management department adequately with compliance professionals to enhance the effectiveness of compliance management. Clarifying support for the chief compliance officer and the compliance officer, including their right to attend meetings, be informed, conduct investigations, make inquiries, and issue alerts.



**Compliance management structure and responsibilities**
Clarifying the compliance management framework, compliance culture, responsibilities of the board of directors and senior management, the establishment of positions such as chief compliance officer and compliance officer and their responsibilities, the responsibilities of the compliance management department, and the division of labour. Financial institutions should establish a chief compliance officer position at their head office, and, in principle, a compliance officer position at provincial or first-level branches. They should fully leverage the core functions of chief compliance officer and compliance officer in coordinating and communicating internally and externally under the compliance management system. Strengthening the responsibilities of business lines, the compliance department's responsibilities for management, and the internal audit department's responsibilities for supervision, to drive coordination and connectivity.

**Supervision, management and legal responsibility**
Clarifying relevant administrative penalties and other regulatory measures. Financial institutions and their employees—especially directors, senior management, chief compliance officers, and compliance officers—should be held accountable for illegal practices and breaches, including failure to effectively implement compliance management.

The Compliance Management Measures aim to guide financial institutions to shift from reactive compliance to proactive compliance governance, which is mainly reflected in a top-down, company-wide compliance management system that incorporates compliance into every aspect of financial institutions' decision-making and operations. In terms of compliance empowerment mechanisms and the independence of compliance professionals, the Compliance Management Measures are adapted to realities in compliance management and align with international leading practices. By making the names of relevant positions consistent and defining the job responsibilities of the chief compliance officer and compliance officer in accordance with the principle of equal rights and responsibilities, this issuance provides guarantees for the compliance function to perform its duties independently.

**KPMG observations:**

The Compliance Management Measures will help financial institutions enhance their risk management capabilities by building a compliance management framework with three lines of defence, strengthening the compliance culture, and refining compliance management processes. They will also help financial institutions establish a comprehensive compliance management system and enhance employees' compliance awareness, with a view to detecting and preventing compliance risks at the source in a timely manner and improving risk management.

In terms of compliance management systems, the Compliance Management Measures put forward higher requirements, including those on the establishment of chief compliance officer and compliance officer positions and their job requirements, and the establishment of compliance functions and positions, as well as detailed performance requirements for compliance management functions and personnel, the digitalisation of compliance management, and accountability mechanisms. Financial institutions need to comprehensively review and fine-tune their compliance systems and mechanisms. In addition, the Compliance Management Measures also put forward clear requirements on personnel and resources for compliance management. Financial institutions need to attach importance to the qualifications of compliance professionals and the conditions for them to perform their duties, allocate resources as appropriate, and optimise management processes.

## The NFRA strengthens data security governance for banking and insurance institutions

On 27 December 2024, the NFRA issued the *Data Security Management Measures for Banking and Insurance Institutions* (Data Security Management Measures). As the first data security regulations introduced by the NFRA after its establishment, the release of the Data Security Management Measures marks a new milestone for data security supervision in China's financial industry.

The Data Security Management Measures consist of 81 articles divided into nine chapters: General Provisions, Data Security Governance, Data Classification, Data Security Management, Data Security Technology Protection, Personal Information Protection, Data Security Risk Monitoring and Disposal, Supervision and Management, and Supplementary Provisions. The main content includes:

**01**

**Implementing an accountability system for data security**

Requiring that the Party committee and board of directors of banking and insurance institutions assume responsibility for data security. The head of the institution takes primary responsibility for data security, and the head of data security is directly responsible for it.

**02**

**Clarifying the centralised management department for data security**

Banking and insurance institutions are required to designate a centralised management department for data security to take the main responsibility for data security, including formulating data security management systems and standards, establishing and maintaining data catalogues, classifying and protecting data, organising risk monitoring, issuing early warnings and responding.

**03**

**Incorporating data security risks into comprehensive risk management**

Banks and insurers are required to clarify their management processes, proactively assess risks, effectively monitor data security risks, and prevent security incidents such as destruction, leakage, and illegal use of data. The risk management, internal control compliance, and audit departments should regularly conduct data security audits, reviews, inspections, and evaluations.

**04**

**Strengthening data security assessment**

Banks and insurance institutions are required to conduct a security assessment in advance when carrying out data processing activities. They should analyse data security risks and their impact on the rights and interests of data subjects based on the purpose, nature, and scope of data processing, evaluate whether data processing is necessary and complies with laws and regulations, and determine whether the safeguards are effective.

**05**

**Establishing a baseline for data security**

Including data in cybersecurity protection, implementing safeguards for server rooms and networks that are used to store or transmit sensitive or confidential data, taking effective access control measures throughout the entire data lifecycle, and using secure and effective means of transmission to ensure data integrity, confidentiality, and availability.


The Data Security Management Measures require banking and insurance institutions to establish data classification and protection systems, data catalogues, and classification standards, dynamically manage and maintain data catalogues, and take differentiated security measures. Banking and insurance institutions urgently need to review and upgrade their management systems, while stepping up efforts to spread relevant knowledge internally and train staff, with a view to effectively identifying and protecting key data and reducing the risk of data leakage and abuse. The Data Security Management Measures will contribute to regulating the data processing activities of the banking and insurance industries, ensuring data security and financial security, promoting the appropriate use of data, and safeguarding the public interest and the legitimate rights and interests of financial consumers.

**KPMG observations:**

The Data Security Management Measures particularly emphasise the importance of personal information protection and require banks and insurance institutions to follow the principle of informed consent when processing personal information, collect personal information in accordance with the data minimisation principle, and inform the data subject and obtain their consent when sharing or making the subject's personal information publicly available. The Data Security Management Measures also encourage banking and insurance institutions to coordinate development and security, promote data infrastructure construction, and apply data in innovative ways, in order to support the national big data strategy and the development of the digital economy. This will not only help incorporate greater intelligence into financial services, but will also enhance financial institutions' ability to safeguard against risks.

## Outlook

Compliance is the cornerstone of stability for financial institutions. In today's complex and ever-changing financial environment, financial institutions' operational compliance has become a key element in ensuring the stability of financial markets and the effective protection of customer interests. In the past year, China's financial regulators have issued a series of regulations related to compliance and risk management, covering areas such as beneficiary information management, AML, data security, and criminal case management. This not only reflects the high attention paid by regulators to preventing and controlling financial risks, and the continuous improvement and upgrading of the financial regulatory system, but also reflects the challenges faced by China's financial system in the context of greater openness and innovation.

Based on the regulations introduced in the past year, we expect to see the following trends in compliance and risk management in the future:

1. Compliance requirements will be further refined. In the future, compliance requirements will place greater emphasis on details and operability. For example, the Beneficiary Information Measures and the AML Law will encourage financial institutions to establish more comprehensive systems for KYC and transaction monitoring purposes. At the same time, regulators may further clarify specific compliance requirements through case-based guidance and industry standards, among other methods, to reduce uncertainty in financial institutions' implementation.

2. Risk management will become more intelligent. With the widespread application of technologies such as AI and big data, financial institutions will increasingly rely on technology for risk management. For example, by building an intelligent risk control system, financial institutions can monitor customers' transactions in real-time and identify potential risks such as money laundering and fraud. In the future, regulators may encourage financial institutions to increase investment in technology and strive for greater intelligence in risk management.

3. Data security will become a focus in compliance. Data security has become an important aspect of financial regulation, as evidenced by the Data Security Management Measures. In the future, financial institutions will face higher security requirements when processing customer data. For example, financial institutions need to establish a comprehensive data classification mechanism to ensure that sensitive data is fully protected. At the same time, regulators may strengthen their supervision of cross-border data flows to prevent the risk of data leakage.

4. Accountability will be more rigorously enforced. The release of the Risk Accountability Provisions indicates that regulators have taken a more serious attitude towards accountability for financial risk prevention and control. In the future, senior executives and relevant department heads at financial institutions will face greater responsibility and pressure. When major risk events occur, the relevant responsible person will be held legally responsible. In response to such rigorous accountability, financial institutions will need to pay more attention to risk prevention and control in their day-to-day operations.

The Central Financial Work Conference held in October 2023 emphasised the need to comprehensively strengthen financial regulation and effectively prevent and resolve financial risks. It also stressed the importance of improving the effectiveness of financial regulation, covering all financial activities in accordance with the law, comprehensively strengthening regulation in terms of institutions, behaviours and functions, enforcing penetrative and continuous supervision, filling regulatory gaps, and cracking down on illegal financial activities in accordance with the law. Financial regulation is expected to become more stringent in the future.

In the new journey towards Chinese-style modernisation, regulators have put forward higher standards and requirements for financial institutions in terms of risk and compliance management. This not only reflects the high importance attached to financial security, but also highlights the expectation that high-quality, efficient financial services be provided for the real economy. Financial institutions need to focus on two areas: first, they need to integrate risk prevention and compliance into decision-making, business development, and management to fundamentally transform from reactive compliance to proactive governance. This means that financial institutions must embed risk and compliance management into every aspect of management, every business process, and every part of the decision-making process to form a comprehensive and multi-level risk and compliance management system. Second, on the basis of effective risk prevention and compliance management, financial institutions should fully leverage the role of finance to support the real economy, and implement the strategies for the Five Priorities.

As an important pillar of the financial system, financial institutions must be aware that risk and compliance management is indispensable not only to regulatory compliance, but also to their own sustainability. Only by ensuring compliance and soundness in development and operations can financial institutions play a greater role in serving national strategies and supporting the real economy, and make positive contributions to China's socialist modernisation.

## ❖ Technology finance

Technological innovation is a cornerstone of China's innovation-driven development strategy, and technology finance serves as an important engine that supports the innovation economy and facilitates industrial upgrading. In order to help commercial banks gain a better understanding of this area, this report includes specific analysis on technology finance as well as the country's finance-oriented "Five Priorities" policy.

The PBOC and six other authorities are promoting technology finance

On 28 June 2024, the PBOC and six other authorities issued the *Work Plan on Solidly Promoting Technology Finance* to jointly urge financial institutions and financial markets to comprehensively improve their technology finance service capabilities and the intensity of such services, and provide end-to-end (E2E) financial services for various entities throughout the technological innovation lifecycle.

The *Work Plan on Solidly Promoting Technology Finance* proposes various measures to cultivate a financial market ecosystem that facilitates technological innovation. These measures include:

- Comprehensively strengthening financial service expertise, and supporting banking and financial institutions' efforts to build technology finance-related organisational structures and risk control mechanisms and improve internal systems for performance evaluation, accountability relief for personnel who have fulfilled their duties, and other areas
- Offering green channels to technology enterprises for bond issuance, so as to help them connect with investors, increase lines of credit, and improve ratings
- Enabling the stock markets, National Equities Exchange and Quotations (NEEQ) market, and regional equity markets to better fund technological innovations, and strengthening cross-border financing policies to support technology enterprises
- Focusing support on small and medium-sized technology enterprises, specifically by improving credit and insurance products that meet the specific needs of technology enterprises in the start-up and growth stages, strongly promoting related innovative pilot projects in regional equity markets, and enriching sources of capital and exit channels for VC funds
- Encouraging the establishment of various regional technology finance alliances and advocating for communication and cooperation between financial institutions and technology intermediaries, with a view to building a technology finance ecosystem. Such an ecosystem can provide diversified financial services to enable technology enterprises to seek financing through angel investment, VC, private equity investment, bank loans, and capital markets

**KPMG observations:**

The *Work Plan on Solidly Promoting Technology Finance* represents China's effort to develop a more specialised technology finance system. Going forward, the country's technology finance sector will see the following changes:

First, management systems and assessment indicators will be optimised and upgraded, driving comprehensive adjustments in organisational structure, risk control mechanisms, performance appraisal, and institutional construction, allowing financial institutions to better adapt to the special needs of technology finance business.

Second, product and service innovation will be deepened, mainly in areas such as the country's major scientific and technological initiatives and strategic emerging industries. Support will be provided for the coordinated development of multi-level capital markets, including the stock markets, the NEEQ market, and regional equity markets; and favourable policies such as refinancing policies that target technological innovations and small businesses will be improved to better support technological innovations.

Third, financial institutions will make greater efforts to differentiate themselves by improving their product portfolios and service models based on the features of the sector and actively exploring new business models for engaging with markets, so as to better serve technological innovation and industrial upgrading.

These actions will strongly promote the high-quality development of technology finance and allow financial institutions to play a greater role in facilitating technological innovation.

### The NFRA and two other authorities launched intellectual property finance ecosystem pilot projects

On 5 March 2025, the NFRA, China National Intellectual Property Administration (CNIPA), and the National Copyright Administration (NCAC) jointly released the *Work Plan on Comprehensive Pilot Projects for an Intellectual Property Finance Ecosystem* (Work Plan on Finance Ecosystem Pilot Projects), announcing their decision to carry out comprehensive intellectual property finance ecosystem pilot projects in Beijing, Shanghai, Jiangsu province, Zhejiang province, Guangdong province, Sichuan province, Shenzhen, and Ningbo.

The Work Plan on Finance Ecosystem Pilot Projects mainly covers the following areas:

**Concerning the difficulty of registration,** it encourages the establishment of service counters or agency outlets for trademark right and copyright pledge registration and the opening of green channels for copyright pledge registration in pilot areas, so that pledge registration can be completed conveniently and efficiently. It also requires accelerating the construction of an online copyright pledge registration platform to reduce processing times.

**Concerning the difficulty of valuation,** it encourages commercial banks to determine the value of collateral through internal evaluation or bank-enterprise negotiation for any intellectual property-pledge loan of less than RMB 10 million. It also encourages government departments to provide data, models, and system support to facilitate valuations, and suggests replacing valuations with overall evaluations of intellectual property rights where conditions permit.

**To help optimise the service mechanisms of financial institutions,** it offers guidelines on formulating methods and policies for conducting and managing their intellectual property finance business; encourages longer loan terms and a greater proportion of medium to long-term loans; proposes the inclusion of animal and plant variety rights, geographical indication rights, and data rights in the scope of pledgeable intellectual property rights; and supports the Banking Credit Asset Registration and Circulation Centre in providing green channels for the transfer of intellectual property-pledge loans, with all fees waived for three years.

**Concerning the difficulty of disposal,** it improves the intellectual property trading mechanism, promotes the construction of specialised disposal platforms, and encourages the establishment of specialised collateral disposal modules at intellectual property trading and operation platforms. It will also explore ways to avoid patent rights becoming invalid due to unpaid patent fees, such as requiring enterprises to prepay annual patent fees during the pledge period.

**In order to improve risk compensation,** it encourages local governments to establish sound risk sharing and compensation mechanisms; explore preemptive risk compensation; and strengthen cooperation in the area of intellectual property finance using the "government + platform + finance" model to share information and data for better integrated services.

Despite the rapid growth of intellectual property finance, some regions and areas are still facing related pain points, difficulties, and bottlenecks. In order to make breakthroughs, the Work Plan on Finance Ecosystem Pilot Projects focuses on intellectual property and puts forward policies and measures targeting issues such as difficulties around registration, valuation, and disposal, as well as the need to improve risk compensation mechanisms. Intellectual property-intensive areas where innovation is being actively pursued and related foundations are already solid have been selected for implementing the Work Plan on Finance Ecosystem Pilot Projects. This not only helps promote financial innovation in an orderly manner, but also enables regulators to scale up the pilot programme after breakthroughs are made. At the same time, the participating provinces and cities will be able to form a virtuous business cycle that combines technology, industry, and finance with regional advantages and strengths to promote orderly innovation in intellectual property finance.

### KPMG observations:

As the valuation of intellectual property rights is somewhat complex and uncertain, financial institutions need to strengthen their ability to identify, assess, and control risks when conducting related business. Financial institutions should establish a scientific risk assessment system to comprehensively determine the value, legal stability, market prospects, and other aspects of intellectual property rights, ensuring that risks are controllable; and a sound risk sharing and compensation mechanism should be established to reduce such risks. Financial institutions can optimise their internal evaluation system by enhancing internal training, hiring skilled professionals and engaging professional third-party consulting firms, and fine-tune their evaluation processes, so as to ensure that valuations are determined accurately and fairly.

### The NFRA and two other authorities issued a document on helping the banking and insurance sectors pursue high-quality development in respect of technology finance

On 1 April 2025, the NFRA, the Ministry of Science and Technology, and the National Development and Reform Commission (NDRC) jointly issued the *Implementation Plan for the High-Quality Development of Technology Finance in the Banking and Insurance Industries* (Implementation Plan), which highlights key areas and deficiencies in financial support for technological innovation. It aims to leverage a portfolio of policies from different authorities to increase the supply of financial resources, drive the circulation of funds, capital, and assets in the science and technology sector, and promote the integration of technologically innovative industries, so as to continuously improve the quality, scope, and results of technology finance services and achieve faster and high-quality growth.

The Implementation Plan proposes 20 measures to strengthen the mechanism, product portfolio, expertise, and risk control capabilities for technology finance services, which can be categorised into three types:

#### Improving the technology finance service mechanism

- Improving institutional and organisational systems: To encourage financial institutions to improve their internal technology finance service management structures based on actual situations
- Optimising internal performance appraisal, incentive and disciplinary mechanisms: To increase the proportion of technology finance-related indicators for internal performance appraisals properly
- Enhancing technology finance services in areas where technological innovation is important or deficient: To encourage financial institutions to strengthen financial support for major national scientific and technological initiatives and small and medium-sized technology enterprises
- Developing the technology finance service ecosystem: To support governments at all levels, technology enterprises, financial institutions, VC funds, third-party intermediaries, and other institutions in jointly building a multi-level technology finance service ecosystem

#### Enhancing the technology finance product system

- Providing more loans to technology enterprises: To offer more credit loans and medium and long-term loans to technology enterprises
- Optimising technology-related insurance services: To urge insurance companies to improve the mechanism for diversifying risks arising from efforts to tackle major technological challenges and provide insurance products that cover the entire technological innovation process
- Promoting technology finance policies through pilot projects: To increase the scope of equity investment pilot projects for financial asset investment companies in an orderly manner to cover regions where the economy is robust, technology enterprises are large in number, research and development investment is strong, and equity investment is active
- Strengthening cooperation with institutions such as VC firms
- Helping technology enterprises with bond financing

#### Cultivating technology finance expertise

- Stepping up digital empowerment: To encourage financial institutions to develop digital business tools, enhance enterprise identification and screening capabilities, and improve the effectiveness and efficiency of business management as well as risk prevention and control
- Improving the technology finance risk sharing mechanism: To implement special guarantee plans to support technological innovation, and diversify technology insurance risks through insurance pools, reinsurance, and other methods
- Promoting the sharing of enterprise information: To promote the construction of technological innovation information infrastructure, so as to inform technology-related credit reviews and insurance pricing
- Improving third-party intermediary services: To provide credible technology consulting, technology valuation, and technology risk assessment services

**KPMG observations:**

The Implementation Plan clearly states that in the next five years, the banking and insurance industries will accelerate the construction of financial service systems and mechanisms that facilitate technological innovation, gradually improve the technology finance system, and continue to enhance professional service mechanisms, product systems, professional capabilities, and risk control capabilities. This indicates that the banking and insurance sectors should pay more attention to the application of technology, and improve service efficiency and risk management capabilities through digital transformation and intelligentisation, so as to better support technological innovation.

The release of the Implementation Plan marks the acceleration of China's banking and insurance industries' development in the field of technology finance. Going forward, the country's financial service system will be comprehensively restructured and upgraded. The banking and insurance sectors will accelerate the construction of financial service systems and mechanisms that facilitate technological innovation, and continue to improve their technology finance systems, professional service mechanisms, product systems, and risk control capabilities. Financial institutions will pay more attention to the application of technology, and improve service efficiency and risk management capabilities through digital transformation and intelligentisation, so as to better satisfy the financial needs of technological innovation enterprises.

Meanwhile, building a diversified financial ecosystem will become a priority. According to the Implementation Plan, different entities such as banks, insurance companies, VC firms, and guarantee companies will be systematically incorporated into a collaborative framework for the first time to promote joint services related to equity, bonds, insurance, and loans. Banks will establish institutions specialising in technology finance, and insurance companies will develop new types of insurance such as business disruption insurance and first major equipment insurance, while encouraging innovative business models such as the "investment-loan connectivity" and "intellectual property pledge" businesses. These measures, which will form a lifecycle service system covering the start-up, growth, and maturity stages of technology enterprises, will provide more targeted and efficient financial support for technology enterprises, helping them obtain the necessary resources at different stages of development[14].

[14] *Capitalising on a "mixture of measures" to build technological independence and strength through financial innovation —— Professional interpretation of the Implementation Plan for the High-Quality Development of Technology Finance in the Banking and Insurance Industries*, Science and Technology Daily, 3 April 2025, https://www.stdaily.com/web/gdxw/2025-04/03/content_319175.html

## Outlook

At the Central Financial Work Conference in October 2023, President Xi Jinping ranked technology finance as the highest of the "Five Priorities" and called for steering financial resources towards key areas of technological innovation. These important instructions, which are based on actual developments, point out the direction of financial development and provide guidance on how finance should serve the real economy. China's economy has entered the high-quality development stage, and technological innovation has become the core driving force for economic growth. In this context, technology finance acts as an important bridge between technology and finance to facilitate the critical mission of supporting technological innovation and promoting industrial upgrading.

Over the past year, regulators have introduced multiple policies and regulations on technology finance. In the future, technology finance development will show the following trends:

1. Policy support will continue to increase, with technology finance being a strategic priority. As China advances its innovation-driven development strategy, technology finance will benefit from more favourable policies. We anticipate that regulators will introduce detailed measures to promote deeper integration between technology finance and technological innovation. For example, they may issue special financing policies targeting small and medium-sized technology enterprises, or increase the application scope of intellectual property-pledge financing.

2. New opportunities will emerge in intellectual property finance, and the ecosystem will gradually improve. Intellectual property is the core asset of technology enterprises, and its financial value has not been fully explored. In the future, related financial instruments such as intellectual property-pledge financing, insurance, and securitisation will be applied in a greater variety of scenarios as the pilot programme expands. Regulators may also promote the establishment of a unified intellectual property evaluation system to help financial institutions reduce the risk and cost of conducting intellectual property finance business.

3. Digital transformation will accelerate, speeding up innovation in technology finance products and services. The rapid development of digital technology poses new opportunities to technology finance. Financial institutions will scale up their digital transformation and leverage technologies such as big data, AI, and blockchain to make technology finance products that are smarter and tailor-made. For example, credit assessment models based on enterprises' patent data and intellectual property-pledge financing platforms based on blockchain will become highlights of technology finance innovation.

4. Risk prevention and control will be balanced with innovative development to build a sustainable development mechanism. While supporting technological innovation, financial institutions need to pay attention to risk prevention and control. In the future, regulators may issue more intricate risk management policies to guide financial institutions in establishing technology finance risk sharing mechanisms. They may also encourage financial institutions to cooperate with governments, insurance companies, and guarantee institutions to build a multi-party risk sharing system.

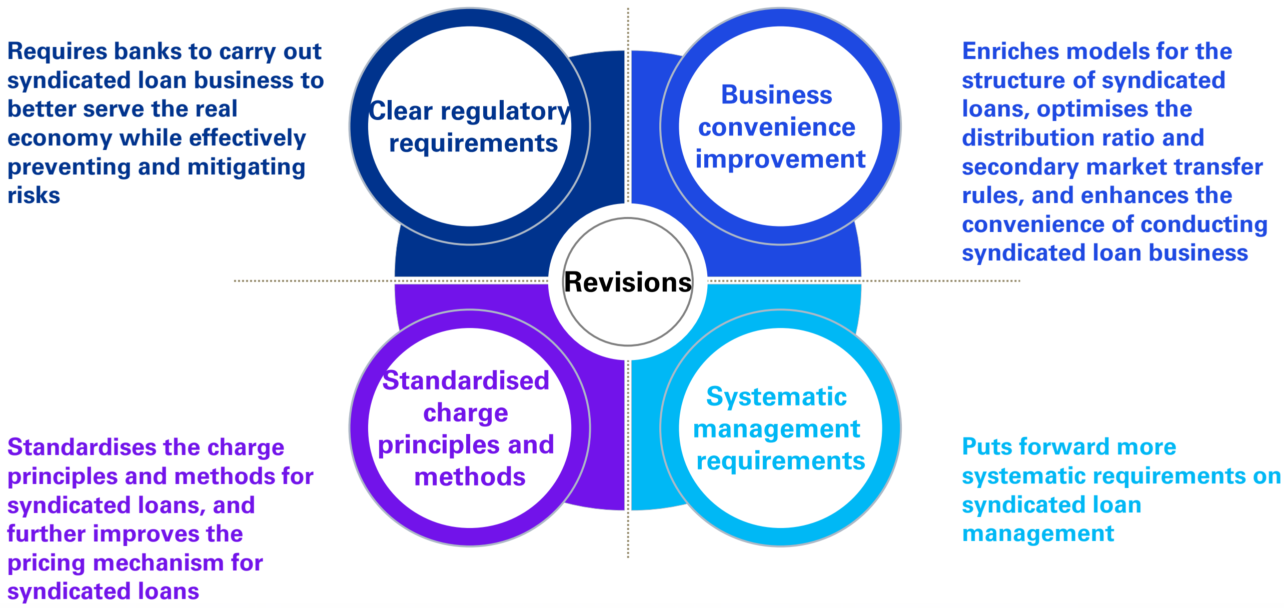
Supported by policies and markets, technology finance will unlock greater development potential. Commercial banks should seize these opportunities, actively respond to challenges, and provide strong financial support to facilitate the growth and development of technology enterprises through optimised services, innovative products, and strengthened risk control, thereby driving China's high-quality economic development.

## ❖ Regulation of major businesses

### The NFRA issued measures to regulate syndicated loan business

On 12 October 2024, the NFRA promulgated the *Administrative Measures for Syndicated Loan Operations* (Administrative Measures), a revision of the *Guidelines on Syndicated Loan Business* (Guidelines). The Administrative Measures aim to optimise and improve the administration and supervision of syndicated loan business, ensure the healthy development of such business, and urge banks to strengthen interbank cooperation and effectively prevent and mitigate credit risks while providing high-quality financing to support economic and social development.

The Administrative Measures consist of seven chapters and 61 articles. The chapters include General Provisions, Provisions Concerning Syndicate Members, Initiation and Structuring of Syndicated Loans, Syndicated Loan Contracts, Syndicated Loan Management, and Syndicated Loan Transfer Transactions, as well as Supplementary Provisions. The Administrative Measures mainly incorporate the following revisions:




The Administrative Measures contain updated syndicated loan business requirements covering models for the
structure of syndicated loans, the distribution ratio and secondary market transfers.

In terms of models for the structure of syndicated loans, the Guidelines stipulated that syndicated loans should be based on the same conditions, while the Administrative Measures incorporate a group syndication model to change the existing status of the single syndication model, with a view to raising banks' enthusiasm for carrying out syndicated loan business. The group syndication model allows banks to provide loans with different conditions, such as terms and interest rates, under the same syndicated loan contract. Generally, a syndicated loan cannot contain more than three groups of conditions; two or more banks should be engaged in each group; there should be no more than one group with only one bank; and the groups should have the same agency bank.

In accordance with the principle of balancing efficiency and risk diversification, the Administrative Measures adjust the principle lower limits for the share of underwriting and the share of distribution when a single bank acts as the lead bank from 20% and 50% to 15% and 30%, respectively; and add requirements on the share of underwriting regarding deputy lead banks and co-lead banks, stipulating that, in principle, the share of underwriting of each lead bank shall not be less than 10% of the amount of the syndicated loan, and that the share of underwriting of each bank shall not exceed 70% of the amount.

In terms of secondary market transfer, the Administrative Measures allow a bank to partially transfer the balance of a syndicated loan or the amount it has underwritten, in the form of a pro rata split of the outstanding principal and interest. This will further activate the secondary market for syndicated loans and release accumulated credit resources. According to relevant regulations, banks should register and conduct transfer transactions on credit asset registration and transfer platforms recognised by the NFRA, such as the Banking Credit Asset Registration and Circulation Centre.

It should be noted that, in principle, the Administrative Measures prohibit rural banks from participating in the issuance of syndicated loans, which will have an impact on the business scope and service capabilities of rural banks. However, they may explore other types of loans.

### KPMG observations:

The Administrative Measures will have multiple positive effects on risk management and business development. On one hand, they introduce the group syndication model, allowing banks to provide diversified loans based on different conditions. This will encourage banks to optimise their business strategies and innovate products, so as to more accurately address market demands and enhance competitiveness. On the other hand, they allow a bank to partially transfer the balance of a syndicated loan or the amount it has underwritten, in order to diversify credit risk and improve the credit structure. These syndicated loan business regulations will urge the banking industry to more appropriately allocate credit resources and reduce the likelihood that a single bank will bear excessive risks.

In order to better develop syndicated loan business, banks should establish and improve related risk management systems, and strengthen pre-lending due diligence and post-lending management, to effectively prevent and mitigate credit risks. They should also strengthen their professional syndicated loan services, establish specialised syndicated loan business teams, enhance the business expertise and capabilities of staff, set up appropriate syndicated loan structures, and design group syndicated loans with different conditions such as terms and interest rates, thereby meeting the needs of different borrowers, promoting sustained growth of syndicated loan business, and offering robust credit support for enterprises in the real economy.

### The NFRA released initiatives to boost consumption

In order to fully implement the decisions of the Central Economic Work Conference and the special initiatives of the CPC Central Committee and the State Council to boost consumption, the NFRA issued the *Notice on Developing Consumer Finance to Boost Consumption* (Notice on Boosting Consumption) on 14 March 2025, requiring financial institutions to develop consumer finance to help boost consumption, better address consumers' financial needs, and enhance people's sense of fulfilment and well-being.

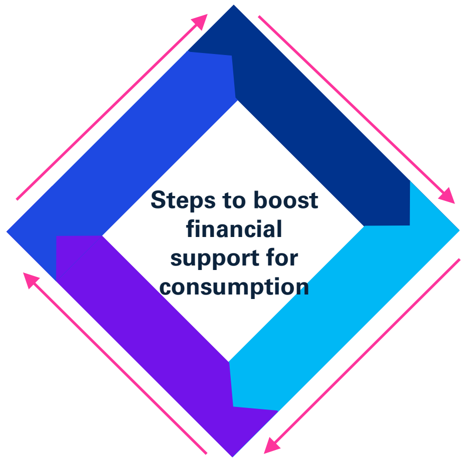
The NFRA has outlined targeted measures to refine consumer-finance policy across product diversification, service facilitation, and a supportive consumption environment. The steps to boost financial support for consumption include:

### Expanding the supply of consumer finance

Financial institutions should diversify their product and service offerings to stimulate consumer spending, promote service-sector consumption, and foster new types of consumption. They must develop customised financial solutions for emerging digital, green, and intelligent consumption scenarios to meet increasingly diverse and personalised needs. Concurrently, digital platforms and tools should be upgraded to ensure consumer-finance services are accessible and user-friendly. Finally, targeted credit lines should be directed toward key industries, including wholesale and retail, hospitality and catering, cultural tourism, education and training, healthcare, and elder care, to support the sustainable growth of supply-side enterprises.

### Strengthening the consumer-finance ecosystem

Banks should standardise loan-contract terms and fully disclose total financing costs. They should leverage financial-product inquiry and consumer-protection platforms to ensure customers can easily access relevant information, and payment solutions should be optimised to accommodate elderly users and international visitors. The diversified dispute resolution mechanism should be enhanced to resolve consumer finance disputes efficiently. Finally, coordinated enforcement efforts should be stepped up to crack down on market abuses and safeguard financial consumers' rights.




### Optimising consumer-finance management

Banks should expand personal consumer lending where risks are manageable, and set appropriate credit limits, maturities, and interest rates to optimise resource allocation. As far as personal consumer finance is concerned, they should make sure that those who have fulfilled their duties concerning personal consumer lending are not held accountable. In addition, banks should explore online credit card issuance and activation contingent on robust identity verification and risk controls.

### Implementing consumer loan relief programmes

Banks may negotiate flexible repayment schedules and frequencies with borrowers facing temporary distress, taking into account each borrower's credit history and repayment capacity. Eligible borrowers may apply for and receive loan renewal support upon approval.

Considering demand, the *Notice on Boosting Consumption* encourages financial institutions to customise financial products to meet personalised and diversified financial needs, and set appropriate credit limits, maturities, and interest rates to better match supply with demand. In respect of supply, it improves requirements regarding accountability relief for staff who have fulfilled their duties, so that financial institutions are willing and able to offer consumer loans.

### KPMG observations:

The *Notice on Boosting Consumption* will help drive the rapid development of consumer finance and attract various financial institutions such as commercial banks, consumer finance companies, and internet finance companies to the initiative. It will also intensify market competition, which may result in financial institutions with advantages in technology, customer resources, and cost control gaining market share. Financial institutions should design consumer finance products based on their strengths and consumers' needs, and optimise business processes to enhance user experience.

As policies for boosting consumption continue to be released and evolve following the *Notice on Boosting Consumption*, consumer finance is expected to boom in the future. Financial institutions need to ensure that their business models meet regulatory requirements on the one hand, and pay attention to the quality of consumer finance assets on the other, to avoid increasing risk exposure due to an aggressive risk appetite or inadequate risk control.

### The NFRA further regulates the agency sales business of commercial banks

On 21 March 2025, the NFRA issued the *Administrative Measures on Agency Sales Business of Commercial Banks* (Administrative Measures on Agency Sales). The Administrative Measures on Agency Sales will strengthen the supervision and management of commercial banks' agency sales business, and promote the healthy and orderly development of such business.

The Administrative Measures on Agency Sales consist of eight chapters and 54 articles, and the major provisions that have a significant impact on commercial banks are as follows:

- **Leading management department:** Banks must clearly define the departments responsible for the management of agency sales, and such departments should take the lead in organising, supervising, and guiding relevant departments to carry out agency sales.

- **Management of cooperative institutions:** Banks must implement list management for cooperative institutions, determine the criteria for qualification review of cooperative institutions, clarify admission conditions and procedures, and establish and effectively implement due diligence, assessment, and approval systems for cooperative institutions. For cooperative institutions that have already been admitted, commercial banks shall strengthen their daily management and conduct review and assessment on a regular basis. Commercial banks must establish an exit mechanism for cooperative institutions, promptly eliminate institutions with serious violations, significant risks, or other behaviours that violate standards for sustained cooperation, and provide stable and orderly customer services around existing products.

- **Management of products under agency sales:** Banks must conduct due diligence on products under agency sales, gain a comprehensive understanding of the products, verify the authenticity, accuracy, and completeness of product information, and form independent and objective admission opinions based on customers' situations, sales channels, sales personnel, information systems, and other conditions. Consistent display rules shall be established for similar products under agency sales.

- **Special provisions for asset management products:** When conducting access review for asset management products, if the product sold is an investment in non-standard debt assets, unlisted enterprise equity, or private equity investment funds, or private equity fund managers are engaged as investment advisors, commercial banks shall conduct comprehensive assessment, enlisting departments responsible for agency sales management, risk management, legal compliance, and financial consumer protection, and obtain approval from their senior management. For products sold under agency sales as an investment in private equity investment funds or with private fund managers engaged as investment advisors (as referred to above), the admission criteria shall include but not be limited to: the total scale of private equity investment funds managed by the private fund manager shall not be less than RMB 500 million; the total scale of private securities investment funds managed by the private fund manager shall not be less than RMB 300 million; registration with the Association of China Securities Investment Funds must have been filed at least three years ago; and in the past three years, no administrative penalties or disciplinary actions have been taken against it by the Association of China Securities Investment Funds.

- **Consumer rights protection:** Commercial banks must conduct reviews of consumer rights protection for the admission of cooperative institutions, and the admission, promotion and sale of consignment products, in order to prevent acts that infringe on the legitimate rights and interests of financial consumers.

Compared to the *Notice of the China Banking Regulatory Commission on Regulating Agency Sales of Commercial Banks* (Notice on Regulating Agency Sales) issued in 2016, the main changes included in the Administrative Measures on Agency Sales are as follows:

1. Additional requirements, such as upholding the business philosophy of "know the products" and "know your clients," implementing access systems for the management of products under agency sales, and establishing and improving whole-process monitoring and management mechanisms for agency sales, duration management, continuous enhancement of customer services, etc.
2. Enhanced regulations on customer information protection, network and data security, consumer rights protection, and electronic channels, to reflect recent new risk attributes and regulatory requirements.
3. Significant revisions to the management provisions on asset management products, making them more detailed and strict.
4. Clarification of the legal responsibilities to be borne by both commercial banks and their cooperative institutions for illegal and non-compliant behaviours.
5. Elimination of automotive finance companies and consumer finance companies from the scope of other banking and financial institutions engaged in agency sales.

**KPMG observations:**

The Administrative Measures on Agency Sales highlight the proactive role that commercial banks should assume in the management of agency sales business, including establishing departments in charge, establishing management systems and working mechanisms for key links, implementing a list management system for cooperative institutions to clarify their access conditions and exit mechanisms; and strictly carrying out due diligence on products under agency sales, access review on asset management products, channel management, and performance management of cooperative institutions during the product duration. In practice, the overall thresholds and operating costs of agency sales business, cooperative institutions, and products under agency sales are being lifted significantly, which is conducive to building and maintaining a fair and standardised market for healthy competition, and promoting the high-quality development of agency sales business.

Standardised requirements have been put forward for the entire process of institution access review for asset management products, including due diligence, product access review, product display rules, customer risk tolerance assessment, product risk rating, sales channels, and behaviour management, as well as information disclosure of cooperative institutions, and transitional solutions for existing products, significantly increasing the threshold for agency sales of asset management products, and imposing constraints and differentiated restrictions on the investment direction of asset management products.

The Administrative Measures on Agency Sales propose updates to multiple provisions on the management system and key links of agency sales business, requiring commercial banks to re-examine and optimise their internal management systems in accordance with the new regulations, and conduct investigations on the existing products under agency sales to ensure the smooth transition and sale of existing products.

**Trend analysis**

In the past year, financial regulators have actively launched supportive policies and new business regulations in accordance with national strategies and market developments, so as to promote the standardised development of the financial sector. For syndicated loans, the introduction of the Administrative Measures for Syndicated Loan Operations marks a transformation of the traditional syndicated loan model. The new regulations effectively address the pain points of the traditional single model with high distribution thresholds by introducing innovative mechanisms such as grouped syndicated loans and reduced distribution ratios, which significantly improves the efficiency of syndicated loans. This transformation provides differentiated paths for the participation of small and medium-sized banks in large-scale projects, making it more convenient for enterprises to obtain financial facilities. Especially under the grouped syndicated loan model, enterprises can obtain customised lending conditions (such as separated groups of green loans), and further decrease their overall financing costs through transparent fees and distribution competition mechanisms. As for agency sales, the Administrative Measures on Agency Sales take into account the risk attributes and development of agency sales business over the past decade, and call on the commercial banking sector to promote the healthy and orderly development of the industry by standardising mechanisms such as cooperative institution management, management of products under agency sales, sales behaviour management, and consumer rights protection.

Recently, financial regulators have been actively responding to the call of the Central Committee of the CPC and the State Council, and have intensively introduced policies such as "financial support for consumption" to help expand domestic demand and stabilise growth. Boosted by a series of monetary and fiscal policies, the demand for consumer credit is seeing continuous growth. Specifically, the PBOC has released long-term liquidity by lowering the RRR and interest rates, improving the loan granting capabilities of financial institutions, and reducing financing costs. Meanwhile, financial agencies are driving demand for consumer credit in related industries by stimulating consumption through fiscal interest subsidies, issuance of consumer vouchers and other methods. As an essential bridge between financial services and household consumption, consumer credit will play an increasingly important role in boosting consumption and expanding domestic demand. Going forward, with the joint efforts of the NFRA and other departments to optimise the supply and management of consumer finance, the consumer finance environment will be further improved, and personal consumer loan services will become more refined.

## ❖ Capital management and non-performing asset management

### The NFRA is promoting the adoption of advanced methods for capital measurement to improve banks' risk management and refined management

To fully implement the spirit of the Central Financial Work Conference and strengthen the capital supervision of commercial banks, on 1 November 2024, the NFRA issued the *Regulations on the Application and Acceptance of Advanced Methods for Capital Measurement by Commercial Banks* (Acceptance Regulations). As a supporting document for the *Administrative Measures for the Capital of Commercial Banks*, the Acceptance Regulations further clarify the acceptance process and regulatory requirements for banks to implement advanced measurement methods, providing an institutional basis and actionable guidance for the orderly application and acceptance of advanced measurement methods used by banks.

The Acceptance Regulations consist of seven chapters and 47 articles, mainly including:

**Clarify the applicable entities and acceptance scope**

Banks that are classified into the first tier according to the relevant provisions of the *Administrative Measures for the Capital of Commercial Banks* are allowed to implement and apply step by step for different risk modules.

**Prescribe the prerequisites for implementing advanced methods**

Banks applying for the implementation of advanced methods are required to meet conditions such as stable business performance and sound risk management practices.

**Clarify the application and acceptance process**

Refine the list of materials to be submitted and provide compliance requirements covering the measurement models and supportive systems to improve the effectiveness and efficiency of the application and acceptance process.

**Emphasise the principles for evaluation and acceptance**

Based on evolving capital regulatory rules, minimum acceptance requirements are put forward for different risk modules to enhance the prudence of capital measurement results.

**Improve ongoing regulatory requirements**

Put forward ongoing regulatory requirements such as regular reporting of regulatory information and prior approval of major adjustments to maintain the effectiveness of capital regulation.

The advanced methods under the Acceptance Regulations help refine capital measurement and risk management, and allow banks to use internal models to estimate risk parameters in their capital measurement. Compared to the standard method, advanced methods support the refinement of capital measurement. By adopting advanced methods, banks can reflect their true risk profiles in a more accurate manner, thereby improving their risk management. In addition, the implementation of advanced methods also encourages banks to improve their data foundation and quality, strengthen system integration and automation, and promote scientific and refined management. This helps improve banks' comprehensive risk management systems, and enhances the management and operational quality of the entire industry.

**KPMG observations:**

The Acceptance Regulations clarify the acceptance process and regulatory requirements for banks to implement advanced measurement methods, providing an institutional basis and operational guidance for the orderly application and acceptance of advanced measurement methods used by commercial banks. The acceptance process consists of multiple key steps, such as reviewing the authenticity and completeness of application materials, developing acceptance plans, conducting on-site acceptance, preparing acceptance reports, and communicating acceptance opinions with bank management. This strict and standardised process helps ensure transparent and standardised implementation of the advanced methods, and continuous tracking and monitoring of the improvements by banks during the parallel period. Through such measures, regulators can comprehensively evaluate whether commercial banks are qualified to implement advanced methods and ensure that they meet regulatory requirements in practice.

Overall, the Acceptance Regulations will have a significant impact on the banking sector, helping banks improve their risk management, and optimise their capital allocation and asset structure. Banks can use internal models to implement advanced methods for capital measurement if they perform well in terms of corporate governance, risk management, internal control, business operations, data governance, and information systems. This will encourage commercial banks to improve their comprehensive risk management systems, enhance their data quality and system integration capabilities, and form a decision-making mechanism based on risk quantification. Meanwhile, banks can formulate scientific capital plans, optimise capital allocation, improve capital utilisation efficiency through precise measurement, and ensure full coverage of various risks.

**The NFRA issued measures on promoting the management of non-performing asset business, so as to effectively activate existing funds while regulating risks**

On 15 November 2024, the NFRA issued the *Administrative Measures for Non-performing Assets of Financial Asset Management Companies* (Administrative Measures for Non-performing Assets), which represent an important means for fully implementing the spirit of the Central Financial Work Conference and are conducive to guiding financial asset management companies to focus on the main business of non-performing assets, improve their professional capabilities in acquisition, management, and disposal, play a positive role in financial rescue and countercyclical adjustment, prevent and resolve financial risks in the new era, and support the development of the real economy.

The Administrative Measures for Non-performing Assets consist of eight chapters and 70 articles. The chapters include General Provisions, Acquisition of Non-performing Assets, Management of Non-performing Assets, Disposal of Non-performing Assets, Other Non-performing Asset-related Businesses, Risk Management, Supervision and Management, and Supplementary Provisions. The main contents include:

**01 Focusing on main responsibilities and major business**

Expands the acquisition scope of non-performing financial assets in an orderly manner; clarifies and refines the standards for acquirable non-performing assets of non-financial institutions; and guides financial asset management companies to focus on the main business of non-performing assets, improve their professional capabilities in acquisition, management, and disposal of non-performing assets, and accelerate the liquidation of non-performing assets, so that they can better play their role as financial risk "firewalls" and financial security "stabilisers."

**02 Standardising business processes**

Refines the operational norms for the entire process of acquisition, management, and disposal of non-performing assets, clarifies regulatory requirements for key links such as due diligence, disposal pricing, and disposal announcements, and encourages financial asset management companies to strengthen management and standardise operations, while achieving an overall balance between asset value, economic value, and social benefits.

**03 Enhancing risk prevention and control**

Financial asset management companies are required to establish a sound approval and decision-making mechanism, and strengthen internal risk control and supervision constraints on the acquisition, management, and disposal of non-performing assets, so as to effectively prevent moral hazard risks.

**04 Improving service integration**

Financial asset management companies are allowed to combine their resources and other competitive advantages to carry out light asset businesses such as consulting and entrusted disposal related to non-performing assets, and they can adopt various methods to liquidate financial & real economic risks and serve high-quality economic development.

The Administrative Measures for Non-performing Assets significantly expand the scope of non-performing assets that can be acquired by financial asset management companies, including restructured assets, credit-impaired assets, written-off but on-book assets held by financial institutions, and non-performing assets of non-financial institutions. Meanwhile, financial asset management companies are allowed to carry out light asset businesses such as consulting and entrusted disposal related to non-performing assets, so as to promote business diversification and "light capital" transformation, which is a response to the revolving asset structure of financial institutions over recent years. This will help effectively improve the liquidity of non-performing assets and provide more development opportunities for financial asset management companies by directing more credit resources into key areas[15].

[15] NFRA: *Orderly Expansion of the Acquisition Scope of Non-Performing Financial Assets by Financial Asset Management Companies*, China National Radio, 16 November 2024
https://finance.cnr.cn/cjtt/20241116/t20241116_526978139.shtml

**KPMG observations:**

Financial asset management companies are an essential type of financial institution for the disposal of financial institutions' non-performing assets. The Administrative Measures for Non-performing Assets expand the business scope of financial asset management companies, allowing them to acquire more types of assets and carry out light asset businesses, which expands market boundaries and provides more business opportunities for their development. The Administrative Measures for Non-performing Assets also require financial asset management companies to strengthen their management capabilities to ensure their management systems match their business scale and complexity. In addition, this issuance standardises overall process management for the acquisition and disposal of non-performing assets, clarifies specific requirements for key links such as risk responsibility, authorisation management, approval systems, internal inspection, post management, archive management, and information systems, and puts forward several principles to separate authorities and duties, such as "separation of evaluation and handling" and "separation of review and handling." Accordingly, financial asset management companies are required to optimise their risk management systems and improve the effectiveness and efficiency of their risk management throughout the entire process.

**Trend analysis**

In recent years, against the backdrop of economic restructuring and industrial upgrading, financial institutions' demand for capital replenishment, risk mitigation, and disposal of non-performing assets has grown. To prevent systematic financial risks, adapt to new developments in the financial industry, and urge financial institutions to enhance their risk resistance capabilities, regulators are also actively improving their regulatory systems and clarifying regulatory requirements.

For example, new regulations on capital management such as the *Administrative Measures for the Capital of Commercial Banks* and the *Acceptance Regulations for Capital Management* have been successively introduced to promote the standardisation of capital management by banks. The NFRA is also encouraging financial institutions to implement new regulations on capital management by organising specialised training, formulating implementation rules, and conducting regulatory acceptance activities. For example, under the *Acceptance Regulations for Capital Management*, regulators require banks to submit capital management reports and conduct strict assessments on their capital adequacy ratios, risk weighted assets, and other indicators on a regular basis. In the face of increasing uncertainty in the external environment and domestic economic challenges, capital management—as a tool to promote scientific resource allocation and business development—is essential for commercial banks to enhance their risk resistance capabilities.

Regarding the management of non-performing assets, the NFRA has issued a series of measures such as the *Administrative Measures for Non-performing Assets* and the *Guidance on Promoting the High-Quality Development and Improving the Regulatory Effectiveness and Efficiency of Financial Asset Management Companies*. Recently, to strengthen countercyclical planning, financial regulators have attached great importance to the high-quality development of financial asset management companies, giving full play to their special roles in serving the real economy with their unique expertise, so as to accelerate risk mitigation and revitalise the business and resources of financial institutions.

So far, early achievements have been made from the implementation of such measures. For example, the capital adequacy ratios of banks have generally improved, with rising capital quality and significantly enhanced risk resistance capabilities. Meanwhile, the disposal efficiency of non-performing assets has improved significantly, leading to a gradually declining stock of non-performing assets and healthier financial system. In addition, the synergy of capital management and non-performing asset management is gradually kicking in, laying a sound foundation for the stable development of the banking industry.

Going forward, banks' capital management and non-performing asset management will become more specialised and refined over time. Specifically, as industry standards are further refined, the accuracy and effectiveness of capital management will continuously improve. And the increasing market-orientation and diversification of non-performing asset disposals will lead to structural tools being applied in a more precise manner. Meanwhile, driven by digital transformation, banks will incorporate a higher level of intelligence in their capital management and non-performing asset management, injecting new momentum into the high-quality development of the banking industry.

# Important topics

# Intelligence, collaboration, and evolution: Reshaping of the value chain and business model transformation in the banking industry

The year of 2025 marks a historical turning point for the development of China's banking industry. Driven by dramatic changes in the global economic landscape, adjustments in the domestic economic structure, and the rapid development of technology, China's commercial banks are embracing far-reaching transformation and innovative technologies. To respond to the complex and ever-changing landscape, which presents multiple challenges such as sustained profitability pressure, diversified customer demands, and accelerated technological iteration, the banking industry needs to adopt a new perspective and innovative strategies.

We will explore the transformation paths and development patterns for the banking industry in the context of the new era by discussing important topics, with a focus on the three major areas of "AI strategy and practices," "business innovation and refined management," and "comprehensive risk management and compliance." We hope that this report serves as an effective reference for players in the banking sector, and provides forward-looking insights for regulators and policy-makers.

It is important to note that these three areas are not discrete parts, but rather connected components of a value loop. The data assets accumulated through digital operations lay a solid foundation for AI applications. AI technology helps enhance the operational efficiency and risk management capabilities of banks, and AI-empowered risk and compliance management enable banks to define security boundaries for their exploration of smart banking operations. The interconnected model of "intelligence - management - compliance" is reshaping the value chain of banks and accelerating the evolution of the banking ecosystem.

This shows that the transformation of China's banking sector is no longer limited to a single technological breakthrough or partial process optimisation, but is moving towards a deeper level of systematic restructuring. Such transformation is gradually evolving from separate changes to a type of highly integrated reform, achieving synergies at the strategic, organisational, and business levels. This process is driving a huge leap forward for banks in terms of operational models, service scenarios, and value creation mechanisms. We have summarised the main trends of this transformation as follows:

1. The value chain of banks is being reshaped. Data is becoming an important operating element, making AI a core driver of productivity. As a mechanism guarantee, compliance governance is driving the transformation of banks towards an integrated model of "intelligence, digitisation, and diversification."
2. The banking ecosystem is evolving at an accelerating rate. The emergence of new business patterns and service models is helping enhance banks' ability to serve the real economy with financial services, while greatly expanding the business scope of commercial banks.
3. The organisational model of banks is undergoing comprehensive restructuring. Commercial banks are breaking down traditional management barriers by establishing cross-functional collaborative mechanisms, with a view to strengthening their strategic resilience in coping with environmental complexities.

We also understand that the banking transformation we are currently witnessing is a self-iterative dynamic evolution, rather than a static accumulation of new technologies. In the following section, we will engage in in-depth discussions on specific business scenarios, technical paths, and implementation strategies for each important topic.

# Commercial banks' financial summary

| | Name of bank | Currency | Total assets (Unit: Million) 2024 | Total assets (Unit: Million) 2023 | Net assets attributable to the parent company (Unit: Million) 2024 | Net assets attributable to the parent company (Unit: Million) 2023 | Total loans (Unit: Million) 2024 | Total loans (Unit: Million) 2023 |
|---|---|---|---|---|---|---|---|---|
| 1 | Industrial and Commercial Bank of China Co., Ltd. | RMB | 48,821,746 | 44,697,079 | 3,969,841 | 3,756,887 | 28,428,853 | 26,142,934 |
| 2 | Agricultural Bank of China Limited | RMB | 43,238,135 | 39,872,989 | 3,090,808 | 2,889,248 | 24,906,187 | 22,614,621 |
| 3 | China Construction Bank Corporation | RMB | 40,571,149 | 38,324,826 | 3,322,127 | 3,150,145 | 25,843,294 | 23,861,600 |
| 4 | Bank of China Co., Ltd. | RMB | 35,061,299 | 32,432,166 | 2,816,231 | 2,629,510 | 21,594,068 | 19,961,779 |
| 5 | Postal Savings Bank of China Co., Ltd. | RMB | 17,084,910 | 15,726,631 | 1,029,669 | 954,873 | 8,913,202 | 8,148,893 |
| 6 | Bank of Communications Co., Ltd. | RMB | 14,900,717 | 14,060,472 | 1,144,306 | 1,088,030 | 8,576,078 | 7,978,465 |
| 7 | China Merchants Bank Co., Ltd. | RMB | 12,152,036 | 11,028,483 | 1,226,014 | 1,076,370 | 6,898,895 | 6,520,375 |
| 8 | Industrial Bank Co., Ltd. | RMB | 10,507,898 | 10,158,326 | 881,908 | 796,224 | 5,754,492 | 5,476,047 |
| 9 | China CITIC Bank Corporation Limited | RMB | 9,532,722 | 9,052,484 | 789,264 | 717,222 | 5,741,843 | 5,518,292 |
| 10 | Shanghai Pudong Development Bank Co., Ltd. | RMB | 9,461,880 | 9,007,247 | 736,329 | 724,749 | 5,407,058 | 5,034,116 |
| 11 | China Minsheng Banking Corporation Limited | RMB | 7,814,969 | 7,674,965 | 642,859 | 624,602 | 4,488,440 | 4,420,701 |
| 12 | China Everbright Bank Company Limited | RMB | 6,959,021 | 6,772,796 | 587,700 | 552,391 | 3,946,275 | 3,798,296 |
| 13 | Ping An Bank Co., Ltd. | RMB | 5,769,270 | 5,587,116 | 494,842 | 472,328 | 3,382,696 | 3,417,463 |
| 14 | Hua Xia Bank Co., Ltd. | RMB | 4,376,491 | 4,254,766 | 361,982 | 318,579 | 2,374,683 | 2,318,183 |
| 15 | Bank of Beijing Co., Ltd. | RMB | 4,221,542 | 3,748,679 | 357,071 | 326,915 | 2,215,990 | 2,020,815 |
| 16 | Bank of Jiangsu Co., Ltd. | RMB | 3,952,042 | 3,403,362 | 303,590 | 250,410 | 2,103,512 | 1,901,296 |
| 17 | China Guangfa Bank Co., Ltd. | RMB | 3,644,993 | 3,509,522 | 299,011 | 276,984 | 2,130,871 | 2,073,206 |
| 18 | China Zheshang Bank Co., Ltd. | RMB | 3,325,539 | 3,143,879 | 198,903 | 186,245 | 1,857,116 | 1,716,240 |
| 19 | Bank of Shanghai Co., Ltd. | RMB | 3,226,656 | 3,085,516 | 254,193 | 238,579 | 1,411,095 | 1,382,262 |
| 20 | Bank of Ningbo Co., Ltd. | RMB | 3,125,232 | 2,711,662 | 233,151 | 201,195 | 1,480,474 | 1,256,792 |
| 21 | Bank of Nanjing Co., Ltd. | RMB | 2,591,400 | 2,288,276 | 188,529 | 169,561 | 1,259,360 | 1,101,698 |
| 22 | Bank of Hangzhou Co., Ltd. | RMB | 2,112,356 | 1,841,331 | 136,048 | 111,293 | 938,694 | 808,287 |
| 23 | Huishang Bank Corporation Limited | RMB | 2,013,753 | 1,806,144 | 157,450 | 142,983 | 1,004,187 | 875,951 |
| 24 | China Bohai Bank Co., Ltd. | RMB | 1,843,842 | 1,732,734 | 110,125 | 114,403 | 949,606 | 944,995 |
| 25 | Hengfeng Bank Co., Ltd. | RMB | 1,535,333 | 1,439,705 | 137,629 | 132,056 | 863,278 | 814,688 |
| 26 | Chongqing Rural Commercial Bank Co., Ltd. | RMB | 1,514,942 | 1,441,082 | 131,694 | 121,734 | 714,273 | 676,711 |
| 27 | Shanghai Rural Commercial Bank Co., Ltd. | RMB | 1,487,809 | 1,392,214 | 123,836 | 112,427 | 756,494 | 712,714 |
| 28 | Zhongyuan Bank Co., Ltd. | RMB | 1,364,729 | 1,345,978 | 96,089 | 92,036 | 719,653 | 711,680 |
| 29 | Guangzhou Rural Commercial Bank Co., Ltd. | RMB | 1,362,408 | 1,314,042 | 94,858 | 88,826 | 720,234 | 731,318 |
| 30 | Beijing Rural Commercial Bank Co., Ltd. | RMB | 1,265,215 | 1,239,131 | 100,997 | 81,947 | 495,029 | 449,063 |
| 31 | Bank of Chengdu Co., Ltd. | RMB | 1,250,116 | 1,091,243 | 85,855 | 71,235 | 742,568 | 625,742 |
| 32 | Bank of Changsha Co., Ltd. | RMB | 1,146,748 | 1,020,033 | 78,014 | 66,109 | 549,540 | 491,489 |
| 33 | Xiamen International Bank Co., Ltd. | RMB | 1,141,073 | 1,120,420 | 73,297 | 71,923 | 598,474 | 632,573 |
| 34 | Shengjing Bank Co., Ltd. | RMB | 1,122,776 | 1,080,053 | 79,614 | 79,330 | 554,657 | 516,569 |
| 35 | Bank of Tianjin Co., Ltd. | RMB | 925,994 | 840,771 | 68,547 | 64,189 | 453,655 | 407,451 |
| 36 | Bank of Harbin Co., Ltd. | RMB | 916,232 | 813,329 | 63,162 | 61,604 | 384,201 | 326,715 |
| 37 | Chengdu Rural Commercial Bank Co., Ltd. | RMB | 914,263 | 833,272 | 72,548 | 64,816 | 487,569 | 425,687 |
| 38 | Bank of Chongqing Co., Ltd. | RMB | 856,642 | 759,884 | 61,071 | 56,918 | 440,616 | 392,935 |
| 39 | Bank of Guangzhou Co., Ltd. | RMB | 854,805 | 831,727 | 57,730 | 55,389 | 464,301 | 466,824 |
| 40 | Shenzhen Rural Commercial Bank Co., Ltd. | RMB | 816,978 | 742,289 | 60,268 | 56,023 | 421,918 | 387,526 |

The data quoted in this report came from the 2024 and 2023 annual reports publicly released by various banks, their official websites, and Wind. Data that was unavailable at the time this report was finalised was excluded.
Note 1: "Total loans" was calculated by adding the loan amounts in the balance sheet and loan loss provisions measured at amortised cost. If this data was not available, then "total loans" was calculated based on the loan amounts reported in the balance sheet.
Note 2: "Total deposits" was calculated based on the deposit amounts reported in the balance sheet.

| Total deposits | | Operating income | | Net interest income | | Net fee income | | Net profit attributable to the parent company | | Cost-to-income ratio | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Unit: Million | | Unit: Million | | Unit: Million | | Unit: Million | | Unit: Million | | % (rounded to 2 decimal places) | |
| 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| 34,836,973 | 33,521,174 | 821,803 | 843,070 | 637,405 | 655,013 | 109,397 | 119,357 | 365,863 | 363,993 | 28.04% | 26.96% |
| 30,305,357 | 28,898,468 | 710,555 | 694,828 | 580,692 | 571,750 | 75,567 | 80,093 | 282,083 | 269,356 | 34.40% | 33.86% |
| 28,713,870 | 27,654,011 | 750,151 | 769,736 | 589,882 | 617,233 | 104,928 | 115,746 | 335,577 | 332,653 | 29.44% | 28.20% |
| 24,202,588 | 22,907,050 | 630,090 | 622,889 | 448,934 | 466,545 | 76,590 | 78,865 | 237,841 | 231,904 | 28.77% | 28.50% |
| 15,287,541 | 13,955,963 | 348,775 | 342,507 | 286,123 | 281,803 | 25,282 | 28,252 | 86,479 | 86,270 | 64.23% | 64.82% |
| 8,800,335 | 8,551,215 | 259,826 | 257,595 | 169,832 | 164,123 | 36,914 | 43,004 | 93,586 | 92,728 | 29.90% | 30.04% |
| 9,195,329 | 8,240,498 | 337,488 | 339,123 | 211,277 | 214,669 | 72,094 | 84,108 | 148,391 | 146,602 | 31.89% | 32.96% |
| 5,630,360 | 5,217,064 | 212,226 | 210,831 | 148,107 | 146,503 | 24,096 | 27,755 | 77,205 | 77,116 | 29.50% | 29.97% |
| 5,864,311 | 5,467,657 | 213,646 | 205,896 | 146,679 | 143,539 | 31,102 | 32,383 | 68,576 | 67,016 | 32.49% | 32.35% |
| 5,229,282 | 5,060,344 | 170,748 | 173,434 | 114,717 | 118,435 | 22,816 | 24,453 | 45,257 | 36,702 | 29.16% | 29.65% |
| 4,332,681 | 4,353,281 | 136,290 | 140,817 | 98,690 | 102,431 | 18,245 | 19,236 | 32,296 | 35,823 | 37.65% | 36.10% |
| 4,035,687 | 4,094,528 | 135,415 | 145,685 | 96,666 | 107,480 | 19,071 | 23,698 | 41,696 | 40,792 | 29.81% | 28.17% |
| 3,592,313 | 3,458,287 | 146,695 | 164,699 | 93,427 | 117,991 | 24,112 | 29,430 | 44,508 | 46,455 | 27.66% | 27.90% |
| 2,184,137 | 2,165,881 | 97,146 | 93,207 | 62,063 | 70,442 | 5,443 | 6,402 | 27,676 | 26,363 | 29.80% | 31.37% |
| 2,483,575 | 2,101,031 | 69,917 | 66,711 | 51,910 | 50,350 | 3,458 | 3,752 | 25,831 | 25,624 | 29.13% | 28.88% |
| 2,160,655 | 1,914,948 | 80,815 | 74,293 | 55,957 | 52,645 | 4,417 | 4,276 | 31,843 | 28,750 | 24.73% | 23.99% |
| 2,257,249 | 2,181,525 | 69,237 | 69,678 | 49,651 | 51,069 | 10,974 | 11,855 | 15,284 | 16,019 | 37.64% | 38.90% |
| 1,922,289 | 1,868,659 | 67,650 | 63,704 | 45,157 | 47,528 | 4,487 | 5,040 | 15,186 | 15,048 | 30.25% | 29.96% |
| 1,740,585 | 1,671,385 | 52,986 | 50,564 | 32,486 | 35,164 | 3,959 | 4,915 | 23,560 | 22,545 | 23.82% | 24.61% |
| 1,869,624 | 1,588,536 | 66,631 | 61,585 | 47,993 | 40,907 | 4,655 | 5,767 | 27,127 | 25,535 | 35.52% | 38.99% |
| 1,527,641 | 1,396,366 | 50,273 | 45,160 | 26,627 | 25,452 | 2,593 | 3,629 | 20,177 | 18,502 | 28.08% | 30.47% |
| 1,289,515 | 1,058,308 | 38,381 | 35,016 | 24,457 | 23,433 | 3,720 | 4,043 | 16,983 | 14,383 | 29.41% | 29.40% |
| 1,166,921 | 1,042,315 | 37,175 | 36,581 | 28,591 | 28,720 | 2,849 | 2,805 | 15,414 | 14,433 | 28.80% | 28.05% |
| 1,067,562 | 934,594 | 25,463 | 24,962 | 15,542 | 17,646 | 2,974 | 3,999 | 5,256 | 5,081 | 39.01% | 40.51% |
| 877,756 | 787,793 | 25,775 | 25,275 | 20,762 | 20,275 | 2,339 | 2,227 | 5,454 | 5,146 | 35.96% | 36.22% |
| 941,946 | 896,202 | 28,261 | 27,956 | 22,494 | 23,493 | 1,612 | 1,791 | 11,513 | 10,902 | 31.86% | 33.94% |
| 1,092,918 | 1,037,738 | 26,641 | 26,414 | 20,107 | 20,700 | 2,042 | 2,268 | 12,288 | 12,142 | 33.30% | 32.67% |
| 911,800 | 859,784 | 26,019 | 26,302 | 21,543 | 22,263 | 1,418 | 1,319 | 3,446 | 3,221 | 38.80% | 40.07% |
| 979,459 | 947,186 | 15,824 | 18,138 | 13,615 | 16,583 | 562 | 847 | 2,081 | 2,634 | 39.33% | 36.08% |
| 862,942 | 830,980 | 18,063 | 15,296 | 11,694 | 11,657 | 1,004 | 967 | 7,973 | 7,917 | 37.08% | 39.08% |
| 885,859 | 780,421 | 22,982 | 21,702 | 18,461 | 17,654 | 710 | 662 | 12,858 | 11,671 | 23.93% | 25.09% |
| 736,738 | 670,858 | 25,936 | 24,803 | 20,564 | 20,028 | 1,392 | 1,532 | 7,827 | 7,463 | 28.45% | 27.95% |
| 707,353 | 726,614 | 15,579 | 12,513 | 6,544 | 7,715 | 1,023 | 1,327 | 1,592 | 879 | 37.40% | 46.71% |
| 805,891 | 779,967 | 8,577 | 10,040 | 6,887 | 8,866 | 116 | 147 | 621 | 732 | 64.28% | 56.41% |
| 500,957 | 450,686 | 16,709 | 16,456 | 11,314 | 11,420 | 1,679 | 1,570 | 3,802 | 3,760 | 28.23% | 27.68% |
| 713,113 | 656,989 | 14,243 | 13,242 | 9,837 | 9,549 | 368 | 645 | 920 | 740 | 36.10% | 42.01% |
| 672,724 | 608,803 | 18,350 | 17,333 | 15,226 | 14,200 | 451 | 620 | 6,465 | 5,794 | 31.58% | 33.59% |
| 474,117 | 414,813 | 13,679 | 13,211 | 10,176 | 10,447 | 888 | 411 | 5,117 | 4,930 | 28.41% | 27.23% |
| 507,763 | 449,980 | 13,785 | 16,003 | 9,667 | 11,793 | 1,004 | 1,232 | 1,012 | 3,017 | 30.80% | 27.00% |
| 609,890 | 581,831 | 14,856 | 14,564 | 12,616 | 12,673 | 374 | 185 | 6,141 | 6,131 | 32.09% | 33.57% |

| | | | Return on average equity | | Net interest spread | | Net interest margin | |
|---|---|---|---|---|---|---|---|---|
| | | | % (rounded to 2 decimal places) | | % (rounded to 2 decimal places) | | % (rounded to 2 decimal places) | |
| | Name of bank | Currency | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| 1 | Industrial and Commercial Bank of China Co., Ltd. | RMB | 9.88% | 10.66% | 1.23% | 1.41% | 1.42% | 1.61% |
| 2 | Agricultural Bank of China Limited | RMB | 10.46% | 10.91% | 1.27% | 1.45% | 1.42% | 1.60% |
| 3 | China Construction Bank Corporation | RMB | 10.69% | 11.56% | 1.33% | 1.50% | 1.51% | 1.70% |
| 4 | Bank of China Co., Ltd. | RMB | 9.50% | 10.12% | 1.22% | 1.40% | 1.40% | 1.59% |
| 5 | Postal Savings Bank of China Co., Ltd. | RMB | 9.84% | 10.85% | 1.85% | 1.99% | 1.87% | 2.01% |
| 6 | Bank of Communications Co., Ltd. | RMB | 9.08% | 9.68% | 1.11% | 1.14% | 1.27% | 1.28% |
| 7 | China Merchants Bank Co., Ltd. | RMB | 14.49% | 16.22% | 1.86% | 2.03% | 1.98% | 2.15% |
| 8 | Industrial Bank Co., Ltd. | RMB | 9.89% | 10.64% | 1.56% | 1.66% | 1.82% | 1.93% |
| 9 | China CITIC Bank Corporation Limited | RMB | 9.79% | 10.80% | 1.71% | 1.75% | 1.77% | 1.78% |
| 10 | Shanghai Pudong Development Bank Co., Ltd. | RMB | 6.28% | 5.21% | 1.37% | 1.49% | 1.42% | 1.52% |
| 11 | China Minsheng Banking Corporation Limited | RMB | 5.18% | 6.10% | 1.28% | 1.37% | 1.39% | 1.46% |
| 12 | China Everbright Bank Company Limited | RMB | 7.93% | 8.38% | 1.45% | 1.68% | 1.54% | 1.74% |
| 13 | Ping An Bank Co., Ltd. | RMB | 10.08% | 11.38% | 1.83% | 2.31% | 1.87% | 2.38% |
| 14 | Hua Xia Bank Co., Ltd. | RMB | 8.84% | 8.71% | 1.61% | 1.77% | 1.59% | 1.82% |
| 15 | Bank of Beijing Co., Ltd. | RMB | 8.65% | 9.32% | 1.47% | 1.53% | 1.47% | 1.54% |
| 16 | Bank of Jiangsu Co., Ltd. | RMB | 13.59% | 14.52% | 1.86% | 1.95% | 1.86% | 1.98% |
| 17 | China Guangfa Bank Co., Ltd. | RMB | 5.51% | 6.24% | 1.40% | 1.46% | 1.54% | 1.60% |
| 18 | China Zheshang Bank Co., Ltd. | RMB | 8.49% | 9.45% | 1.52% | 1.81% | 1.71% | 2.01% |
| 19 | Bank of Shanghai Co., Ltd. | RMB | 10.01% | 10.36% | 1.22% | 1.41% | 1.17% | 1.34% |
| 20 | Bank of Ningbo Co., Ltd. | RMB | 13.59% | 15.08% | 1.91% | 2.01% | 1.86% | 1.88% |
| 21 | Bank of Nanjing Co., Ltd. | RMB | 12.97% | 13.12% | 1.64% | 1.73% | 1.94% | 2.04% |
| 22 | Bank of Hangzhou Co., Ltd. | RMB | 16.00% | 15.57% | 1.51% | 1.59% | 1.41% | 1.50% |
| 23 | Huishang Bank Corporation Limited | RMB | 11.86% | 12.52% | 1.49% | 1.65% | 1.71% | 1.88% |
| 24 | China Bohai Bank Co., Ltd. | RMB | 4.44% | 4.48% | 1.12% | 1.19% | 1.31% | 1.41% |
| 25 | Hengfeng Bank Co., Ltd. | RMB | 3.83% | 3.73% | 1.41% | 1.51% | 1.52% | 1.59% |
| 26 | Chongqing Rural Commercial Bank Co., Ltd. | RMB | 9.28% | 9.58% | 1.51% | 1.64% | 1.61% | 1.73% |
| 27 | Shanghai Rural Commercial Bank Co., Ltd. | RMB | 10.35% | 11.34% | 1.45% | 1.61% | 1.50% | 1.67% |
| 28 | Zhongyuan Bank Co., Ltd. | RMB | 3.47% | 3.11% | 1.52% | 1.56% | 1.61% | 1.73% |
| 29 | Guangzhou Rural Commercial Bank Co., Ltd. | RMB | 1.97% | 3.17% | 1.06% | 1.33% | 1.11% | 1.39% |
| 30 | Beijing Rural Commercial Bank Co., Ltd. | RMB | 9.22% | 10.05% | 0.93% | 0.93% | 1.00% | 1.00% |
| 31 | Bank of Chengdu Co., Ltd. | RMB | 17.81% | 18.78% | 1.62% | 1.73% | 1.66% | 1.81% |
| 32 | Bank of Changsha Co., Ltd. | RMB | 11.81% | 12.50% | 2.20% | 2.43% | 2.11% | 2.31% |
| 33 | Xiamen International Bank Co., Ltd. | RMB | 1.73% | 1.13% | 0.69% | 0.53% | 0.64% | 0.72% |
| 34 | Shengjing Bank Co., Ltd. | RMB | 0.80% | 0.95% | 1.02% | 1.14% | 0.80% | 0.96% |
| 35 | Bank of Tianjin Co., Ltd. | RMB | 5.70% | 6.00% | 1.55% | 1.75% | 1.47% | 1.65% |
| 36 | Bank of Harbin Co., Ltd. | RMB | 0.69% | 0.35% | 1.38% | 1.56% | 1.31% | 1.43% |
| 37 | Chengdu Rural Commercial Bank Co., Ltd. | RMB | 10.12% | 10.41% | 1.76% | 1.81% | 1.84% | 1.88% |
| 38 | Bank of Chongqing Co., Ltd. | RMB | 9.29% | 10.14% | 1.22% | 1.39% | 1.35% | 1.52% |
| 39 | Bank of Guangzhou Co., Ltd. | RMB | 1.61% | 5.77% | 1.41% | 1.97% | 1.35% | 1.75% |
| 40 | Shenzhen Rural Commercial Bank Co., Ltd. | RMB | 10.88% | 11.76% | 1.65% | 1.81% | 1.75% | 1.92% |

The data quoted in this report came from the 2024 and 2023 annual reports publicly released by various banks, their official websites, and Wind. Data that was unavailable at the time this report was finalised was excluded.
Note 1: "Total loans" was calculated by adding the loan amounts in the balance sheet and loan loss provisions measured at amortised cost. If this data was not available, then "total loans" was calculated based on the loan amounts reported in the balance sheet.
Note 2: "Total deposits" was calculated based on the deposit amounts reported in the balance sheet.

| Non-performing loan (NPL) ratio % (rounded to 2 decimal places) | | Allowance to total loans ratio % (rounded to 2 decimal places) | | Provision coverage ratio % (rounded to 2 decimal places) | | Capital adequacy ratio % (rounded to 2 decimal places) | | Tier 1 capital adequacy ratio % (rounded to 2 decimal places) | | Core tier 1 capital adequacy ratio % (rounded to 2 decimal places) | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| 1.34% | 1.36% | 2.87% | 2.90% | 214.91% | 213.97% | 19.39% | 19.10% | 15.36% | 15.17% | 14.10% | 13.72% |
| 1.30% | 1.33% | 3.88% | 4.05% | 299.61% | 303.87% | 18.19% | 17.14% | 13.63% | 12.87% | 11.42% | 10.72% |
| 1.34% | 1.37% | 3.12% | 3.28% | 233.60% | 239.85% | 19.69% | 17.95% | 15.21% | 14.04% | 14.48% | 13.15% |
| 1.25% | 1.27% | 2.50% | 2.44% | 200.60% | 191.66% | 18.76% | 17.74% | 14.38% | 13.83% | 12.20% | 11.63% |
| 0.90% | 0.83% | 2.58% | 2.88% | 286.15% | 347.57% | 14.44% | 14.23% | 11.89% | 11.61% | 9.56% | 9.53% |
| 1.31% | 1.33% | 2.64% | 2.59% | 201.94% | 195.21% | 16.02% | 15.27% | 12.11% | 12.22% | 10.24% | 10.23% |
| 0.95% | 0.95% | 3.92% | 4.14% | 411.98% | 437.70% | 19.05% | 17.88% | 17.48% | 16.01% | 14.86% | 13.73% |
| 1.07% | 1.07% | 2.55% | 2.63% | 237.78% | 245.21% | 14.28% | 14.13% | 11.23% | 10.93% | 9.75% | 9.76% |
| 1.16% | 1.18% | 2.43% | 2.45% | 209.43% | 207.59% | 13.36% | 12.93% | 11.26% | 10.75% | 9.72% | 8.99% |
| 1.36% | 1.48% | 2.54% | 2.57% | 186.96% | 173.51% | 13.19% | 12.67% | 10.04% | 10.63% | 8.92% | 8.97% |
| 1.47% | 1.48% | 2.09% | 2.22% | 141.94% | 149.69% | 12.89% | 13.14% | 11.00% | 10.95% | 9.36% | 9.28% |
| 1.25% | 1.25% | 2.26% | 2.27% | 180.59% | 181.27% | 14.13% | 13.50% | 11.98% | 11.36% | 9.82% | 9.18% |
| 1.06% | 1.06% | 2.66% | 2.94% | 250.71% | 277.63% | 13.11% | 13.43% | 10.69% | 10.90% | 9.12% | 9.22% |
| 1.60% | 1.67% | 2.59% | 2.67% | 161.89% | 160.06% | 13.44% | 12.23% | 11.70% | 10.48% | 9.77% | 9.16% |
| 1.31% | 1.32% | 2.73% | 2.86% | 208.75% | 216.78% | 13.06% | 13.37% | 11.97% | 12.18% | 8.95% | 9.21% |
| 0.89% | 0.89% | 3.12% | 3.48% | 350.10% | 389.53% | 12.99% | 13.31% | 11.82% | 11.25% | 9.12% | 9.46% |
| 1.53% | 1.58% | 2.53% | 2.54% | 165.60% | 160.91% | 14.86% | 13.05% | 11.65% | 10.91% | 9.67% | 9.11% |
| 1.38% | 1.44% | 2.46% | 2.63% | 178.67% | 182.60% | 12.61% | 12.19% | 9.61% | 9.52% | 8.38% | 8.22% |
| 1.18% | 1.21% | 3.18% | 3.29% | 269.81% | 272.66% | 14.21% | 13.38% | 11.24% | 10.42% | 10.35% | 9.53% |
| 0.76% | 0.76% | 2.97% | 3.50% | 389.35% | 461.04% | 15.32% | 15.01% | 11.03% | 11.01% | 9.84% | 9.64% |
| 0.83% | 0.90% | 2.77% | 3.23% | 335.27% | 360.58% | 13.72% | 13.53% | 11.12% | 11.40% | 9.36% | 9.39% |
| 0.76% | 0.76% | 4.11% | 4.25% | 541.45% | 561.42% | 13.80% | 12.51% | 11.05% | 9.64% | 8.85% | 8.16% |
| 0.99% | 1.26% | 2.82% | 3.43% | 286.47% | 271.94% | 13.72% | 13.21% | 11.41% | 10.82% | 9.83% | 9.14% |
| 1.76% | 1.78% | 2.73% | 2.79% | 155.19% | 156.94% | 11.63% | 11.58% | 9.30% | 10.01% | 8.35% | 8.17% |
| 1.49% | 1.72% | 2.31% | 2.61% | 154.40% | 152.24% | 13.30% | 11.92% | 11.43% | 11.27% | 8.92% | 8.62% |
| 1.18% | 1.19% | 4.28% | 4.37% | 363.44% | 366.70% | 16.12% | 15.99% | 14.93% | 14.24% | 14.24% | 13.53% |
| 0.97% | 0.97% | 3.40% | 3.94% | 352.35% | 404.98% | 17.15% | 15.74% | 14.76% | 13.35% | 14.73% | 13.32% |
| 2.02% | 2.04% | 3.14% | 3.15% | 155.03% | 154.06% | 13.02% | 11.64% | 10.93% | 10.44% | 8.46% | 8.10% |
| 1.66% | 1.87% | 3.06% | 3.07% | 184.34% | 164.63% | 14.52% | 13.67% | 11.42% | 11.12% | 9.90% | 9.83% |
| 0.96% | 1.09% | 3.11% | 3.09% | 322.71% | 282.10% | 14.93% | 14.04% | 12.48% | 11.45% | 11.24% | 11.45% |
| 0.66% | 0.68% | 3.16% | 3.42% | 479.29% | 504.29% | 13.88% | 12.89% | 9.74% | 8.98% | 9.06% | 8.22% |
| 1.17% | 1.15% | 3.66% | 3.60% | 312.80% | 314.21% | 14.20% | 13.04% | 11.81% | 10.57% | 10.12% | 9.59% |
| 2.12% | 1.96% | 2.23% | 2.26% | 105.47% | 116.18% | 12.97% | 12.78% | 10.19% | 10.10% | 8.81% | 8.83% |
| 2.68% | 2.68% | 4.21% | 4.27% | 157.00% | 159.50% | 14.69% | 14.12% | 12.24% | 12.43% | 10.26% | 10.42% |
| 1.70% | 1.70% | 2.87% | 2.85% | 169.21% | 167.86% | 13.59% | 12.64% | 10.47% | 10.83% | 9.53% | 9.80% |
| 2.84% | 2.87% | 5.75% | 5.66% | 202.59% | 197.38% | 13.61% | 13.71% | 12.37% | 12.48% | 8.68% | 8.69% |
| 1.02% | 1.20% | 4.43% | 4.25% | 435.55% | 354.37% | 15.24% | 14.65% | 12.32% | 11.99% | 10.58% | 10.23% |
| 1.25% | 1.34% | 3.05% | 3.13% | 245.08% | 234.18% | 14.46% | 13.37% | 11.20% | 11.16% | 9.88% | 9.78% |
| 1.84% | 2.05% | 2.93% | 3.22% | 158.76% | 157.67% | 13.61% | 13.96% | 10.00% | 10.13% | 9.10% | 9.21% |
| 1.11% | 0.99% | 2.87% | 2.88% | 258.98% | 290.29% | 15.40% | 15.11% | 14.06% | 13.21% | 13.42% | 12.56% |

| | Name of bank | Currency | Total assets (Unit: Million) 2024 | Total assets (Unit: Million) 2023 | Net assets attributable to the parent company (Unit: Million) 2024 | Net assets attributable to the parent company (Unit: Million) 2023 | Total loans (Unit: Million) 2024 | Total loans (Unit: Million) 2023 |
|---|---|---|---|---|---|---|---|---|
| 41 | Dongguan Rural Commercial Bank Co., Ltd. | RMB | 745,904 | 708,854 | 59,551 | 54,649 | 381,779 | 355,804 |
| 42 | Bank of Jilin Co., Ltd. | RMB | 745,836 | 668,373 | 50,628 | 45,431 | 491,155 | 432,573 |
| 43 | Bank of Guiyang Co., Ltd. | RMB | 705,669 | 688,068 | 66,870 | 61,521 | 340,474 | 325,108 |
| 44 | Bank of Suzhou Co., Ltd. | RMB | 693,714 | 601,841 | 52,911 | 45,480 | 333,818 | 293,837 |
| 45 | Bank of Qingdao Co., Ltd. | RMB | 689,963 | 607,985 | 43,932 | 39,064 | 341,563 | 300,848 |
| 46 | Qilu Bank Co., Ltd. | RMB | 689,539 | 604,816 | 48,108 | 41,554 | 337,832 | 300,880 |
| 47 | Bank of Zhengzhou Co., Ltd. | RMB | 676,365 | 630,709 | 54,445 | 52,453 | 388,705 | 362,135 |
| 48 | Bank of Dongguan Co., Ltd. | RMB | 672,730 | 628,925 | 43,610 | 40,486 | 366,323 | 328,388 |
| 49 | HSBC Bank (China) Company Limited | RMB | 653,940 | 616,683 | 65,382 | 60,601 | 234,594 | 231,075 |
| 50 | WeBank Co., Ltd. | RMB | 651,776 | 535,579 | 56,301 | 46,221 | 439,995 | 418,585 |
| 51 | Bank of Guizhou Co., Ltd. | RMB | 589,987 | 576,786 | 48,807 | 44,918 | 347,674 | 332,629 |
| 52 | Jiangsu Jiangnan Rural Commercial Bank Co., Ltd. | RMB | 584,986 | 553,586 | 46,789 | 43,254 | 373,441 | 346,494 |
| 53 | Guilin Bank Co., Ltd. | RMB | 576,447 | 542,640 | 43,948 | 37,987 | 363,487 | 327,718 |
| 54 | Jiangxi Bank Co., Ltd. | RMB | 573,635 | 552,345 | 47,784 | 46,777 | 353,759 | 337,891 |
| 55 | Bank of Hebei Co., Ltd. | RMB | 569,600 | 531,736 | 47,307 | 44,809 | 322,770 | 311,249 |
| 56 | Bank of Hunan Co., Ltd. | RMB | 565,338 | 503,116 | 40,360 | 37,595 | 314,825 | 285,010 |
| 57 | Hangzhou United Rural Commercial Bank Co., Ltd. | RMB | 560,339 | 502,084 | 41,541 | 36,079 | 348,324 | 319,296 |
| 58 | Hankou Bank Co., Ltd. | RMB | 554,585 | 534,771 | 37,382 | 31,848 | 324,657 | 322,653 |
| 59 | Chang'An Bank Co., Ltd. | RMB | 542,291 | 502,054 | 34,025 | 29,853 | 324,663 | 295,936 |
| 60 | Hubei Bank Co., Ltd. | RMB | 523,111 | 460,849 | 39,696 | 34,164 | 306,652 | 261,780 |
| 61 | Guangxi Beibu Gulf Bank Co., Ltd. | RMB | 520,371 | 471,128 | 38,066 | 34,615 | 286,751 | 255,280 |
| 62 | Bank of Dalian Co., Ltd. | RMB | 520,282 | 488,258 | 37,801 | 36,757 | 276,083 | 263,477 |
| 63 | Bank of Jiujiang Co., Ltd. | RMB | 516,459 | 503,849 | 41,747 | 40,156 | 322,756 | 303,090 |
| 64 | Bank of Wenzhou Co., Ltd. | RMB | 505,386 | 500,386 | 30,708 | 28,699 | 298,063 | 283,076 |
| 65 | Qingdao Rural Commercial Bank Co., Ltd. | RMB | 495,032 | 467,937 | 40,747 | 38,110 | 267,060 | 256,334 |
| 66 | Bank of Lanzhou Co., Ltd. | RMB | 486,285 | 453,411 | 35,540 | 32,957 | 254,729 | 246,428 |
| 67 | Guangdong Shunde Rural Commercial Bank Co., Ltd. | RMB | 481,052 | 467,879 | 39,124 | 37,030 | 256,914 | 246,388 |
| 68 | Bank of Xi'an Co., Ltd. | RMB | 480,370 | 432,201 | 33,404 | 30,861 | 237,785 | 203,386 |
| 69 | Zhejiang E-Commerce Bank Co., Ltd. | RMB | 471,035 | 452,130 | 29,751 | 25,769 | 303,585 | 276,059 |
| 70 | Guangdong Huaxing Bank Co., Ltd. | RMB | 465,458 | 438,209 | 35,282 | 27,528 | 249,729 | 230,293 |
| 71 | Shaanxi Qinnong Rural Commercial Bank Co., Ltd. | RMB | 458,677 | 444,119 | 21,545 | 18,767 | 233,628 | 220,456 |
| 72 | Zhejiang Tailong Commercial Bank Co., Ltd. | RMB | 455,986 | 418,383 | 38,464 | 31,589 | 288,581 | 268,777 |
| 73 | Bank of Kunlun Co., Ltd. | RMB | 455,560 | 430,420 | 40,684 | 38,767 | 229,236 | 220,353 |
| 74 | Tianjin Rural Commercial Bank Co., Ltd. | RMB | 455,299 | 428,724 | 37,793 | 34,457 | 231,083 | 215,892 |
| 75 | Weihai City Commercial Bank Co., Ltd. | RMB | 441,464 | 391,877 | 24,899 | 22,141 | 212,110 | 191,577 |
| 76 | China Resources Bank of Zhuhai Co., Ltd. | RMB | 434,040 | 388,881 | 32,853 | 32,113 | 241,870 | 213,184 |
| 77 | Sichuan Bank Co., Ltd. | RMB | 433,420 | 337,965 | 36,613 | 33,528 | 222,861 | 176,422 |
| 78 | Bank of Gansu Co., Ltd. | RMB | 414,708 | 388,589 | 33,793 | 33,138 | 231,414 | 222,872 |
| 79 | Bank of Taizhou Co., Ltd. | RMB | 411,902 | 401,496 | 35,442 | 30,813 | 247,327 | 235,821 |
| 80 | Xiamen Bank Co., Ltd. | RMB | 407,795 | 390,664 | 31,639 | 29,874 | 205,850 | 210,098 |

The data quoted in this report came from the 2024 and 2023 annual reports publicly released by various banks, their official websites, and Wind. Data that was unavailable at the time this report was finalised was excluded.
Note 1: "Total loans" was calculated by adding the loan amounts in the balance sheet and loan loss provisions measured at amortised cost. If this data was not available, then "total loans" was calculated based on the loan amounts reported in the balance sheet.
Note 2: "Total deposits" was calculated based on the deposit amounts reported in the balance sheet.

| Total deposits | | Operating income | | Net interest income | | Net fee income | | Net profit attributable to the parent company | | Cost-to-income ratio | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Unit: Million | | Unit: Million | | Unit: Million | | Unit: Million | | Unit: Million | | % (rounded to 2 decimal places) | |
| 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| 530,172 | 495,744 | 12,312 | 13,260 | 9,174 | 10,572 | 457 | 713 | 4,625 | 5,161 | 37.44% | 35.30% |
| 572,173 | 505,244 | 13,645 | 12,463 | 11,563 | 10,320 | 985 | 836 | 1,491 | 2,054 | 44.31% | 45.05% |
| 430,376 | 409,531 | 14,931 | 15,096 | 11,121 | 13,576 | 349 | 281 | 5,164 | 5,562 | 26.73% | 26.97% |
| 427,397 | 372,432 | 12,224 | 11,866 | 7,905 | 8,483 | 1,059 | 1,239 | 5,068 | 4,601 | 36.79% | 36.46% |
| 443,426 | 395,467 | 13,498 | 12,472 | 9,874 | 9,282 | 1,510 | 1,587 | 4,264 | 3,549 | 34.95% | 34.96% |
| 449,034 | 408,106 | 12,496 | 11,952 | 9,031 | 8,877 | 1,264 | 1,119 | 4,986 | 4,234 | 27.41% | 26.42% |
| 413,096 | 366,522 | 12,877 | 13,667 | 10,365 | 11,740 | 472 | 579 | 1,876 | 1,850 | 28.95% | 27.11% |
| 447,427 | 427,006 | 10,197 | 10,587 | 7,119 | 8,333 | 737 | 837 | 3,738 | 4,067 | 39.00% | 36.03% |
| 395,507 | 337,986 | 16,750 | 15,847 | 8,156 | 8,655 | 3,092 | 2,530 | 8,021 | 5,102 | 51.80% | 49.40% |
| 508,367 | 375,528 | 38,128 | 39,361 | 30,198 | 30,162 | 6,588 | 8,030 | 10,903 | 10,815 | 24.68% | 23.22% |
| 375,002 | 356,246 | 12,418 | 11,345 | 9,162 | 8,750 | 301 | 338 | 3,779 | 3,653 | 28.55% | 33.50% |
| 440,616 | 409,651 | 12,837 | 12,647 | 9,276 | 9,474 | 388 | 616 | 3,843 | 3,736 | 30.24% | 34.42% |
| 398,644 | 384,655 | 12,054 | 11,493 | 10,363 | 10,503 | 128 | (467) | 2,292 | 2,129 | 37.01% | 39.75% |
| 390,933 | 381,212 | 11,559 | 11,297 | 8,603 | 8,771 | 563 | 522 | 1,057 | 1,036 | 28.48% | 30.60% |
| 437,079 | 397,797 | 13,725 | 11,219 | 8,848 | 9,458 | 244 | 52 | 1,956 | 2,477 | 25.18% | 30.32% |
| 333,077 | 306,097 | 11,402 | 11,400 | 8,154 | 8,863 | 553 | 526 | 3,359 | 3,314 | 29.72% | 29.74% |
| 415,708 | 367,447 | 11,538 | 11,190 | 8,510 | 8,785 | 281 | 123 | 4,616 | 4,353 | 29.32% | 29.01% |
| 400,134 | 376,245 | 8,849 | 8,567 | 6,767 | 6,829 | 125 | 260 | 1,055 | 1,412 | 33.32% | 34.55% |
| 434,553 | 406,405 | 9,461 | 9,779 | 9,017 | 9,246 | (601) | (268) | 2,176 | 2,319 | 37.60% | 34.95% |
| 385,972 | 343,493 | 10,161 | 9,721 | 7,502 | 7,693 | 319 | 243 | 2,658 | 2,468 | 28.79% | 28.45% |
| 345,369 | 306,794 | 10,241 | 9,838 | 6,875 | 6,876 | 378 | 353 | 3,142 | 2,910 | 31.11% | 30.22% |
| 355,657 | 328,861 | 5,404 | 4,765 | 3,517 | 3,022 | 495 | 507 | 621 | 610 | 46.01% | 51.35% |
| 386,963 | 370,733 | 10,388 | 10,358 | 9,171 | 8,289 | 847 | 972 | 744 | 724 | 33.68% | 31.56% |
| 359,667 | 365,582 | 9,266 | 7,312 | 7,205 | 5,679 | 932 | 232 | 1,920 | 1,746 | 31.04% | 37.87% |
| 326,673 | 305,539 | 11,033 | 10,325 | 7,221 | 7,356 | 782 | 596 | 2,856 | 2,568 | 30.74% | 31.70% |
| 356,168 | 337,347 | 7,854 | 8,016 | 5,991 | 5,936 | 250 | 268 | 1,888 | 1,864 | 31.30% | 30.42% |
| 330,859 | 325,124 | 8,490 | 8,386 | 6,079 | 6,840 | 308 | 337 | 3,174 | 3,460 | 33.14% | 33.10% |
| 330,015 | 302,558 | 8,190 | 7,205 | 5,524 | 5,308 | 350 | 277 | 2,559 | 2,462 | 24.44% | 27.45% |
| 344,060 | 297,467 | 21,314 | 18,743 | 15,934 | 15,082 | 4,375 | 3,047 | 3,166 | 4,203 | 21.65% | 22.09% |
| 321,773 | 307,874 | 8,367 | 8,409 | 5,362 | 5,842 | 309 | 528 | 2,852 | 3,020 | 32.82% | 34.90% |
| 362,996 | 343,574 | 6,775 | 7,204 | 4,605 | 5,355 | 94 | 81 | 1,874 | 1,855 | 42.37% | 39.70% |
| 365,795 | 315,675 | 17,557 | 16,211 | 14,778 | 14,246 | 572 | 530 | 5,262 | 5,034 | 41.51% | 46.24% |
| 297,941 | 259,728 | 8,427 | 7,761 | 8,513 | 7,630 | (1,472) | (1,131) | 1,704 | 2,534 | 33.17% | 34.29% |
| 345,369 | 318,584 | 9,361 | 9,059 | 6,902 | 7,149 | 871 | 597 | 2,946 | 2,779 | 32.73% | 32.31% |
| 301,952 | 273,979 | 9,316 | 8,735 | 7,000 | 6,624 | 574 | 633 | 1,992 | 1,934 | 22.88% | 21.31% |
| 298,269 | 256,066 | 7,132 | 6,800 | 4,578 | 4,791 | 325 | 450 | 444 | 1,396 | 35.41% | 36.37% |
| 289,829 | 228,170 | 7,916 | 6,149 | 5,774 | 4,839 | 169 | 101 | 2,031 | 1,295 | 41.20% | 45.74% |
| 321,379 | 295,556 | 5,954 | 6,665 | 4,636 | 5,435 | 400 | 380 | 582 | 645 | 38.20% | 34.29% |
| 345,595 | 312,040 | 12,714 | 12,552 | 11,115 | 11,061 | 274 | 267 | 4,553 | 4,567 | 41.39% | 42.63% |
| 218,908 | 210,902 | 5,759 | 5,603 | 4,005 | 4,326 | 381 | 414 | 2,595 | 2,664 | 38.88% | 39.65% |

| | Name of bank | Currency | Return on average equity % (rounded to 2 decimal places) 2024 | Return on average equity % (rounded to 2 decimal places) 2023 | Net interest spread % (rounded to 2 decimal places) 2024 | Net interest spread % (rounded to 2 decimal places) 2023 | Net interest margin % (rounded to 2 decimal places) 2024 | Net interest margin % (rounded to 2 decimal places) 2023 |
|---|---|---|---|---|---|---|---|---|
| 41 | Dongguan Rural Commercial Bank Co., Ltd. | RMB | 8.10% | 9.61% | 1.30% | 1.62% | 1.35% | 1.67% |
| 42 | Bank of Jilin Co., Ltd. | RMB | 4.95% | 5.02% | 1.96% | 1.92% | 1.89% | 1.89% |
| 43 | Bank of Guiyang Co., Ltd. | RMB | 8.35% | 9.81% | 1.73% | 1.96% | 1.75% | 2.11% |
| 44 | Bank of Suzhou Co., Ltd. | RMB | 11.68% | 12.00% | 1.45% | 1.73% | 1.38% | 1.68% |
| 45 | Bank of Qingdao Co., Ltd. | RMB | 11.51% | 10.71% | 1.76% | 1.85% | 1.73% | 1.83% |
| 46 | Qilu Bank Co., Ltd. | RMB | 12.52% | 12.90% | 1.44% | 1.66% | 1.51% | 1.74% |
| 47 | Bank of Zhengzhou Co., Ltd. | RMB | 3.21% | 3.29% | 1.63% | 2.00% | 1.72% | 2.08% |
| 48 | Bank of Dongguan Co., Ltd. | RMB | 9.47% | 12.07% | 1.35% | 1.63% | 1.26% | 1.61% |
| 49 | HSBC Bank (China) Company Limited | RMB | 12.73% | 8.59% | 1.53% | 1.33% | 1.60% | 1.70% |
| 50 | WeBank Co., Ltd. | RMB | 21.27% | 26.18% | 5.07% | 5.90% | 5.29% | 6.16% |
| 51 | Bank of Guizhou Co., Ltd. | RMB | 7.50% | 7.91% | 1.81% | 1.86% | 1.77% | 1.77% |
| 52 | Jiangsu Jiangnan Rural Commercial Bank Co., Ltd. | RMB | 8.55% | 9.28% | 1.97% | 1.88% | 1.71% | 1.92% |
| 53 | Guilin Bank Co., Ltd. | RMB | 5.59% | 5.72% | 2.03% | 1.90% | 2.02% | 2.06% |
| 54 | Jiangxi Bank Co., Ltd. | RMB | 1.77% | 1.76% | 1.58% | 1.66% | 1.64% | 1.75% |
| 55 | Bank of Hebei Co., Ltd. | RMB | 4.11% | 6.03% | 1.80% | 2.13% | 1.79% | 2.10% |
| 56 | Bank of Hunan Co., Ltd. | RMB | 9.28% | 9.93% | 1.89% | 1.76% | 1.63% | 1.90% |
| 57 | Hangzhou United Rural Commercial Bank Co., Ltd. | RMB | 12.78% | 14.19% | 1.75% | 1.77% | 1.71% | 2.02% |
| 58 | Hankou Bank Co., Ltd. | RMB | 3.05% | 4.50% | 1.37% | 1.20% | 1.35% | 1.34% |
| 59 | Chang'An Bank Co., Ltd. | RMB | 7.91% | 8.95% | 1.75% | 1.82% | 1.82% | 2.00% |
| 60 | Hubei Bank Co., Ltd. | RMB | 7.20% | 7.77% | 1.60% | 1.83% | 1.62% | 1.86% |
| 61 | Guangxi Beibu Gulf Bank Co., Ltd. | RMB | 9.48% | 10.73% | 1.98% | 2.10% | 1.67% | 1.84% |
| 62 | Bank of Dalian Co., Ltd. | RMB | 1.92% | 1.95% | 1.00% | 0.56% | 0.81% | 0.66% |
| 63 | Bank of Jiujiang Co., Ltd. | RMB | 1.22% | 1.28% | 1.85% | 1.72% | 1.92% | 1.76% |
| 64 | Bank of Wenzhou Co., Ltd. | RMB | 6.82% | 8.04% | 1.31% | 1.00% | 1.55% | 1.31% |
| 65 | Qingdao Rural Commercial Bank Co., Ltd. | RMB | 7.62% | 7.33% | 1.67% | 1.77% | 1.67% | 1.76% |
| 66 | Bank of Lanzhou Co., Ltd. | RMB | 5.65% | 5.98% | 1.42% | 1.49% | 1.43% | 1.46% |
| 67 | Guangdong Shunde Rural Commercial Bank Co., Ltd. | RMB | 8.34% | 9.89% | 1.37% | 1.63% | 1.40% | 1.65% |
| 68 | Bank of Xi'an Co., Ltd. | RMB | 7.97% | 8.22% | 1.29% | 1.31% | 1.36% | 1.37% |
| 69 | Zhejiang E-Commerce Bank Co., Ltd. | RMB | 12.54% | 20.55% | 3.45% | 3.17% | 3.60% | 3.41% |
| 70 | Guangdong Huaxing Bank Co., Ltd. | RMB | 10.19% | 12.39% | 1.36% | 1.71% | 1.33% | 1.55% |
| 71 | Shaanxi Qinnong Rural Commercial Bank Co., Ltd. | RMB | 9.29% | 10.27% | 1.26% | 1.19% | 1.13% | 1.28% |
| 72 | Zhejiang Tailong Commercial Bank Co., Ltd. | RMB | 15.02% | 17.09% | 3.68% | 3.56% | 3.71% | 3.70% |
| 73 | Bank of Kunlun Co., Ltd. | RMB | 4.28% | 6.67% | 1.97% | 1.96% | 2.05% | 2.03% |
| 74 | Tianjin Rural Commercial Bank Co., Ltd. | RMB | 8.15% | 8.28% | 1.66% | 1.62% | 1.65% | 1.76% |
| 75 | Weihai City Commercial Bank Co., Ltd. | RMB | 7.55% | 8.15% | 1.63% | 1.76% | 1.77% | 1.89% |
| 76 | China Resources Bank of Zhuhai Co., Ltd. | RMB | 1.14% | 4.41% | 1.26% | 1.16% | 1.23% | 1.38% |
| 77 | Sichuan Bank Co., Ltd. | RMB | 5.79% | 3.98% | 1.90% | 2.00% | 1.81% | 1.99% |
| 78 | Bank of Gansu Co., Ltd. | RMB | 1.74% | 1.97% | 1.02% | 1.26% | 1.18% | 1.48% |
| 79 | Bank of Taizhou Co., Ltd. | RMB | 14.59% | 16.75% | 2.76% | 2.72% | 2.83% | 2.96% |
| 80 | Xiamen Bank Co., Ltd. | RMB | 9.36% | 11.20% | 1.07% | 1.20% | 1.13% | 1.28% |

The data quoted in this report came from the 2024 and 2023 annual reports publicly released by various banks, their official websites, and Wind. Data that was unavailable at the time this report was finalised was excluded.
Note 1: "Total loans" was calculated by adding the loan amounts in the balance sheet and loan loss provisions measured at amortised cost. If this data was not available, then "total loans" was calculated based on the loan amounts reported in the balance sheet.
Note 2: "Total deposits" was calculated based on the deposit amounts reported in the balance sheet.

| Non-performing loan (NPL) ratio % (rounded to 2 decimal places) | | Allowance to total loans ratio % (rounded to 2 decimal places) | | Provision coverage ratio % (rounded to 2 decimal places) | | Capital adequacy ratio % (rounded to 2 decimal places) | | Tier 1 capital adequacy ratio % (rounded to 2 decimal places) | | Core tier 1 capital adequacy ratio % (rounded to 2 decimal places) | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| 1.84% | 1.23% | 3.82% | 3.81% | 207.72% | 308.30% | 16.54% | 15.85% | 14.37% | 13.65% | 14.34% | 13.62% |
| 1.50% | 1.39% | 2.56% | 2.45% | 163.31% | 168.17% | 11.33% | 10.89% | 10.06% | 9.64% | 9.32% | 8.87% |
| 1.58% | 1.59% | 4.05% | 3.90% | 257.07% | 244.50% | 15.20% | 15.03% | 14.00% | 12.90% | 12.94% | 11.84% |
| 0.83% | 0.84% | 4.01% | 4.39% | 483.50% | 522.77% | 14.87% | 14.03% | 11.78% | 10.81% | 9.77% | 9.38% |
| 1.14% | 1.18% | 2.74% | 2.67% | 241.32% | 225.96% | 13.80% | 12.79% | 10.67% | 10.10% | 9.11% | 8.42% |
| 1.19% | 1.26% | 3.83% | 3.83% | 322.38% | 303.58% | 15.17% | 15.38% | 12.93% | 12.41% | 10.75% | 10.16% |
| 1.79% | 1.87% | 3.27% | 3.28% | 182.99% | 174.87% | 12.06% | 12.38% | 10.81% | 11.13% | 8.76% | 8.90% |
| 1.01% | 0.93% | 2.15% | 2.35% | 212.01% | 252.86% | 13.93% | 13.75% | 10.31% | 9.91% | 9.31% | 8.87% |
| 0.36% | 0.16% | 1.50% | 2.50% | 422.30% | 1558.00% | 17.40% | 17.80% | 16.50% | 16.70% | 16.50% | 16.70% |
| 1.44% | 1.46% | 4.36% | 5.14% | 302.90% | 352.64% | 12.97% | 12.80% | 11.93% | 11.77% | 11.93% | 11.77% |
| 1.72% | 1.68% | 5.42% | 4.83% | 315.98% | 287.71% | 14.30% | 13.30% | 13.16% | 12.16% | 12.24% | 11.25% |
| 1.32% | 1.02% | 2.99% | 3.11% | 227.32% | 302.90% | 14.84% | 12.92% | 12.07% | 11.13% | 10.49% | 9.62% |
| 1.74% | 1.65% | 2.29% | 2.42% | 131.76% | 146.65% | 11.74% | 12.07% | 10.53% | 9.72% | 8.74% | 8.82% |
| 2.15% | 2.17% | 3.44% | 3.84% | 160.05% | 177.16% | 13.47% | 13.55% | 12.31% | 12.37% | 9.30% | 9.37% |
| 1.50% | 1.31% | 2.77% | 2.29% | 184.51% | 175.04% | 14.45% | 13.67% | 13.23% | 12.99% | 9.50% | 9.09% |
| 1.65% | 1.75% | 2.92% | 2.91% | 177.32% | 165.74% | 12.33% | 12.20% | 10.05% | 10.07% | 8.70% | 8.62% |
| 0.87% | 0.86% | 4.04% | 4.83% | 462.91% | 559.27% | 13.88% | 13.32% | 10.63% | 9.93% | 9.58% | 8.81% |
| 2.87% | 2.61% | 4.26% | 4.24% | 148.66% | 162.63% | 14.38% | 11.84% | 10.92% | 9.23% | 9.30% | 7.61% |
| 1.83% | 1.82% | 3.09% | 3.44% | 168.36% | 189.26% | 12.91% | 11.83% | 10.78% | 9.66% | 9.12% | 8.64% |
| 1.95% | 1.96% | 4.61% | 4.42% | 236.22% | 225.12% | 12.01% | 12.35% | 9.70% | 9.87% | 7.94% | 8.71% |
| 1.43% | 1.43% | 2.99% | 2.58% | 209.43% | 180.33% | 12.75% | 13.49% | 10.99% | 11.25% | 8.99% | 9.48% |
| 2.88% | 2.57% | 3.94% | 3.68% | 136.66% | 143.23% | 11.35% | 12.37% | 10.98% | 11.54% | 8.58% | 8.94% |
| 2.19% | 2.09% | 3.37% | 3.21% | 154.25% | 153.82% | 13.17% | 12.01% | 11.97% | 11.07% | 9.44% | 8.64% |
| 0.87% | 1.10% | 1.55% | 1.66% | 179.59% | 151.08% | 11.96% | 11.21% | 9.77% | 9.59% | 7.89% | 7.65% |
| 1.79% | 1.81% | 4.49% | 4.32% | 250.53% | 237.96% | 13.96% | 13.21% | 12.26% | 11.48% | 10.70% | 9.91% |
| 1.83% | 1.73% | 3.70% | 3.41% | 201.60% | 197.51% | 12.25% | 11.12% | 10.16% | 9.92% | 8.73% | 8.41% |
| 1.61% | 1.48% | 2.82% | 2.98% | 174.61% | 201.33% | 14.90% | 14.65% | 12.71% | 12.30% | 12.04% | 11.62% |
| 1.72% | 1.35% | 3.16% | 2.65% | 184.06% | 197.07% | 12.41% | 13.14% | 10.07% | 10.73% | 10.07% | 10.73% |
| 2.30% | 2.28% | 4.62% | 4.54% | 201.00% | 199.14% | 11.51% | 11.30% | 10.44% | 10.22% | 8.99% | 8.60% |
| 1.53% | 1.57% | 3.16% | 2.84% | 207.14% | 181.34% | 13.21% | 11.98% | 11.11% | 9.12% | 8.98% | 8.22% |
| 1.77% | 2.15% | 3.15% | 3.54% | 178.29% | 164.59% | 12.80% | 11.66% | 10.07% | 9.36% | 9.25% | 8.93% |
| 1.19% | 0.98% | 3.37% | 2.97% | 281.86% | 302.92% | 15.07% | 14.38% | 12.22% | 10.72% | 10.67% | 9.93% |
| 1.47% | 1.29% | 4.03% | 3.30% | 275.01% | 256.30% | 13.85% | 13.38% | 12.68% | 12.20% | 12.68% | 12.19% |
| 1.50% | 1.66% | 3.00% | 2.88% | 200.31% | 173.70% | 14.87% | 12.83% | 11.75% | 10.97% | 11.74% | 10.95% |
| 1.41% | 1.45% | 2.20% | 2.21% | 156.07% | 152.12% | 13.76% | 13.38% | 10.82% | 10.41% | 9.31% | 8.77% |
| 1.65% | 1.73% | 2.85% | 2.92% | 172.70% | 169.32% | 13.10% | 14.06% | 11.05% | 11.95% | 10.36% | 11.19% |
| 1.38% | 1.46% | 4.39% | 4.54% | 317.57% | 311.27% | 15.26% | 15.83% | 12.28% | 14.65% | 12.28% | 14.65% |
| 1.93% | 2.00% | 2.59% | 2.66% | 134.05% | 133.39% | 11.16% | 11.88% | 11.16% | 11.38% | 11.16% | 11.38% |
| 1.10% | 0.88% | 3.39% | 3.15% | 309.67% | 359.29% | 16.92% | 15.78% | 14.33% | 12.95% | 13.06% | 11.45% |
| 0.74% | 0.76% | 2.89% | 3.15% | 391.95% | 412.89% | 15.30% | 15.40% | 12.31% | 12.34% | 9.91% | 9.86% |

| | Name of bank | Currency | Total assets (Unit: Million) 2024 | Total assets (Unit: Million) 2023 | Net assets attributable to the parent company (Unit: Million) 2024 | Net assets attributable to the parent company (Unit: Million) 2023 | Total loans (Unit: Million) 2024 | Total loans (Unit: Million) 2023 |
|---|---|---|---|---|---|---|---|---|
| 81 | Fudian Bank Co., Ltd. | RMB | 406,458 | 374,574 | 26,531 | 24,710 | 227,394 | 214,372 |
| 82 | Zhejiang Xiaoshan Rural Commercial Bank Co., Ltd. | RMB | 391,843 | 352,285 | 27,640 | 23,256 | 221,389 | 197,782 |
| 83 | Jinshang Bank Co., Ltd. | RMB | 376,306 | 361,305 | 28,018 | 24,797 | 202,426 | 192,388 |
| 84 | Zhejiang Chouzhou Commercial Bank Co., Ltd. | RMB | 375,151 | 358,577 | 26,765 | 25,400 | 214,986 | 194,593 |
| 85 | Longjiang Bank Co., Ltd. | RMB | 373,588 | 336,169 | 19,693 | 18,777 | 159,825 | 141,117 |
| 86 | Bank of Rizhao Co., Ltd. | RMB | 369,803 | 328,462 | 28,060 | 24,077 | 214,292 | 192,347 |
| 87 | Jiangsu Changshu Rural Commercial Bank Co., Ltd. | RMB | 366,582 | 334,456 | 28,648 | 25,356 | 241,571 | 223,065 |
| 88 | Shanxi Bank Co., Ltd. | RMB | 359,345 | 356,330 | 20,796 | 22,885 | 175,581 | 172,920 |
| 89 | Bank of Zhangjiakou Co., Ltd. | RMB | 357,603 | 341,728 | 24,223 | 25,070 | 199,519 | 198,549 |
| 90 | Bank of Tangshan Co., Ltd. | RMB | 352,299 | 306,353 | 31,654 | 28,234 | 180,738 | 156,280 |
| 91 | Chongqing Three Gorges Bank Co., Ltd. | RMB | 336,055 | 301,970 | 23,872 | 22,303 | 178,217 | 155,915 |
| 92 | Guangdong Nanhai Rural Commercial Bank Co., Ltd. | RMB | 334,850 | 305,182 | 27,665 | 25,655 | 168,858 | 154,776 |
| 93 | Guangdong Nanyue Bank Co., Ltd. | RMB | 332,676 | 306,298 | 30,410 | 29,855 | 152,255 | 134,449 |
| 94 | Zhejiang Mintai Commercial Bank Co., Ltd. | RMB | 312,775 | 267,079 | 19,032 | 17,938 | 216,295 | 194,010 |
| 95 | Bank of Langfang Co., Ltd. | RMB | 305,624 | 311,794 | 26,149 | 26,029 | 176,247 | 185,345 |
| 96 | Standard Chartered Bank (China) Limited | RMB | 304,240 | 321,997 | 32,738 | 30,181 | 107,722 | 107,030 |
| 97 | Bank of Cangzhou Co., Ltd. | RMB | 289,868 | 250,410 | 22,396 | 14,945 | 174,213 | 156,505 |
| 98 | Tianjin Binhai Rural Commercial Bank Co., Ltd. | RMB | 287,545 | 261,824 | 18,450 | 18,036 | 172,946 | 144,123 |
| 99 | Fujian Haixia Bank Co., Ltd. | RMB | 283,871 | 257,138 | 20,515 | 16,844 | 160,271 | 143,996 |
| 100 | Ningbo Yinzhou Rural Commercial Bank Co., Ltd. | RMB | 283,216 | 263,459 | 23,586 | 22,213 | 170,323 | 162,120 |
| 101 | Bank of Ganzhou Co., Ltd. | RMB | 281,434 | 276,121 | 17,673 | 16,877 | 208,113 | 197,076 |
| 102 | Bank of Shangrao Co., Ltd. | RMB | 275,609 | 246,993 | 16,244 | 15,556 | 174,958 | 151,381 |
| 103 | Bank of Shaoxing Co., Ltd. | RMB | 274,393 | 252,727 | 17,290 | 15,701 | 166,825 | 151,971 |
| 104 | Bank of Qishang Co., Ltd. | RMB | 270,771 | 246,177 | 23,866 | 18,097 | 158,509 | 146,042 |
| 105 | Jiangsu Zijin Rural Commercial Bank Co., Ltd. | RMB | 269,944 | 247,664 | 19,936 | 18,472 | 189,145 | 177,524 |
| 106 | Sichuan Tianfu Bank Co., Ltd. | RMB | 259,968 | 243,522 | 15,290 | 8,804 | 148,077 | 145,987 |
| 107 | Wuxi Rural Commercial Bank Co., Ltd. | RMB | 256,801 | 234,956 | 23,238 | 21,056 | 156,806 | 143,229 |
| 108 | Zhejiang Hangzhou Yuhang Rural Commercial Bank Co., Ltd. | RMB | 253,159 | 244,313 | 18,066 | 15,395 | 152,548 | 139,355 |
| 109 | Mianyang City Commercial Bank Co., Ltd. | RMB | 251,455 | 214,308 | 14,867 | 13,035 | 118,823 | 106,027 |
| 110 | Bank of Handan Co., Ltd. | RMB | 249,180 | 230,916 | 18,447 | 15,815 | 138,687 | 125,442 |
| 111 | Bank of Liuzhou Co., Ltd. | RMB | 242,663 | 225,846 | 19,274 | 16,608 | 154,880 | 140,274 |
| 112 | Bank of Jining Co., Ltd. | RMB | 237,696 | 203,517 | 14,213 | 12,953 | 130,138 | 118,712 |
| 113 | Dongying Bank Co., Ltd. | RMB | 236,537 | 203,300 | 16,631 | 12,986 | 131,242 | 113,973 |
| 114 | Bank of Urumqi Co., Ltd. | RMB | 227,854 | 211,557 | 18,214 | 16,764 | 124,091 | 111,577 |
| 115 | Bank of Chengde Co., Ltd. | RMB | 226,000 | 202,884 | 12,935 | 11,740 | 93,968 | 89,606 |
| 116 | Zhejiang Shaoxing Ruifeng Rural Commercial Bank Co., Ltd. | RMB | 220,503 | 196,888 | 18,968 | 16,628 | 131,113 | 113,532 |
| 117 | Bank of Laishang Co., Ltd. | RMB | 219,950 | 207,026 | 18,185 | 14,033 | 143,392 | 140,446 |
| 118 | Jiangsu Zhangjiagang Rural Commercial Bank Co., Ltd. | RMB | 218,908 | 207,127 | 19,723 | 17,036 | 137,516 | 127,315 |
| 119 | Zhongshan Rural Commercial Bank Co., Ltd. | RMB | 214,284 | 205,013 | 17,376 | 16,355 | 111,285 | 105,366 |
| 120 | Jiangsu Suzhou Rural Commercial Bank Co., Ltd. | RMB | 213,987 | 202,565 | 18,042 | 15,783 | 129,507 | 122,471 |

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Note 1: "Total loans" was calculated by adding the loan amounts in the balance sheet and loan loss provisions measured at amortised cost. If this data was not available, then "total loans" was calculated based on the loan amounts reported in the balance sheet.
Note 2: "Total deposits" was calculated based on the deposit amounts reported in the balance sheet.

| Total deposits | | Operating income | | Net interest income | | Net fee income | | Net profit attributable to the parent company | | Cost-to-income ratio | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Unit: Million | | Unit: Million | | Unit: Million | | Unit: Million | | Unit: Million | | % (rounded to 2 decimal places) | |
| 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| 283,521 | 257,216 | 7,491 | 6,552 | 5,670 | 5,911 | (71) | (52) | 882 | 828 | 35.15% | 39.27% |
| 305,368 | 275,573 | 7,600 | 7,015 | 5,676 | 5,453 | 146 | 129 | 3,011 | 2,754 | 25.59% | 22.55% |
| 310,328 | 288,250 | 5,791 | 5,802 | 4,189 | 4,236 | 627 | 703 | 1,755 | 2,003 | 38.13% | 38.94% |
| 275,385 | 251,909 | 11,090 | 9,899 | 8,067 | 6,503 | 629 | 322 | 1,375 | 1,898 | 31.01% | 32.42% |
| 327,521 | 291,502 | 4,452 | 4,168 | 1,451 | 2,405 | 229 | 253 | 733 | 636 | 47.88% | 47.71% |
| 282,654 | 249,796 | 7,566 | 6,611 | 5,742 | 5,419 | 342 | 523 | 1,616 | 1,507 | 35.33% | 36.95% |
| 294,965 | 254,453 | 10,909 | 9,870 | 9,142 | 8,501 | 83 | 32 | 3,813 | 3,282 | 36.62% | 36.87% |
| 296,731 | 269,411 | 3,174 | 3,154 | 1,899 | 1,937 | 303 | 256 | 51 | 831 | 79.56% | 80.87% |
| 279,819 | 267,001 | 7,652 | 6,708 | 5,629 | 5,765 | 54 | (0) | 954 | 877 | 33.59% | 37.07% |
| 256,957 | 218,673 | 6,827 | 6,168 | 4,972 | 4,989 | 89 | 92 | 3,393 | 3,015 | 21.25% | 23.02% |
| 231,872 | 205,738 | 5,221 | 5,119 | 3,930 | 4,365 | 323 | 208 | 1,323 | 1,314 | 31.74% | 32.73% |
| 238,949 | 216,953 | 6,429 | 6,861 | 3,721 | 4,335 | 200 | 247 | 2,453 | 2,382 | 34.57% | 31.48% |
| 200,455 | 182,748 | 2,844 | 3,063 | 1,504 | 2,385 | 94 | 73 | 429 | 410 | 64.52% | 57.83% |
| 245,038 | 201,534 | 7,212 | 6,705 | 6,351 | 6,300 | 114 | (160) | 1,147 | 1,339 | 52.18% | 51.91% |
| 235,062 | 232,853 | 3,717 | 4,683 | 3,476 | 4,306 | 45 | 115 | 245 | 579 | 49.69% | 39.01% |
| 159,399 | 198,819 | 9,753 | 8,607 | 3,101 | 3,911 | 2,000 | 1,752 | 2,256 | 2,168 | 56.12% | 60.32% |
| 244,734 | 216,088 | 6,427 | 4,952 | 4,917 | 4,663 | 52 | 7 | 1,372 | 1,282 | 35.74% | 40.28% |
| 236,624 | 211,797 | 3,983 | 3,340 | 3,395 | 2,987 | 92 | 32 | 610 | 554 | 35.28% | 42.67% |
| 178,254 | 168,344 | 5,034 | 4,954 | 3,710 | 3,807 | (184) | (19) | 1,021 | 916 | 30.57% | 31.29% |
| 233,717 | 210,914 | 5,750 | 5,204 | 3,520 | 3,606 | 21 | (8) | 1,831 | 1,814 | 30.82% | 31.84% |
| 208,848 | 206,372 | 5,924 | 5,281 | 5,042 | 4,530 | 392 | 316 | 715 | 368 | 30.37% | 32.03% |
| 200,802 | 184,680 | 6,428 | 4,808 | 5,023 | 3,762 | 96 | 57 | 982 | 947 | 28.91% | 33.66% |
| 176,016 | 162,912 | 3,977 | 3,799 | 3,129 | 3,044 | 164 | 110 | 1,623 | 1,560 | 38.18% | 37.75% |
| 218,790 | 195,776 | 3,900 | 3,882 | 3,347 | 3,344 | 107 | 226 | 757 | 688 | 40.20% | 39.49% |
| 215,297 | 201,466 | 4,463 | 4,420 | 3,674 | 3,960 | 179 | 115 | 1,624 | 1,619 | 35.97% | 38.31% |
| 168,650 | 175,967 | 2,399 | 2,460 | 588 | 1,598 | 158 | 138 | 334 | 312 | 70.01% | 70.02% |
| 218,087 | 199,842 | 4,726 | 4,538 | 3,442 | 3,461 | 137 | 132 | 2,252 | 2,200 | 30.75% | 32.19% |
| 217,612 | 205,654 | 5,100 | 4,423 | 3,939 | 3,780 | 83 | 47 | 1,831 | 1,612 | 26.62% | 27.86% |
| 186,916 | 155,993 | 5,537 | 4,980 | 4,196 | 3,895 | 343 | 288 | 1,678 | 1,504 | 26.05% | 26.92% |
| 213,097 | 199,487 | 3,776 | 3,408 | 2,170 | 2,290 | 6 | (2) | 801 | 631 | 37.08% | 42.87% |
| 177,197 | 160,849 | 4,615 | 4,376 | 3,707 | 4,118 | 224 | 174 | 748 | 962 | 40.07% | 41.40% |
| 199,489 | 168,227 | 5,692 | 5,094 | 6,452 | 5,933 | (1,260) | (1,332) | 1,314 | 1,113 | 24.06% | 25.21% |
| 202,714 | 174,570 | 3,959 | 3,463 | 3,174 | 2,784 | 132 | 168 | 605 | 545 | 33.31% | 34.95% |
| 152,376 | 141,684 | 4,251 | 3,456 | 2,491 | 2,674 | 117 | 109 | 937 | 1,035 | 31.50% | 39.80% |
| 176,119 | 151,867 | 3,965 | 3,713 | 2,009 | 2,669 | (321) | (599) | 1,512 | 1,506 | 29.68% | 29.24% |
| 166,191 | 147,230 | 4,385 | 3,804 | 3,004 | 3,054 | 39 | (13) | 1,922 | 1,727 | 31.24% | 34.70% |
| 183,526 | 176,303 | 4,465 | 4,359 | 3,838 | 3,810 | 196 | 275 | 571 | 561 | 40.13% | 39.76% |
| 171,217 | 160,923 | 4,711 | 4,541 | 3,379 | 3,864 | 30 | 27 | 1,879 | 1,787 | 35.79% | 36.90% |
| 145,841 | 139,968 | 3,920 | 3,811 | 2,750 | 2,857 | 217 | 174 | 1,556 | 1,807 | 34.90% | 36.03% |
| 170,249 | 157,598 | 4,174 | 4,046 | 2,818 | 2,966 | 53 | 89 | 1,945 | 1,743 | 35.22% | 34.65% |

| | Name of bank | Currency | Return on average equity % (rounded to 2 decimal places) | | Net interest spread % (rounded to 2 decimal places) | | Net interest margin % (rounded to 2 decimal places) | |
|---|---|---|---|---|---|---|---|---|
| | | | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| 81 | Fudian Bank Co., Ltd. | RMB | 3.41% | 3.34% | 1.58% | 1.63% | 1.58% | 1.72% |
| 82 | Zhejiang Xiaoshan Rural Commercial Bank Co., Ltd. | RMB | 11.83% | 12.69% | Undisclosed | Undisclosed | 1.56% | 1.67% |
| 83 | Jinshang Bank Co., Ltd. | RMB | 6.88% | 8.31% | 1.07% | 1.29% | 1.20% | 1.36% |
| 84 | Zhejiang Chouzhou Commercial Bank Co., Ltd. | RMB | 5.27% | 7.75% | 2.68% | 1.99% | 2.57% | 2.05% |
| 85 | Longjiang Bank Co., Ltd. | RMB | 3.81% | 3.80% | 0.64% | 0.66% | 0.47% | 0.77% |
| 86 | Bank of Rizhao Co., Ltd. | RMB | Undisclosed | Undisclosed | 1.54% | 1.60% | 1.70% | 1.80% |
| 87 | Jiangsu Changshu Rural Commercial Bank Co., Ltd. | RMB | 14.15% | 13.69% | 2.54% | 2.70% | 2.71% | 2.86% |
| 88 | Shanxi Bank Co., Ltd. | RMB | 0.24% | 3.72% | 0.62% | 0.53% | 0.58% | 0.60% |
| 89 | Bank of Zhangjiakou Co., Ltd. | RMB | 3.87% | 3.55% | Undisclosed | Undisclosed | Undisclosed | Undisclosed |
| 90 | Bank of Tangshan Co., Ltd. | RMB | 11.33% | 11.88% | 1.93% | 1.60% | 1.73% | 1.81% |
| 91 | Chongqing Three Gorges Bank Co., Ltd. | RMB | 5.91% | 6.26% | 1.24% | 1.36% | 1.34% | 1.60% |
| 92 | Guangdong Nanhai Rural Commercial Bank Co., Ltd. | RMB | 9.26% | 9.68% | 1.39% | 1.76% | 1.34% | 1.72% |
| 93 | Guangdong Nanyue Bank Co., Ltd. | RMB | 1.42% | 1.66% | 0.63% | 0.97% | 0.54% | 0.98% |
| 94 | Zhejiang Mintai Commercial Bank Co., Ltd. | RMB | 6.39% | 8.16% | 2.47% | 2.46% | 2.43% | 2.61% |
| 95 | Bank of Langfang Co., Ltd. | RMB | 0.94% | 1.59% | 1.05% | 1.31% | 1.19% | 1.53% |
| 96 | Standard Chartered Bank (China) Limited | RMB | 7.17% | 7.33% | 1.69% | 1.32% | 1.40% | 1.47% |
| 97 | Bank of Cangzhou Co., Ltd. | RMB | 6.54% | 8.91% | 1.89% | 1.89% | 1.83% | 2.05% |
| 98 | Tianjin Binhai Rural Commercial Bank Co., Ltd. | RMB | 3.34% | 3.57% | 1.32% | 1.01% | 1.33% | 1.23% |
| 99 | Fujian Haixia Bank Co., Ltd. | RMB | 5.64% | 6.30% | 1.67% | 1.96% | 1.56% | 1.83% |
| 100 | Ningbo Yinzhou Rural Commercial Bank Co., Ltd. | RMB | 8.93% | 9.54% | 1.48% | 1.29% | 1.44% | 1.47% |
| 101 | Bank of Ganzhou Co., Ltd. | RMB | 4.14% | 2.20% | 1.63% | 1.50% | 1.81% | 1.69% |
| 102 | Bank of Shangrao Co., Ltd. | RMB | 6.49% | 6.57% | 2.31% | 1.51% | 2.19% | 1.66% |
| 103 | Bank of Shaoxing Co., Ltd. | RMB | 11.83% | 12.82% | 1.18% | 1.26% | 1.29% | 1.38% |
| 104 | Bank of Qishang Co., Ltd. | RMB | 3.54% | 3.88% | 1.30% | 1.32% | 1.38% | 1.48% |
| 105 | Jiangsu Zijin Rural Commercial Bank Co., Ltd. | RMB | 8.42% | 9.10% | 1.23% | 1.41% | 1.42% | 1.59% |
| 106 | Sichuan Tianfu Bank Co., Ltd. | RMB | 2.66% | 4.21% | Undisclosed | 1.37% | 0.57% | 0.85% |
| 107 | Wuxi Rural Commercial Bank Co., Ltd. | RMB | 10.62% | 11.48% | 1.27% | 1.39% | 1.51% | 1.64% |
| 108 | Zhejiang Hangzhou Yuhang Rural Commercial Bank Co., Ltd. | RMB | 10.94% | 11.04% | 1.56% | 1.62% | 1.57% | 1.75% |
| 109 | Mianyang City Commercial Bank Co., Ltd. | RMB | 14.04% | 14.57% | 2.34% | 1.86% | 2.12% | 2.28% |
| 110 | Bank of Handan Co., Ltd. | RMB | Undisclosed | 4.00% | 1.20% | 0.94% | 1.09% | 1.06% |
| 111 | Bank of Liuzhou Co., Ltd. | RMB | 4.17% | 6.03% | 1.51% | 1.80% | 1.65% | 1.97% |
| 112 | Bank of Jining Co., Ltd. | RMB | 9.67% | 9.37% | 3.07% | 3.09% | 3.10% | 3.24% |
| 113 | Dongying Bank Co., Ltd. | RMB | 4.09% | 4.26% | 1.63% | 1.35% | 1.68% | 1.50% |
| 114 | Bank of Urumqi Co., Ltd. | RMB | 5.36% | 6.35% | 1.13% | 1.17% | 1.20% | 1.40% |
| 115 | Bank of Chengde Co., Ltd. | RMB | 12.16% | 13.63% | 1.60% | 1.37% | 1.36% | 1.47% |
| 116 | Zhejiang Shaoxing Ruifeng Rural Commercial Bank Co., Ltd. | RMB | 10.83% | 10.97% | 1.38% | 1.67% | 1.50% | 1.73% |
| 117 | Bank of Laishang Co., Ltd. | RMB | 3.55% | 4.03% | 1.73% | 1.85% | 1.87% | 2.00% |
| 118 | Jiangsu Zhangjiagang Rural Commercial Bank Co., Ltd. | RMB | 11.05% | 11.65% | 1.40% | 1.74% | 1.62% | 1.99% |
| 119 | Zhongshan Rural Commercial Bank Co., Ltd. | RMB | 9.23% | 11.45% | 1.34% | 1.35% | 1.39% | 1.53% |
| 120 | Jiangsu Suzhou Rural Commercial Bank Co., Ltd. | RMB | 11.67% | 11.67% | 1.35% | 1.53% | 1.55% | 1.74% |

The data quoted in this report came from the 2024 and 2023 annual reports publicly released by various banks, their official websites, and Wind. Data that was unavailable at the time this report was finalised was excluded.
Note 1: "Total loans" was calculated by adding the loan amounts in the balance sheet and loan loss provisions measured at amortised cost. If this data was not available, then "total loans" was calculated based on the loan amounts reported in the balance sheet.
Note 2: "Total deposits" was calculated based on the deposit amounts reported in the balance sheet.

| Non-performing loan (NPL) ratio % (rounded to 2 decimal places) | | Allowance to total loans ratio % (rounded to 2 decimal places) | | Provision coverage ratio % (rounded to 2 decimal places) | | Capital adequacy ratio % (rounded to 2 decimal places) | | Tier 1 capital adequacy ratio % (rounded to 2 decimal places) | | Core tier 1 capital adequacy ratio % (rounded to 2 decimal places) | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| 1.97% | 1.99% | 3.99% | 3.68% | 202.33% | 185.52% | 13.62% | 12.41% | 11.33% | 11.25% | 9.35% | 9.15% |
| 0.92% | 0.88% | 4.78% | 5.47% | 518.99% | 621.77% | 14.65% | 13.68% | 12.22% | 11.61% | 12.22% | 11.61% |
| 1.77% | 1.78% | 3.64% | 3.54% | 205.46% | 198.71% | 12.84% | 13.17% | 10.97% | 11.14% | 10.18% | 11.14% |
| 1.19% | 1.41% | Undisclosed | 2.95% | 173.92% | 208.99% | 13.01% | 13.66% | 9.95% | 9.83% | 9.02% | 8.93% |
| 3.17% | 3.03% | 5.18% | 4.88% | Undisclosed | 157.87% | 12.52% | 13.35% | 10.25% | 10.03% | 8.59% | 8.40% |
| 1.69% | 1.54% | 3.07% | 3.06% | 182.14% | 198.79% | 13.48% | 13.33% | 11.07% | 10.76% | 8.98% | 9.34% |
| 0.77% | 0.75% | 3.86% | 4.04% | 500.51% | 537.88% | 14.19% | 13.86% | 11.24% | 10.48% | 11.18% | 10.42% |
| Undisclosed | 1.74% | 3.81% | 3.53% | 158.48% | 202.74% | 11.59% | 11.74% | 10.20% | 9.90% | 10.20% | 9.90% |
| 1.99% | 2.01% | 3.68% | 3.02% | 185.45% | 150.22% | 11.80% | 11.11% | 9.77% | 9.50% | 8.08% | 7.89% |
| 0.82% | 0.92% | 5.26% | 5.33% | 639.69% | 578.87% | 14.12% | 13.80% | 13.00% | 12.68% | 10.22% | 9.58% |
| 1.66% | 1.60% | 3.35% | 2.62% | 202.25% | 163.73% | 11.72% | 12.62% | 10.57% | 11.77% | 9.35% | 10.33% |
| 1.43% | 1.49% | 3.45% | 3.42% | 241.56% | 230.55% | 16.15% | 14.03% | 13.52% | 12.88% | 13.52% | 12.88% |
| 2.42% | 2.57% | 2.77% | 3.32% | 114.72% | 128.83% | 14.22% | 15.36% | 14.04% | 14.82% | 14.04% | 14.81% |
| 0.94% | 1.13% | 1.27% | 1.73% | 134.27% | 152.85% | 11.43% | 11.67% | 9.16% | 9.26% | 7.95% | 7.96% |
| 2.44% | 2.03% | 2.54% | 3.10% | 104.29% | 153.19% | 12.35% | 13.70% | 12.17% | 12.73% | 9.73% | 10.26% |
| 0.98% | 1.44% | 3.24% | 3.49% | 331.00% | 243.00% | 20.80% | 18.70% | 17.60% | 15.90% | 17.60% | 15.90% |
| 1.73% | 1.84% | 3.27% | 2.89% | 189.26% | 154.94% | 15.10% | 11.55% | 12.29% | 9.04% | 12.29% | 9.04% |
| 2.61% | 2.62% | 3.17% | 3.32% | 121.11% | 126.69% | 15.04% | 15.40% | 13.95% | 13.92% | 9.33% | 9.26% |
| 1.39% | 1.39% | 2.79% | 2.79% | 201.52% | 201.12% | 13.65% | 12.12% | 11.02% | 9.94% | 9.44% | 8.24% |
| 0.99% | 0.98% | 3.54% | 3.47% | 285.47% | 278.31% | 14.78% | 14.36% | 12.85% | 13.05% | 11.10% | 11.17% |
| 1.55% | 1.81% | 3.22% | 2.92% | 207.21% | 161.35% | 11.85% | 11.06% | 10.68% | 10.54% | 8.49% | 8.31% |
| 1.82% | 1.91% | 5.57% | 4.79% | 306.51% | 250.62% | 11.76% | 11.70% | 10.60% | 10.54% | 8.19% | 8.12% |
| 0.80% | 0.83% | 2.51% | 2.70% | 315.54% | 324.67% | 13.51% | 13.29% | 10.51% | 10.18% | 8.81% | 8.37% |
| 1.98% | 1.90% | 2.84% | 2.73% | 143.63% | 143.65% | 13.85% | 11.75% | 12.87% | 10.78% | 10.20% | 8.48% |
| 1.24% | 1.16% | 2.50% | 2.87% | 201.44% | 247.25% | 13.00% | 14.03% | 10.78% | 10.28% | 10.78% | 10.28% |
| 2.10% | 2.40% | 4.11% | 4.38% | 195.18% | 182.50% | 10.60% | 10.83% | 8.91% | 8.66% | 7.86% | 7.59% |
| 0.78% | 0.79% | 3.57% | 4.11% | 457.60% | 522.57% | 14.07% | 14.41% | 12.95% | 12.52% | 11.79% | 11.27% |
| 0.80% | 0.84% | 3.58% | 3.69% | 445.26% | 442.85% | 15.71% | 14.94% | 12.48% | 11.54% | 11.02% | 9.95% |
| 1.64% | 1.71% | 6.94% | 5.84% | 422.65% | 340.86% | 11.40% | 11.70% | 9.67% | 9.83% | 8.37% | 8.34% |
| 1.38% | 2.24% | 2.82% | 3.06% | 204.35% | 136.84% | 13.88% | 13.07% | 12.72% | 12.26% | 10.65% | 9.92% |
| Undisclosed | 1.68% | 2.86% | 2.70% | 154.26% | 160.86% | 13.05% | 11.63% | 12.07% | 10.72% | 11.13% | 10.52% |
| 1.18% | 1.33% | 3.54% | 3.53% | 300.22% | 265.09% | 13.25% | 13.21% | 10.46% | 10.85% | 9.04% | 9.26% |
| 1.09% | 1.10% | 2.89% | 2.03% | Undisclosed | Undisclosed | 12.63% | 12.71% | Undisclosed | Undisclosed | 8.68% | 7.91% |
| 1.95% | 0.92% | 3.49% | 3.00% | 178.97% | 326.25% | 14.33% | 15.16% | 13.20% | 13.99% | 13.20% | 13.99% |
| 1.71% | 1.71% | 4.25% | 4.22% | 248.61% | 247.34% | 15.47% | 14.78% | 11.89% | 11.19% | 11.89% | 11.18% |
| 0.97% | 0.97% | 3.10% | 2.96% | 320.87% | 304.12% | 14.87% | 13.88% | 13.68% | 12.69% | 13.67% | 12.68% |
| 1.64% | 1.41% | 2.38% | 2.32% | 146.83% | 165.05% | 13.79% | 12.36% | 12.78% | 11.20% | 10.67% | 8.08% |
| 0.94% | 0.94% | 3.52% | 3.98% | 376.03% | 424.23% | 13.57% | 13.04% | 12.40% | 11.17% | 11.08% | 9.76% |
| 1.73% | 1.24% | 3.09% | 3.41% | 178.81% | 275.55% | 15.03% | 15.33% | 13.87% | 14.17% | 13.87% | 14.17% |
| 0.90% | 0.91% | 3.86% | 4.10% | 428.96% | 452.85% | 13.08% | 11.88% | 10.91% | 10.19% | 10.91% | 10.19% |

| | Name of bank | Currency | Total assets (Unit: Million) 2024 | 2023 | Net assets attributable to the parent company (Unit: Million) 2024 | 2023 | Total loans (Unit: Million) 2024 | 2023 |
|---|---|---|---|---|---|---|---|---|
| 121 | Mengshang Bank Co., Ltd. | RMB | 210,827 | 194,493 | 20,687 | 21,335 | 97,399 | 93,058 |
| 122 | Bank of Ningxia Co., Ltd. | RMB | 207,061 | 203,345 | 15,051 | 14,330 | 110,052 | 104,469 |
| 123 | Leshan City Commercial Bank Co., Ltd. | RMB | 206,377 | 185,035 | 16,529 | 12,027 | 119,285 | 100,790 |
| 124 | Jiangsu Jiangyin Rural Commercial Bank Co., Ltd. | RMB | 200,232 | 186,030 | 18,590 | 15,791 | 124,304 | 115,520 |
| 125 | Bank of East Asia (China) Limited | RMB | 197,247 | 186,041 | 21,775 | 21,610 | 109,831 | 101,602 |
| 126 | Changsha Rural Commercial Bank Co., Ltd. | RMB | 196,048 | 194,396 | 18,445 | 17,271 | 120,023 | 111,696 |
| 127 | Foshan Rural Commercial Bank Co., Ltd. | RMB | 191,946 | 182,415 | 19,669 | 18,693 | 107,943 | 100,351 |
| 128 | Jiangsu Kunshan Rural Commercial Bank Co., Ltd. | RMB | 189,758 | 176,143 | 16,624 | 14,482 | 113,785 | 106,862 |
| 129 | Bank of Jiaxing Co., Ltd. | RMB | 184,316 | 167,200 | 14,246 | 12,620 | 105,421 | 95,639 |
| 130 | Citibank (China) Co., Ltd. | RMB | 176,142 | 178,645 | 20,251 | 21,021 | 28,610 | 34,454 |
| 131 | Bank of Quanzhou Co., Ltd. | RMB | 175,315 | 171,231 | 13,505 | 11,373 | 108,612 | 102,167 |
| 132 | Bank of Xingtai Co., Ltd. | RMB | 175,176 | 156,617 | 10,342 | 9,698 | 98,375 | 90,635 |
| 133 | Ningbo Commerce Bank Co., Ltd. | RMB | 173,653 | 155,216 | 13,885 | 12,362 | 86,853 | 74,152 |
| 134 | Bank of Qinhuangdao Co., Ltd. | RMB | 171,856 | 157,791 | 11,000 | 8,038 | 88,271 | 79,629 |
| 135 | DBS Bank (China) Limited | RMB | 171,719 | 160,485 | 14,412 | 13,976 | 54,290 | 54,194 |
| 136 | Luzhou Bank Co., Ltd. | RMB | 171,000 | 157,636 | 12,440 | 10,927 | 103,928 | 93,039 |
| 137 | Ningbo Cixi Rural Commercial Bank Co., Ltd. | RMB | 170,864 | 151,355 | 13,673 | 11,794 | 94,951 | 84,530 |
| 138 | Bank of Linshang Co., Ltd. | RMB | 169,499 | 157,652 | 11,852 | 11,224 | 121,698 | 110,801 |
| 139 | Guiyang Rural Commercial Bank Co., Ltd. | RMB | 165,973 | 155,404 | 10,996 | 10,059 | 112,840 | 102,861 |
| 140 | Bank of Xinjiang Co., Ltd. | RMB | 164,320 | 122,771 | 11,460 | 9,401 | 89,646 | 67,406 |
| 141 | Bank of Huzhou Co., Ltd. | RMB | 162,035 | 140,718 | 11,706 | 8,656 | 90,292 | 78,641 |
| 142 | Yantai Bank Co., Ltd. | RMB | 157,367 | 139,591 | 10,643 | 10,064 | 81,146 | 72,073 |
| 143 | Deyang Rural Commercial Bank Co., Ltd. | RMB | 157,318 | 142,147 | 9,055 | 8,277 | 79,744 | 70,761 |
| 144 | Jiangmen Rural Commercial Bank Co., Ltd. | RMB | 154,829 | 148,940 | 15,199 | 14,222 | 82,271 | 78,016 |
| 145 | Hefei Science & Technology Rural Commercial Bank Co., Ltd. | RMB | 154,504 | 143,260 | 11,611 | 10,647 | 83,835 | 75,627 |
| 146 | Dalian Rural Commercial Bank Co., Ltd. | RMB | 153,825 | 150,480 | 8,529 | 8,396 | 74,190 | 73,343 |
| 147 | Zhejiang Wenzhou Lucheng Rural Commercial Bank Co., Ltd. | RMB | 153,616 | 146,390 | 10,482 | 9,161 | 107,109 | 101,381 |
| 148 | Sumitomo Mitsui Banking Corporation (China) Limited | RMB | 152,155 | 136,887 | 24,694 | 23,487 | 33,844 | 32,698 |
| 149 | Great Wall West China Bank Co., Ltd. | RMB | 151,181 | 142,574 | 10,508 | 9,642 | 95,857 | 87,037 |
| 150 | Yunnan Hongta Bank Co., Ltd. | RMB | 148,243 | 156,112 | 14,209 | 13,042 | 63,183 | 66,002 |
| 151 | Nanyang Commercial Bank (China) Limited | RMB | 147,009 | 149,441 | 17,637 | 16,734 | 80,744 | 82,694 |
| 152 | Fubon Bank (China) Co., Ltd. | RMB | 140,794 | 138,665 | 10,460 | 9,684 | 68,647 | 62,709 |
| 153 | Jiangsu Su Merchants Bank Co., Ltd. | RMB | 137,554 | 116,649 | 7,854 | 6,886 | 68,581 | 61,475 |
| 154 | Zhejiang Yiwu Rural Commercial Bank Co., Ltd. | RMB | 137,050 | 123,032 | 11,122 | 9,734 | 98,457 | 85,158 |
| 155 | Mizuho Bank (China), Ltd. | RMB | 136,558 | 128,684 | 22,530 | 21,120 | 36,054 | 41,647 |
| 156 | Xiamen Rural Commercial Bank Co., Ltd. | RMB | 133,294 | 134,012 | 11,365 | 11,018 | 74,581 | 76,834 |
| 157 | Bank of Taian Co., Ltd. | RMB | 131,646 | 114,863 | 10,084 | 8,293 | 83,562 | 70,847 |
| 158 | Leshan Rural Commercial Bank Co., Ltd. | RMB | 129,497 | 121,216 | 6,295 | 6,010 | 58,186 | 55,175 |
| 159 | Wuhan ZBank Co., Ltd. | RMB | 123,531 | 114,484 | 6,117 | 5,409 | 57,385 | 47,584 |
| 160 | Liangshan Rural Commercial Bank Co., Ltd. | RMB | 121,513 | 109,256 | 7,367 | 6,652 | 67,916 | 57,469 |

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Note 1: "Total loans" was calculated by adding the loan amounts in the balance sheet and loan loss provisions measured at amortised cost. If this data was not available, then "total loans" was calculated based on the loan amounts reported in the balance sheet.
Note 2: "Total deposits" was calculated based on the deposit amounts reported in the balance sheet.

| Total deposits | | Operating income | | Net interest income | | Net fee income | | Net profit attributable to the parent company | | Cost-to-income ratio | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Unit: Million | | Unit: Million | | Unit: Million | | Unit: Million | | Unit: Million | | % (rounded to 2 decimal places) | |
| 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| 154,829 | 137,665 | 3,661 | 3,558 | 1,392 | 1,215 | 366 | 465 | (892) | 96 | 79.32% | 83.05% |
| 154,816 | 145,150 | 3,259 | 3,264 | 1,895 | 2,142 | 7 | 42 | 637 | 603 | 43.30% | 42.61% |
| 145,097 | 125,022 | 4,359 | 3,617 | 3,820 | 3,433 | 146 | 67 | 759 | 598 | 28.33% | 31.95% |
| 154,992 | 142,368 | 3,962 | 3,865 | 2,803 | 2,982 | 97 | 80 | 2,037 | 1,888 | 30.15% | 30.87% |
| 128,162 | 119,270 | 4,686 | 4,569 | 3,510 | 3,613 | 466 | 448 | 114 | 48 | 62.85% | 63.44% |
| 142,129 | 137,699 | 4,416 | 4,545 | 3,625 | 3,945 | 22 | 2 | 854 | 1,258 | 32.26% | 32.21% |
| 154,545 | 148,473 | 3,351 | 3,335 | 2,716 | 2,946 | 78 | 89 | 1,163 | 1,291 | 44.18% | 44.47% |
| 146,732 | 137,211 | 4,041 | 3,910 | 2,578 | 2,878 | 178 | 114 | 1,777 | 1,757 | 34.62% | 38.07% |
| 129,869 | 119,548 | 3,924 | 3,798 | 2,369 | 2,649 | 372 | 244 | 1,306 | 1,257 | 36.12% | 35.66% |
| 124,686 | 124,025 | 5,796 | 4,809 | 2,235 | 2,676 | 482 | 613 | 1,756 | 1,140 | 58.84% | 73.87% |
| 124,965 | 122,307 | 3,698 | 3,537 | 2,622 | 2,858 | 158 | 30 | 682 | 650 | 38.82% | 42.22% |
| 154,682 | 140,058 | 5,413 | 2,965 | 2,723 | 2,130 | 36 | 17 | 599 | 488 | 19.02% | 33.05% |
| 115,218 | 98,825 | 3,809 | 3,457 | 2,940 | 2,810 | 99 | 27 | 1,360 | 1,223 | 37.31% | 37.75% |
| 144,342 | 135,429 | 3,485 | 2,117 | 1,832 | 1,332 | (6) | (17) | 709 | 655 | 28.85% | 44.64% |
| 92,780 | 83,086 | 3,626 | 3,061 | 1,968 | 1,829 | 267 | 201 | 352 | 557 | 63.23% | 70.55% |
| 135,314 | 117,625 | 5,209 | 4,770 | 3,519 | 3,088 | 174 | 103 | 1,276 | 994 | 32.57% | 34.86% |
| 146,863 | 128,061 | 3,145 | 2,588 | 1,716 | 1,732 | 6 | (13) | 1,358 | 1,135 | 29.35% | 31.27% |
| 139,221 | 125,958 | 3,903 | 3,532 | 3,377 | 3,153 | 148 | 26 | 587 | 574 | 37.89% | 41.91% |
| 127,024 | 115,623 | 3,314 | 3,055 | 2,836 | 2,914 | 149 | 85 | 937 | 913 | 39.04% | 43.04% |
| 125,444 | 92,614 | 2,717 | 1,792 | 2,082 | 1,499 | 47 | 33 | 588 | 471 | 35.58% | 38.11% |
| 109,236 | 97,580 | 3,337 | 2,782 | 2,563 | 2,412 | 100 | 80 | 1,086 | 1,054 | 37.15% | 40.47% |
| 131,549 | 111,824 | 2,806 | 2,056 | 2,096 | 1,560 | 181 | 105 | 368 | 330 | 35.31% | 43.82% |
| 142,174 | 129,142 | 2,334 | 624 | 1,941 | 539 | (52) | (16) | 615 | 314 | 45.31% | 42.25% |
| 113,553 | 109,779 | 3,265 | 3,072 | 2,363 | 2,417 | 34 | 11 | 1,230 | 1,222 | 35.22% | 36.63% |
| 113,873 | 104,597 | 2,161 | 2,050 | 1,228 | 1,137 | 72 | 69 | 1,024 | 1,160 | 33.90% | 34.87% |
| 135,799 | 135,208 | 1,720 | 1,809 | 1,156 | 1,168 | 48 | 36 | 64 | 50 | 67.45% | 66.43% |
| 121,190 | 120,812 | 4,850 | 4,587 | 3,773 | 3,720 | (3) | (43) | 1,030 | 1,162 | 36.72% | 35.83% |
| 106,529 | 90,589 | 3,266 | 2,954 | 1,982 | 1,918 | 94 | 18 | 1,551 | 1,415 | Undisclosed | Undisclosed |
| 113,311 | 103,728 | 2,367 | 2,667 | 1,779 | 2,059 | 137 | 161 | 451 | 402 | 28.76% | 25.57% |
| 118,217 | 119,422 | 2,160 | 1,910 | 1,515 | 1,478 | 26 | 47 | 520 | 502 | 42.65% | 46.64% |
| 92,272 | 88,419 | 2,461 | 2,407 | 1,456 | 1,579 | 212 | 218 | 665 | 481 | 50.39% | 48.53% |
| 98,956 | 94,855 | 2,001 | 1,584 | 1,909 | 1,311 | (867) | (253) | 395 | 17 | 54.96% | 67.43% |
| 93,006 | 78,507 | 5,006 | 4,501 | 4,722 | 4,558 | (576) | (69) | 1,158 | 1,051 | 28.57% | 21.41% |
| 107,415 | 95,139 | 2,752 | 2,370 | 2,209 | 1,895 | (64) | (53) | 976 | 843 | 33.68% | 35.95% |
| 100,452 | 94,295 | 2,926 | 2,924 | 1,880 | 1,906 | 123 | 141 | 1,328 | 1,376 | 44.12% | 43.25% |
| 115,365 | 112,899 | 1,879 | 2,273 | 1,557 | 1,872 | 71 | 98 | 83 | 55 | 44.83% | 41.09% |
| 109,992 | 94,389 | 2,579 | 2,006 | 2,326 | 1,921 | 81 | 51 | 452 | 419 | 26.28% | 32.09% |
| 119,940 | 107,725 | 1,791 | 1,908 | 1,380 | 1,450 | (48) | (57) | 396 | 294 | 51.41% | 45.13% |
| 100,382 | 85,223 | 1,812 | 1,932 | 1,734 | 1,308 | (1,745) | (1,772) | 511 | 405 | 36.69% | 34.73% |
| 105,924 | 96,659 | 2,620 | 2,314 | 2,341 | 2,074 | (43) | (27) | 753 | 765 | 46.47% | 43.32% |

| | Name of bank | Currency | Return on average equity % (rounded to 2 decimal places) 2024 | Return on average equity 2023 | Net interest spread % (rounded to 2 decimal places) 2024 | Net interest spread 2023 | Net interest margin % (rounded to 2 decimal places) 2024 | Net interest margin 2023 |
|---|---|---|---|---|---|---|---|---|
| 121 | Mengshang Bank Co., Ltd. | RMB | -7.90% | 0.06% | 1.10% | 0.44% | 0.87% | 0.68% |
| 122 | Bank of Ningxia Co., Ltd. | RMB | 4.34% | 4.28% | 1.39% | 1.02% | 1.14% | 1.14% |
| 123 | Leshan City Commercial Bank Co., Ltd. | RMB | 5.32% | 5.10% | 2.19% | 1.86% | 2.06% | 2.00% |
| 124 | Jiangsu Jiangyin Rural Commercial Bank Co., Ltd. | RMB | 11.55% | 12.55% | 1.55% | 1.85% | 1.76% | 2.06% |
| 125 | Bank of East Asia (China) Limited | RMB | 0.52% | 0.22% | 1.69% | 1.70% | 1.98% | 1.97% |
| 126 | Changsha Rural Commercial Bank Co., Ltd. | RMB | 4.84% | 7.39% | Undisclosed | 1.95% | 1.99% | 2.35% |
| 127 | Foshan Rural Commercial Bank Co., Ltd. | RMB | 6.07% | 7.04% | 1.40% | 1.55% | 1.50% | 1.71% |
| 128 | Jiangsu Kunshan Rural Commercial Bank Co., Ltd. | RMB | 11.45% | 12.82% | 1.37% | 1.87% | 1.49% | 1.90% |
| 129 | Bank of Jiaxing Co., Ltd. | RMB | 9.72% | 11.73% | 1.51% | 1.54% | 1.53% | 1.96% |
| 130 | Citibank (China) Co., Ltd. | RMB | 8.51% | 4.79% | Undisclosed | Undisclosed | Undisclosed | Undisclosed |
| 131 | Bank of Quanzhou Co., Ltd. | RMB | 5.27% | 6.46% | 1.81% | 1.66% | 1.69% | 1.94% |
| 132 | Bank of Xingtai Co., Ltd. | RMB | 7.03% | 6.13% | 2.06% | 1.34% | 1.63% | 1.46% |
| 133 | Ningbo Commerce Bank Co., Ltd. | RMB | 11.18% | 11.32% | 1.70% | 1.85% | 1.78% | 1.91% |
| 134 | Bank of Qinhuangdao Co., Ltd. | RMB | 8.09% | 8.94% | 1.46% | 0.81% | 1.24% | 0.90% |
| 135 | DBS Bank (China) Limited | RMB | 2.48% | 4.07% | 1.49% | 1.12% | 1.51% | 1.27% |
| 136 | Luzhou Bank Co., Ltd. | RMB | 11.24% | 9.36% | 2.71% | 2.69% | 2.49% | 2.39% |
| 137 | Ningbo Cixi Rural Commercial Bank Co., Ltd. | RMB | 10.66% | 10.04% | 1.17% | 1.36% | 1.30% | 1.41% |
| 138 | Bank of Linshang Co., Ltd. | RMB | 5.09% | 5.23% | 2.09% | 2.11% | 2.17% | 2.20% |
| 139 | Guiyang Rural Commercial Bank Co., Ltd. | RMB | 8.90% | 9.94% | 1.71% | 1.87% | 1.86% | 1.98% |
| 140 | Bank of Xinjiang Co., Ltd. | RMB | 5.64% | 6.24% | Undisclosed | 1.15% | 1.52% | 1.35% |
| 141 | Bank of Huzhou Co., Ltd. | RMB | 12.09% | 14.34% | 1.79% | 1.97% | 1.69% | 1.90% |
| 142 | Yantai Bank Co., Ltd. | RMB | 3.55% | 3.63% | 1.50% | 1.05% | 1.52% | 1.20% |
| 143 | Deyang Rural Commercial Bank Co., Ltd. | RMB | 7.10% | 6.01% | 1.23% | 0.59% | 1.32% | 0.63% |
| 144 | Jiangmen Rural Commercial Bank Co., Ltd. | RMB | 8.36% | 8.82% | 1.75% | 1.65% | 1.74% | 1.76% |
| 145 | Hefei Science & Technology Rural Commercial Bank Co., Ltd. | RMB | 9.20% | 11.44% | 1.15% | 0.71% | 0.91% | 0.86% |
| 146 | Dalian Rural Commercial Bank Co., Ltd. | RMB | 0.76% | 0.60% | 1.20% | 0.83% | 0.91% | 0.84% |
| 147 | Zhejiang Wenzhou Lucheng Rural Commercial Bank Co., Ltd. | RMB | 10.58% | 13.41% | 2.66% | 2.54% | 2.70% | 2.73% |
| 148 | Sumitomo Mitsui Banking Corporation (China) Limited | RMB | Undisclosed | Undisclosed | Undisclosed | Undisclosed | Undisclosed | Undisclosed |
| 149 | Great Wall West China Bank Co., Ltd. | RMB | 4.48% | 4.25% | Undisclosed | 1.42% | Undisclosed | 1.55% |
| 150 | Yunnan Hongta Bank Co., Ltd. | RMB | 3.81% | 3.90% | 1.04% | 0.79% | 1.09% | 1.04% |
| 151 | Nanyang Commercial Bank (China) Limited | RMB | 3.87% | 2.92% | 0.72% | 0.83% | 1.05% | 1.22% |
| 152 | Fubon Bank (China) Co., Ltd. | RMB | 3.93% | 0.19% | 1.27% | 0.82% | 1.43% | 0.99% |
| 153 | Jiangsu Su Merchants Bank Co., Ltd. | RMB | 15.71% | 16.27% | Undisclosed | 3.90% | 3.87% | 4.41% |
| 154 | Zhejiang Yiwu Rural Commercial Bank Co., Ltd. | RMB | 9.36% | 8.98% | 1.67% | 1.50% | 1.77% | 1.67% |
| 155 | Mizuho Bank (China), Ltd. | RMB | 6.09% | 6.74% | 1.46% | 1.28% | 1.64% | 1.50% |
| 156 | Xiamen Rural Commercial Bank Co., Ltd. | RMB | 0.74% | 0.50% | 1.06% | 1.27% | 1.20% | 1.46% |
| 157 | Bank of Taian Co., Ltd. | RMB | 4.92% | 5.17% | 1.99% | 1.80% | 2.00% | 1.88% |
| 158 | Leshan Rural Commercial Bank Co., Ltd. | RMB | 6.37% | 6.21% | 1.04% | 1.23% | 1.12% | 1.32% |
| 159 | Wuhan ZBank Co., Ltd. | RMB | 8.87% | 7.77% | 2.86% | 3.09% | 3.02% | 3.28% |
| 160 | Liangshan Rural Commercial Bank Co., Ltd. | RMB | 10.73% | 12.70% | 2.00% | 1.94% | 2.07% | 2.03% |

The data quoted in this report came from the 2024 and 2023 annual reports publicly released by various banks, their official websites, and Wind. Data that was unavailable at the time this report was finalised was excluded.
Note 1: "Total loans" was calculated by adding the loan amounts in the balance sheet and loan loss provisions measured at amortised cost. If this data was not available, then "total loans" was calculated based on the loan amounts reported in the balance sheet.
Note 2: "Total deposits" was calculated based on the deposit amounts reported in the balance sheet.

| Non-performing loan (NPL) ratio | | Allowance to total loans ratio | | Provision coverage ratio | | Capital adequacy ratio | | Tier 1 capital adequacy ratio | | Core tier 1 capital adequacy ratio | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| % (rounded to 2 decimal places) | | % (rounded to 2 decimal places) | | % (rounded to 2 decimal places) | | % (rounded to 2 decimal places) | | % (rounded to 2 decimal places) | | % (rounded to 2 decimal places) | |
| 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| 2.87% | 3.21% | 5.00% | 5.55% | 174.52% | 172.97% | 14.42% | 13.20% | 13.21% | 12.03% | 13.19% | 12.01% |
| 2.20% | 2.49% | 2.96% | 2.89% | 134.73% | 116.03% | 13.72% | 11.95% | 13.12% | 11.67% | 10.92% | 9.62% |
| 1.53% | 1.58% | 3.26% | 3.20% | Undisclosed | Undisclosed | 14.65% | 11.99% | 11.59% | 9.60% | 10.40% | 8.28% |
| 0.86% | 0.98% | 3.18% | 4.01% | 369.32% | 409.46% | 15.22% | 14.24% | 14.10% | 13.11% | 14.09% | 13.10% |
| 1.34% | 1.37% | 1.80% | 1.98% | 133.92% | 143.99% | 13.51% | 15.50% | 13.14% | 14.12% | 13.14% | 14.12% |
| 2.04% | 1.95% | 3.68% | 3.79% | 153.86% | 181.38% | 14.52% | 14.29% | 12.37% | 12.01% | 12.37% | 12.01% |
| 1.21% | 1.17% | 2.60% | 2.65% | 215.14% | 223.47% | 18.43% | 18.26% | 17.27% | 17.10% | 17.27% | 17.10% |
| 0.87% | 0.85% | 4.49% | 5.34% | 514.76% | 627.28% | 16.78% | 14.62% | 14.74% | 12.64% | 14.74% | 12.64% |
| 1.01% | 0.79% | 4.47% | 4.63% | 445.07% | 583.76% | 13.83% | 14.08% | 10.49% | 11.63% | 9.38% | 10.24% |
| 0.04% | 1.05% | 2.99% | 2.00% | 8295.10% | 191.22% | 22.26% | 21.66% | 21.28% | 21.32% | 21.28% | 21.32% |
| 1.83% | 1.61% | 2.90% | 2.68% | 163.23% | 168.01% | 14.12% | 12.08% | 11.16% | 9.94% | 9.33% | 8.00% |
| 1.96% | 2.26% | 3.51% | 3.46% | 204.22% | 156.70% | 14.68% | 15.35% | 10.90% | 11.35% | 9.34% | 9.66% |
| 0.96% | 0.97% | 3.16% | 3.22% | 328.73% | 333.35% | 13.94% | 12.64% | 9.96% | 9.53% | 8.88% | 8.37% |
| 1.85% | 1.97% | 3.55% | 3.35% | 183.85% | 170.12% | 13.95% | 11.81% | 12.00% | 8.91% | 10.34% | 8.91% |
| 1.00% | 0.80% | 2.10% | 1.90% | 213.30% | 219.00% | 14.50% | 14.30% | 12.20% | 12.10% | 12.20% | 12.10% |
| 1.19% | 1.35% | 5.18% | 5.01% | 435.19% | 372.42% | 13.12% | 12.74% | 10.15% | 9.61% | 8.27% | 8.12% |
| 0.76% | 0.78% | 4.86% | 4.54% | 635.95% | 579.88% | 14.09% | 13.91% | 12.96% | 12.82% | 12.96% | 12.82% |
| 1.37% | 1.56% | 3.95% | 3.17% | 183.58% | 133.38% | 11.91% | 12.09% | 10.77% | 10.99% | 8.67% | 8.78% |
| 2.08% | 2.10% | 3.21% | 3.30% | 152.34% | 160.44% | 11.26% | 11.08% | 8.79% | 8.59% | 8.79% | 8.59% |
| 1.93% | 0.91% | 3.45% | 2.71% | 179.00% | 296.49% | 13.18% | 16.13% | 10.55% | 12.85% | 10.55% | 12.85% |
| 0.98% | 0.74% | 3.56% | 3.21% | 363.16% | 432.46% | 14.69% | 12.05% | 12.08% | 9.39% | 10.84% | 8.08% |
| 1.16% | 1.33% | 3.14% | 2.41% | 270.47% | 182.23% | 13.33% | 13.80% | 12.16% | 12.89% | 7.92% | 8.33% |
| 2.31% | 2.50% | 4.26% | 4.55% | 184.29% | 189.81% | 12.78% | 12.42% | 11.61% | 11.26% | 11.61% | 11.26% |
| Undisclosed | 0.91% | 3.46% | 3.27% | Undisclosed | 360.99% | 15.11% | 13.81% | 14.22% | 12.90% | 14.22% | 12.90% |
| 1.48% | 1.72% | 3.34% | 3.66% | 226.24% | 212.70% | 15.45% | 13.68% | 13.11% | 11.40% | 13.11% | 11.40% |
| 4.70% | 3.57% | 2.50% | 2.04% | Undisclosed | Undisclosed | 10.44% | 9.63% | 10.09% | 9.02% | 5.76% | 5.20% |
| 1.15% | 1.11% | 3.47% | 3.17% | 302.25% | 286.60% | 13.48% | 13.58% | 11.18% | 11.06% | 11.05% | 10.89% |
| 0.52% | 0.00% | 1.93% | 2.20% | 7627.89% | N/A | 25.96% | 26.62% | 25.12% | 25.83% | 25.12% | 25.83% |
| 2.03% | 1.62% | Undisclosed | Undisclosed | 169.97% | 225.42% | 15.30% | 14.21% | 11.26% | 10.15% | 9.89% | 8.78% |
| 1.39% | 1.03% | 3.39% | 2.89% | 244.32% | 280.15% | 15.94% | 14.15% | 13.68% | 11.75% | 13.68% | 11.75% |
| 1.38% | 1.48% | 1.84% | 2.05% | 133.63% | 139.14% | 16.69% | 16.67% | 16.14% | 16.20% | 16.14% | 16.20% |
| 0.79% | 0.81% | 1.87% | 1.87% | 228.79% | 231.87% | 14.16% | 14.53% | 11.95% | 12.41% | 9.84% | 10.06% |
| 1.18% | 1.17% | 2.52% | 2.01% | 214.02% | 171.33% | 11.43% | 11.63% | 10.34% | 10.76% | 10.34% | 10.76% |
| 0.64% | 0.63% | 4.52% | 4.64% | 701.08% | 735.69% | 12.97% | 12.63% | 11.80% | 11.46% | 11.79% | 11.45% |
| 0.00% | 0.05% | 1.84% | 1.73% | N/A | 3732.22% | 25.62% | 21.50% | 24.76% | 20.83% | 24.76% | 20.83% |
| 1.94% | 1.93% | 2.11% | 3.07% | 108.66% | 158.99% | 16.38% | 15.39% | 14.39% | 12.62% | 14.38% | 12.61% |
| 1.18% | 1.22% | 2.14% | 2.45% | 181.28% | 201.76% | 14.16% | 13.12% | 13.15% | 12.00% | 10.33% | 8.93% |
| 1.36% | 1.61% | 2.47% | 2.62% | 181.12% | 162.25% | 13.71% | 13.09% | 12.56% | 12.12% | 10.87% | 10.47% |
| 1.50% | 1.73% | 4.01% | 4.29% | 267.29% | 248.04% | 10.67% | 10.67% | Undisclosed | Undisclosed | 9.51% | 9.52% |
| 1.52% | 1.70% | 3.39% | 3.24% | 223.18% | 190.95% | 12.50% | 12.55% | 11.30% | 11.40% | 11.30% | 11.40% |

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