



cutting through complexity

BANKING

Mainland China Banking Survey 2012

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Introduction

KPMG is delighted to release our 6th annual Mainland China Banking Survey. The coverage in this year's survey has reached a record 197 banks, representing 88 percent of all banking assets in China. This year's survey also includes the financial information for 33 of the 37 foreign banks that were locally incorporated prior to year-end 2011. The financial information for other banks was not publicly available and has thus been excluded.

2011 and the first half of 2012 has been a period of strong growth and development for China's banking sector. Although there were credit restrictions put in place throughout this period, which had an impact, the growth in bank profits and assets remained robust. This is primarily the result of a growing deposit base combined with increased net interest margins and growth in non-interest income. While there are market concerns around the quality of some bank loans, non-performing loans (NPLs) have continued to decline in absolute terms according to CBRC numbers.

From an outbound perspective, Chinese banks have continued their overseas expansion, primarily through organic means via the establishment of new branches and subsidiaries. Industrial and Commercial Bank of China (ICBC), China's largest lender by assets, has been particularly rapid in its expansion, and as of April 2012, has 244 overseas branches in 34 countries and regions in addition to acquisitions of Bank of East Asia's (BEA) operations in the U.S. and Canada.¹



Table 1: Total assets of banking institutions (RMB billion)

Institutions/Year	2003	2004	2005	2006	2007	2008	2009	2010	2011
Total banking institutions	26,749	30,726	36,454	42,891	52,144	61,208	77,254	93,125	110,680
Policy banks & CBD	2,125	2,412	2,928	3,473	4,278	5,645	6,946	7,652	9,313
Large commercial banks	16,051	17,982	21,005	24,236	28,500	31,836	40,089	46,804	53,634
Joint-stock commercial banks	2,960	3,648	4,466	5,445	7,274	8,809	11,785	14,904	18,379
City commercial banks	1,462	1,706	2,037	2,594	3,341	4,132	5,680	7,853	9,985
Rural commercial banks	39	57	303	504	610	929	1,866	2,767	4,253
Rural cooperative banks	n/a	n/a	275	465	646	1,003	1,279	1,500	1,403
Urban credit cooperatives	147	179	203	183	131	80	27	2	3
Rural credit cooperatives	2,651	3,077	3,143	3,450	4,343	5,211	5,493	6,391	7,205
Foreign banks	416	582	716	928	1,253	1,345	1,349	1,742	2,154
New-type rural financial institutions & Postal Savings Bank	898	1,085	1,379	1,612	1,769	2,216	2,741	3,510	4,354

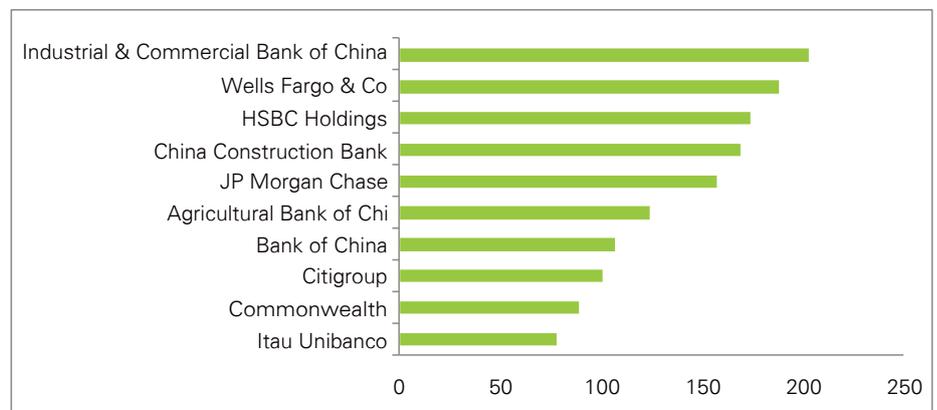
Source: CBRC Annual Report 2011

¹ "ICBC gets nod to open branch in Poland", 20 April 2012, Xinhua



The continued growth of non-interest income is indicative of the maturing of the banking industry. In particular, payments services have grown considerably, with the number of debit cards and credit cards issued in China by the end of the first quarter 2012 in excess of 2.81 billion and 290 million respectively according to the People's Bank of China (PBoC).

Chart 1: World's largest banks by market capitalisation (USD billion) as of 14 September 2012



Source: KPMG China Analysis

Banking sector performance

Profitability in 2011 saw substantial growth across the entire banking sector, with only a few exceptions. Despite credit tightening measures, net profits increased by 39.3 percent year on year according to the China Banking Regulatory Commission (CBRC) figures. Outpacing growth rates of both interest and non-interest income, this increase in net profit is indicative of widening net interest margins although this can also be attributed to increased efficiency of banking operations and ongoing improvements in credit risk management.

There was substantial variance in profit growth rates between different banks: The big five commercial banks (29.03 percent), joint stock banks (47.64 percent), and city commercial banks (40.41 percent).

For the 187 banks that supplied lending and deposit figures for both 2010 and 2011, our survey revealed loan growth of 15.7 percent and deposit growth of 13.1 percent. For the 180 banks which disclosed information for both years, non-interest income grew 37.8 percent to RMB 552 billion, making up 19.6 percent of the total revenue for the sector. Although the proportion of the sector's total revenue attributed to non-interest income only increased slightly from 19 percent in the previous year, growth rates are significantly higher.

While total operating expenses across the sector are up 25 percent from 2010, there are indications of improving operating efficiency at the banks. The cost income ratio averaged out across all of the banks surveyed was 36 percent in 2011, down from 40 percent in 2010. Notably, of the 179 banks that released the related figures, 135 saw a decrease in their cost income ratio.

The 2011 summary financials also indicate an increasing level of variance in development of non-lending revenue sources across banks. While there is still a



Table 2: Ratio of non-interest income to total revenue by institution

Type of Banking institution	Non-interest income as a percentage of total revenue
City commercial banks	14.3%
Rural banks	19.4%
Joint stock banks	16.4%
Policy banks	1.10%
Big five commercial banks	23.6%
Foreign banks	23.8%

Source: KPMG research



clear reliance on interest income as the key source of revenue, there is a greater spread between banks in terms of their ratio of non-interest income to total operating income. As noted in Table 2, non-interest income as a percentage of total operating revenue was 19.6 percent in 2011. However, when averaged out across all banks, it is only 15.4 percent of total operating revenue, which indicates that larger banks are predominantly driving this growth.

The variance in net interest margin (NIM) across banks is also greater in 2011 than in 2010, indicating divergence in terms of lending practices and borrower bases across banks. While only 24 banks released NIM figures for 2011, these banks represent nearly 70 percent of total banking sector assets. Based on these figures, the average NIM was 2.86 percent for 2011, an increase on the previous year average of 2.51 percent. The variance in NIM ranged from 2.04 percent to 4.41 percent. This is indicative of a structural change in how the loan portfolios of Chinese banks are being managed. When faced with state-owned enterprises (SOEs) and large enterprises, banks have limited loan pricing flexibility. By contrast though, many banks, particularly smaller institutions such as rural commercial banks and city commercial banks, are enjoying greater pricing power and employing more risk-based pricing mechanisms in their rapidly growing personal and SME loan departments, driving NIM growth.

Recent moves by the CBRC aimed at limited liberalisation of interest rates may put downward pressures on NIM for some banks going forward. Under regulations issued on the 6 July 2012, the CBRC has permitted banks to increase deposits rates by up to 10 percent higher than the benchmark deposit rate while reducing the minimum loan rate to a floor of 30 percent below the benchmark rate².

² Lenders 'must adapt to challenges', 30 June 2012, China Daily

Bancassurance

Banks have largely been quick to realise the potential for broader cooperation between banks and insurance companies and many banks are subsequently building up their bancassurance capabilities. One interviewed bank noted that insurance product distribution fees were their fastest growing source of non-interest income. However, to build a successful, competitive bancassurance business, there are some key investments that banks must make.

The previous bancassurance model in China was one whereby products were sourced from an independent insurer or insurers (usually by insurance company staff in the branches) and sold to bank customers. Banks in return were paid distribution fees and potentially a profit share, but did not bear any of the insurance risk. However, these types of sales have declined over the past two years, with some of the larger banks experiencing a 20 - 30 percent decline in bancassurance premiums. This is due to a number of different factors:

- Introduction of CBRC 90 effectively banned insurance sales people from selling insurance products in bank branches and has meant that banks have had to train their own insurance product sales staff
- Liquidity constraints in the banking sector, which have meant that the banks are less keen on deposit replacement products (in many cases, bancassurance products are savings-type products)
- Low yields on insurance products, which are not as attractive as other wealth management products
- Concerns with inflation are creating customer expectations of relatively higher returns and hampering the sale of long-term products.





However, interviews with market participants revealed a strong desire to increase collaboration between banks and insurers, particularly via the enhancement of the connectivity between banks' and insurers' systems, allowing improved information sharing and greater depth and quality of customer information.

A number of banks have taken this further and established their own captive insurance companies as a way to drive greater alignment, which suggests a more integrated bancassurance model under common ownership. Though the internal approval process may be streamlined under this integrated model, it will take significant investment and time for the bank-owned insurers to effectively penetrate the branch networks. Though banks recognise the need to work with a number of insurance partners to provide an appropriate level of geographical and product coverage over the market, many envisage doing business with fewer partners, but having stronger, more aligned relationships with those partners, making partner selection critical in the long term. We expect bank-owned insurers to grow and eventually dominate the distribution opportunity created through their parent.

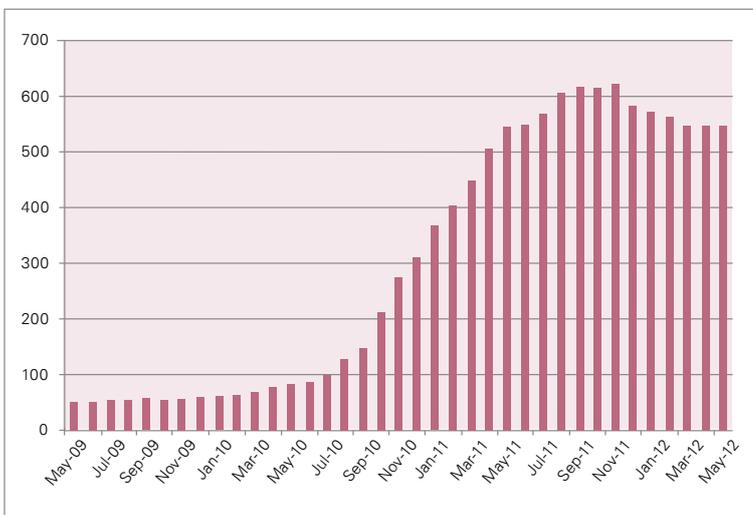
Internationalisation of the RMB

With the development of China's economy into the world's second largest over the past decade by GDP, the RMB has also begun to undergo a process of internationalisation. There are still hurdles to overcome before the RMB can be regarded as an international currency, the most obvious of which is its limited convertibility. However, China is demonstrating that convertibility does not necessarily need to precede internationalisation.

Internationalisation of the RMB is largely occurring on five fronts: trade settlement, overseas RMB deposits, offshore RMB investment products, offshore RMB lending and offshore RMB capital raising. Hong Kong is at the forefront of this process. CNH, which is the term used to describe the pool of offshore RMB in Hong Kong, but is increasingly being used in reference to all offshore RMB, has seen rapid growth in a short amount of time. By way of illustration, CNH deposits have grown nearly tenfold since 2009 to RMB 589 billion by May 2012, as indicated in Chart 2, although deposits have started to stabilise and even begun to edge downward. Hong Kong is also the key hub for trade settlement in Asia as well as for the issuance of RMB-denominated bonds (commonly referred to as dim sum bonds)—although HSBC recently issued an offshore RMB bond in London, the first of its kind.³



Chart 2: RMB deposits in Hong Kong (RMB billion)



Source: Hong Kong Monetary Authority

³ HSBC raises \$300m in renminbi bond issue, 18 April 2012, Financial Times



A key driver for the rapid growth in offshore deposits, particularly in Hong Kong, was the attractive absolute yield that these deposits earned through a combination of anticipated appreciation and the arbitrage opportunity that existed as a result of the higher value of offshore versus onshore RMB. This made the currency attractive to trading companies that could take advantage of the CNH's position over the USD when conducting business, despite the fact that deposit rates on CNH bank accounts in Hong Kong were around 0.3 percent as of May 2012 and even at their peak, rarely exceeded 0.6 percent.⁴ Throughout 2011, the absolute yield of CNH has gradually reduced. This in turn has dampened demand for CNH deposits — although a new regulation on 1 August 2012 allowing non-residents to open CNH accounts may slightly offset this drop in demand.⁵ This was partly brought about by the rising value of the USD due to financial concerns in the Eurozone as well as the removal of the Mainland Designated Enterprises (MDE) requirement in early 2012; this essentially allowed all import export enterprises to settle in RMB as opposed to the previous scenario of only allowing an approved list of companies to do so.⁶ This dramatically increased take-up of the currency and as a result the number of participating banks, increasing competition and reducing the arbitrage opportunity. The cumulative effect is that the outlook for the CNH is less certain than before and the currency is more efficiently traded, reducing absolute yield and its attraction as a deposit option.

Over the long term, a lack of certainty around offshore RMB and the risk of sudden regulatory intervention may lead to more gradual growth. As a currency trader at one of China's largest banks noted, confidence in a currency is underpinned by a combination of absolute yield and liquidity as well as its ability to remain stable in the event of a downturn. Within China the RMB is managed by and has the backing of a very strong central bank. However, there is a lack of understanding

⁴ Deposits with authorized institutions down, 29 June 2012, AASTocks
⁵ Non-HK residents can now open RMB deposit accounts, 26 July 2012, Mirae Asset Securities Research
⁶ People's Bank of China announces expansion of trade settlement, 8 March 2012, The Asian Banker

in the market how offshore RMB is backed and managed. In comparison to fully convertible and tradable such as the Hong Kong Dollar (HKD) or the Singapore Dollar (SGD), which are well protected by their respective central banks who ensure the value of their currency through periods of heightened stress, it is unclear how offshore RMB would react in a similar scenario.

As it stands today, despite these modest rates, the volume of CNH deposits in Hong Kong is significant. According to the Hong Kong Monetary Authority (HKMA), the key driver of the growth in CNH deposits are corporates, which held CNH 412 billion in deposits at the end of June 2012, making up 70 percent of the total deposit amount. The remainder of depositors are largely individuals. While the exact motivations of these depositors vary, the desire to have RMB on-hand to finance activities on the mainland is a consideration.

Dim sum bonds

Dim sum bonds are issued to raise CNH by both enterprises and more recently by Chinese government institutions, with the latter being the most prominent source. However, there is an approval process to bringing CNH proceeds back onshore that requires an explanation of how the proceeds will be used, followed by obtaining approvals from various government agencies. According to interviews held with market participants, this process has not been as difficult as it might otherwise sound. However, one market participant noted that the lack of certainty around repatriation of funds back into China, where they can generate a return or be used for an intended purpose, does reduce the attractiveness of dim sum bonds.

On the investment side, dim sum bonds are very straightforward. The bonds can be purchased from a variety of financial institutions such as fund managers, private bankers, and insurers as well as 187 participating banks, 165 of which are foreign owned or located overseas.⁷ Benefiting from international ratings from agencies such as S&P and Fitch, these bonds offer transparency and, as a result, are more acceptable to investors with certain transparency requirements, such as pension funds.⁸

Underwriting of dim sum bonds has become a significant source of new revenue for many banks. In 2011, the total sum of dim sum bond issuances reached RMB 108 billion, triple the 2010 figure. The first half of 2012 has seen issuances of RMB 67.2 billion, demonstrating a 52 percent increase compared to the same period in 2011.⁹ It should also be noted that while the majority of these bonds are 'straight bonds', which are bonds settled in RMB, there are also 'synthetic bonds', which are ultimately settled in USD.

There are also discernable trends in terms of which corporates are issuing dim sum bonds. This market is largely driven by larger MNCs with extensive mainland operations that are seeking capital expenditure funds to grow their mainland business. For example, Caterpillar alone has issued more than 4 billion CNH of dim sum bonds.¹⁰ On the other hand, large mining corporates selling into China have not actively tapped this market given their lack of onshore operations and sufficient purchasing activity in China to make it feasible.

In general, companies that have their products priced in a currency, such as USD, and use this currency to settle in globally, will be reluctant to commit to a currency they may have limited use for.

⁷ CNH: Beijing moves to boost HK's edge, 3 of July 2012, DBS Group Research

⁸ Dim sum bonds vs. RMB-QFII, January 2012, Manulife Asset Management

⁹ Dim sum bond issuance surges, 23rd July 2012, Nikkei weekly

¹⁰ Caterpillar Raises 1.26 Billion Yuan With Third Dim Sum Bond, 13 March 2012, Bloomberg

It is worth noting that, the limited range of offshore RMB product offerings restricts investor options to create attractive returns on RMB holdings. This is improving, however, as banks strive to build a range of products that can meet the diverse investment needs of potential corporate and institutional clients.

RQFII

The RQFII (Renminbi Qualified Foreign Institutional Investors) pilot scheme started in late 2011 and was introduced by the PBoC in accordance with the State Administration of Foreign Exchange (SAFE) and the China Securities Regulatory Committee (CSRC). The programme enables Chinese brokerages and fund managers with Hong Kong subsidiaries to repatriate offshore RMB raised into domestic A-share equity investments. As of January 2012, 21 Chinese fund management houses have been approved for an RQFII license.

The quota for the RQFII scheme was expanded from RMB 20 billion to RMB 50 billion in 2012, but even at this level, the uptake has been significant with some of the approved fund managers commenting that they have already hit their ceiling and are unable to accept further funds.¹¹ Other fund managers commented that some of the requirements around RQFII asset allocation may deter certain investor types. RQFII products are required to ensure that:

- No less than 80 percent of the net asset value is in fixed income products
- The net asset value in equities does not exceed 20 percent
- Within the equities portion, no greater than 10 percent of the net asset value is invested in China domiciled collective investment schemes.

Market participants seeking an RQFII license must have a Hong Kong subsidiary that has attained a license from SAFE in Hong Kong as well as approval from the CSRC in China. Companies applying for a license are required to meet various requirements concerning risk management, corporate governance and internal controls. Once a fund management company has met these requirements, it must appoint a qualified custodian and a mainland China securities broker to monitor trade execution.

RQFII products are seen as offering competitive returns compared to other CNH investment options. By way of illustration, an RQFII bond fund can get a return of around 3 percent on a 5-year government bond compared with the average 2.25 percent yielded by a dim sum bond.¹² On the other hand, RQFII investments are subject to withholding tax, whereas dim sum bonds being issued in Hong Kong are not subject to any withholding tax.

The process allowing investors to repatriate their existing offshore RMB holdings and invest into onshore Chinese funds will bring the global RMB business further in line with the Chinese government's 12th Five-Year Plan and will be important to their aim of achieving full convertibility of the RMB. In addition to the increased range of investment options that RQFII enables, it also promotes offshore RMB as a more functional currency class for institutional and retail investors.

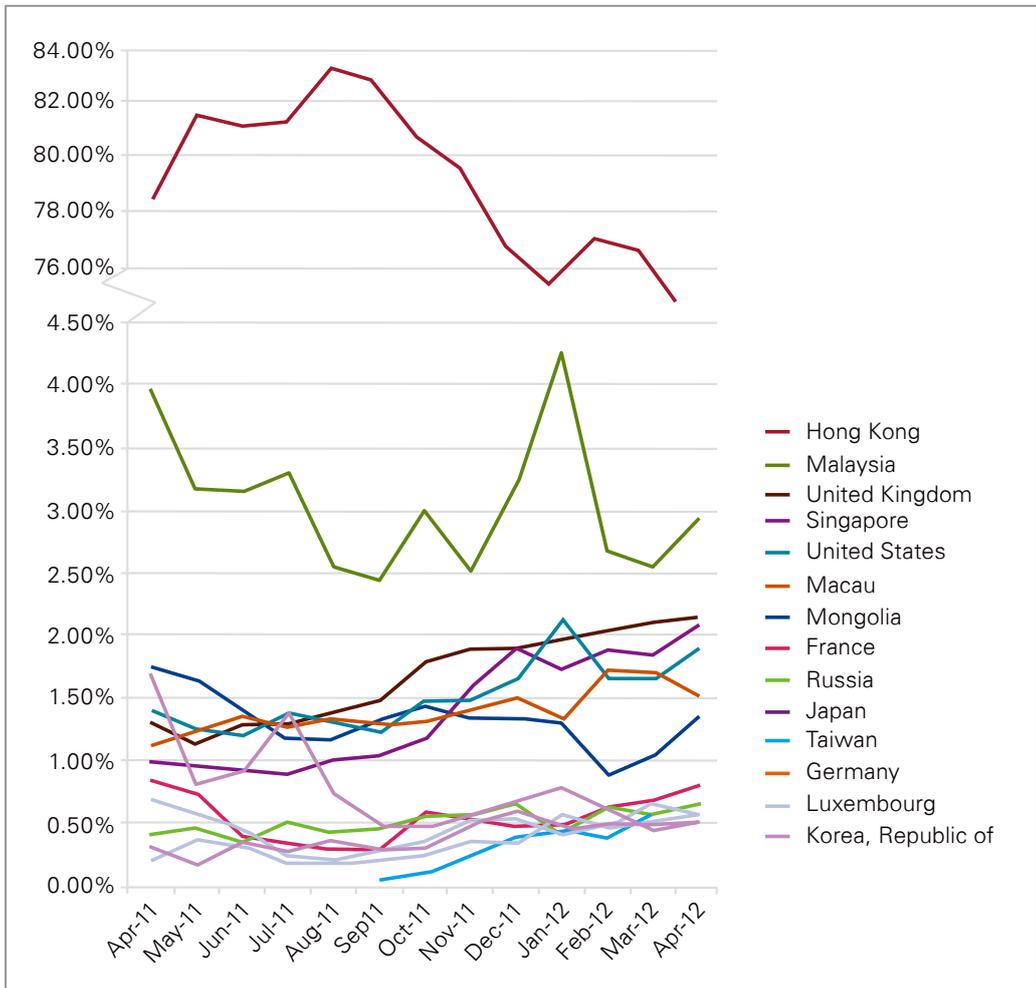
¹¹ Chinese manager E Fund seeks larger RQFII quota, 20 July 2012, Investments & Pensions Asia

¹² Dim sum bonds vs. RMB-QFII, January 2012, Manulife Asset Management

Trade settlement

RMB trade settlement has seen the most rapid growth and has been at the forefront of government efforts to spread overseas usage of the RMB. These efforts have certainly yielded results with the amount of settlement conducted globally reaching RMB 2.58 trillion by the end of 2011, more than a fourfold increase from the previous year. In terms of total worldwide settlement in RMB, Hong Kong is the key hub with the total amount of RMB trade settled through Hong Kong valued at RMB 1.9 trillion at 2011 year-end, making up more than 73 percent of total RMB trade settlements in 2011, but still representing a decrease from a peak of 80 percent in 2010.¹³ There has been no shortage of predictions stating that this growth will continue with various global banks anticipating that between 15 to 30 percent of China’s total trade will be settled in RMB within five years. However, there are still factors that may slow growth of RMB trade settlement. Currently the situation for RMB is more akin to the regionalisation of the currency in Asia as opposed to full internationalisation. Few companies in Western markets have actively begun settling in RMB. It is difficult to predict how the development of the RMB as a settlement currency will occur in these markets or what the inflection point is, but no doubt progress will deepen as both corporates and government become more comfortable with this process.

Chart 3: Country breakdown of SWIFT cross-border payment messages in off-shore RMB



Source: SWIFT

¹³ Hong Kong Monetary Authority, <http://www.info.gov.hk>

The CNH lending business of banks in Hong Kong has also begun to gain significant traction. To illustrate, the outstanding amount of CNH loans granted by banks in Hong Kong surged from CNH 2 billion at the start of 2011 to CNH 42 billion by March 2012. This has not gone unnoticed by banks and the number of authorised institutions permitted to engage in CNH business (which covers CNH deposit taking, currency exchange, remittances and cross-border trade settlement) has jumped from 111 at the beginning of 2011 to 187 by the end of 2011.¹⁴

Offshore RMB outside of Hong Kong

A number of countries outside of Hong Kong are gaining a foothold as hubs for offshore RMB activity. While places like Singapore and London may be unlikely to rival Hong Kong, there is certainly scope for them to become leaders in their specific regions or in specific products and usages around offshore RMB. In an attempt to support and encourage the settlement of RMB-denominated trade, the PBoC initiated currency swaps with various central banks and from 2008 to February 2012, currency swaps totalling RMB 1.4 trillion were completed with 16 countries, including the UAE, New Zealand, and Argentina. At present, the highest volume of offshore RMB is in the UK, with over RMB 109 billion of deposits as of June 2012.

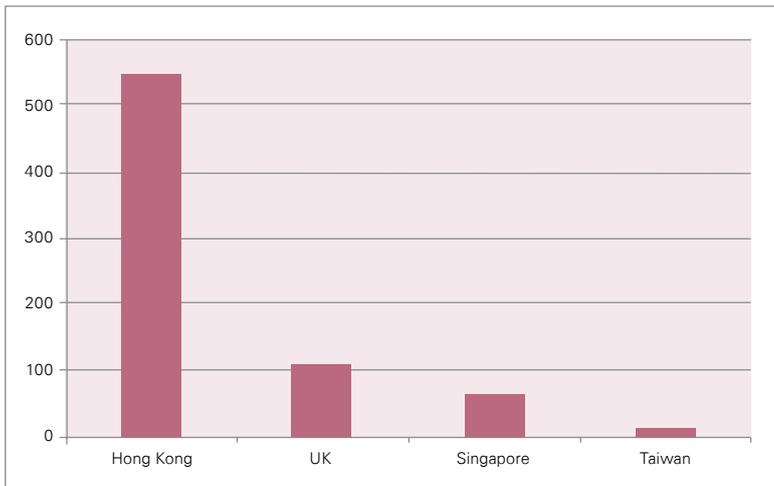
By focusing on developing and improving processing of offshore RMB business, the UK is becoming active in offshore RMB and, with 47 percent of the global offshore market (excluding Hong Kong) moving through Europe in the first quarter of 2012, the UK is well aligned to develop services around offshore RMB. However, there are still obstacles to the development of London as an offshore RMB hub, not the least of which is the lack of product opportunity in London; for example, while two thirds of banks offer retail offshore RMB deposit accounts, no banks offer credit card facilities in offshore RMB.¹⁵

Singapore and Taiwan are also actively developing businesses around offshore RMB and are diversifying their product offerings and leveraging the advantages of their respective locations. For example, while London is cementing its position as a European financial hub to offer products and services throughout the Eurozone and promoting its optimal global trading hours, Singapore is making efforts to regionalise the currency across Asia, leveraging its central role in the Association of South East Asian Nations (ASEAN).

¹⁴ Hong Kong Monetary Authority, <http://www.info.gov.hk>

¹⁵ CNH: Hong Kong's dominant role to remain, 22 June 2012, DBS Group Research

Chart 4: Global RMB Deposits, RMB Billion (as of July 2012)



Source: KPMG China research

We expect to see a range of RMB-denominated products gradually take shape as well as more tangible service offerings related to foreign exchange, transaction processing and trade finance along with various import and export services such as documentary credits, collections and financing. As one banker noted, there is an expectation that with increasing capability of banks to offer a wider range of RMB services, particularly those related to RMB hedging and corporate treasury products, the willingness of MNCs will increase accordingly although there will likely be a time lag as they bring their systems into alignment and transition offshore RMB into their corporate treasury. Banks that can identify and act upon these market needs and utilise their mainland and offshore locations to maximum effect are likely to be the key beneficiaries of RMB internationalisation.





Basel II & III

China has made significant progress in finalising its local Basel II & Basel III rules. In June 2012, the CBRC released the latest, and to all intents and purposes, the final set of set of Basel II & III Regulations applicable to all banks in China. There are some notable changes to these rules as compared to the consultative version from August 2011. For example, the addition of a settlement risk capital charge, a flat 15 percent charge for operational risk, more stringent rules on disclosure, to highlight just a few. CBRC has also modified the timeline and now encourages compliance by 2016 unless an application for extension up to 2018 is approved.

Generally speaking, the areas in which the CBRC was proposing to depart from the 'standard' Basel approach have been reduced. For instance, the credit risk weight for second mortgages which was set at 60 percent has been dropped. However, the aggregate impact on capital adequacy for banks is specific to each bank depending on the types and mix of assets in its portfolios. Set out in Table 6 is a summary of the key changes CBRC has made to the China Basel II & III rules, compared with the previous consultation.

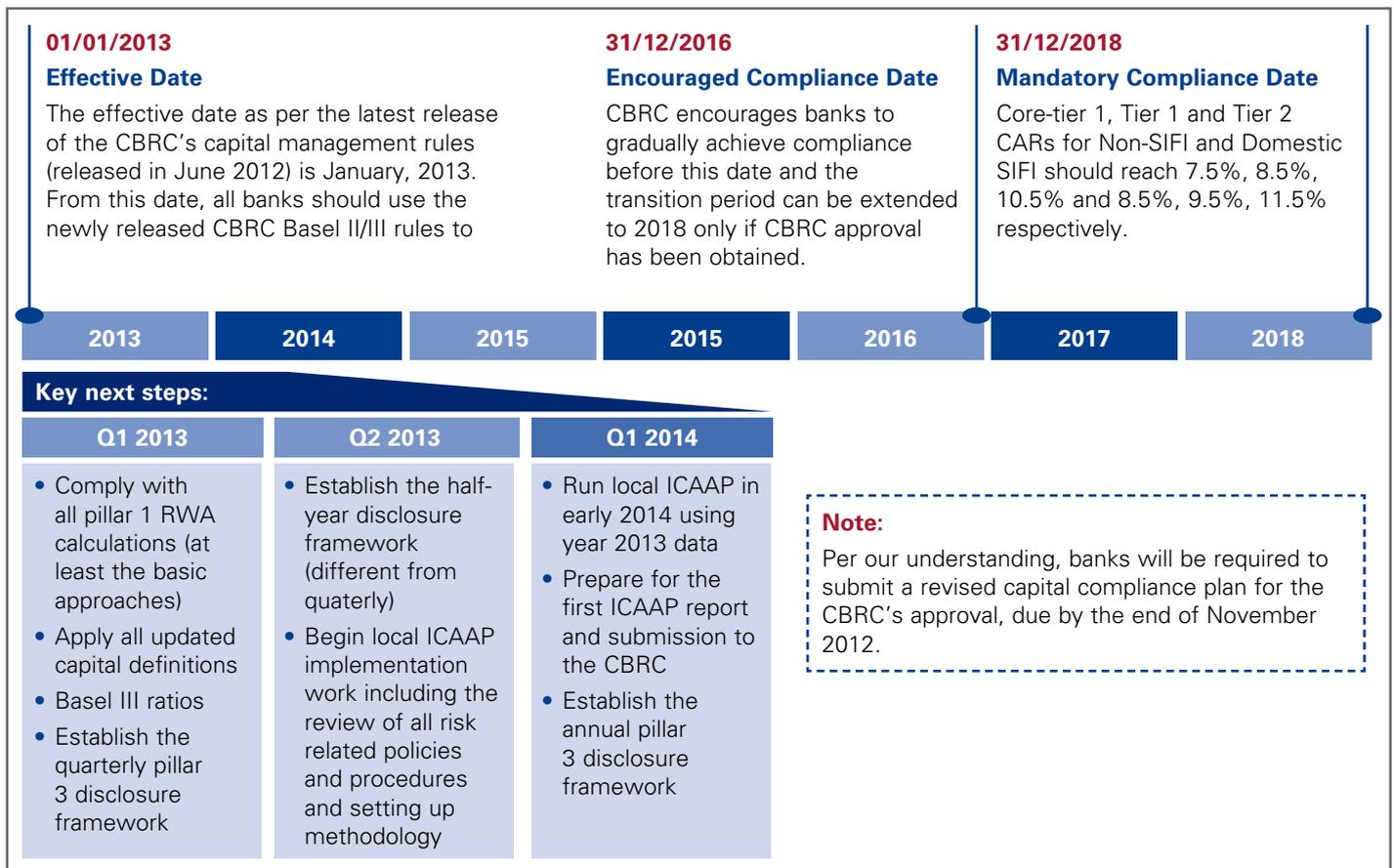
There are important next steps required for implementation in China that will necessitate action immediately. Critically, all banks, both foreign and domestic, should prepare for implementation of all Pillar 1 RWA calculations, submit a revised capital and implementation plan, start Internal Capital Adequacy Assessment Process (ICAAP) planning, develop disclosure processes and templates, and adopt the revised capital definitions as per the new rules. Banks that have complied with Directive #44 from 2011 by submitting detailed implementation and RWA calculation plans should be well positioned to submit the revised capital and implementation plans to CBRC.

Banks in China will need to incorporate their strategic growth plans when measuring the impact of Basel III on their Capital Adequacy. It is important that a bank's 5-year (or multi-year) strategic growth plans are linked to balance sheet projections, income statement projections, provisioning projections, dividend distributions plans, capital management plans, and finally mapped to the required CBRC regulatory categories for Basel II RWA calculations and Basel III eligible capital definitions. Only in this way can a bank ultimately measure the impact of its strategic growth plans on its regulatory capital under CBRC Basel II/III requirements.



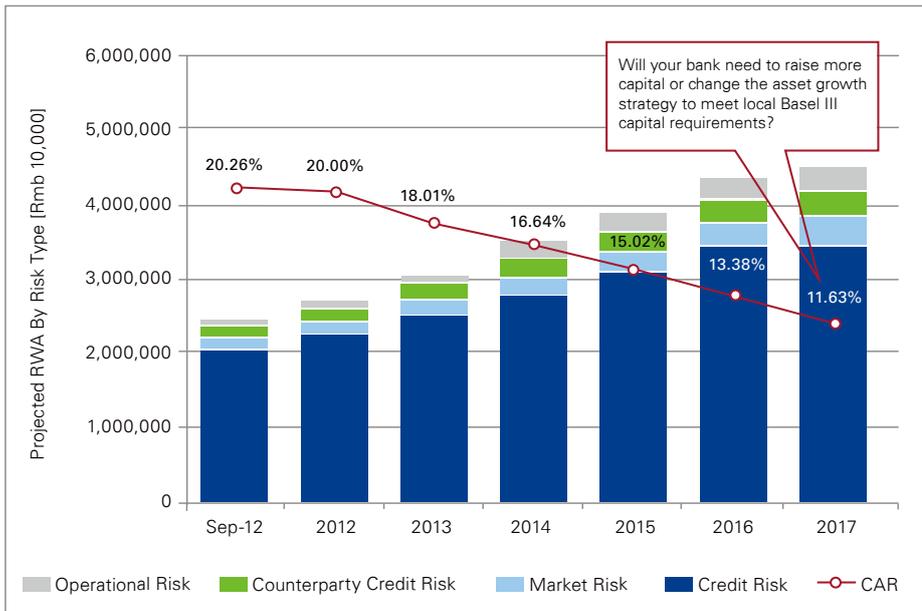


Chart 5: Updated Implementation Timeline and Key Next Steps



Source: KPMG China Analysis

Chart 6: Basel III Strategic RWA and Capital Adequacy Analysis



Source: KPMG China Analysis

The main features of Basel III implementation in China

When looking at what is 'new' about Basel III, it should be taken into consideration that only a limited number of the largest banks in China have so far implemented Basel II. So, for the vast majority of banks in China, both foreign and domestic (including mid-tier banks, city commercial banks and rural commercial banks), the task is to implement not just Basel III, but also Basel II; and all by 2016.

The first task is for banks to revise the calculation of risk weighted assets. As regards credit risk, the CBRC is allowing two options, the internal ratings-based approach (IRB) and a simpler approach with standardised risk weightings (akin to the Basel II 'standardised approach'). Also, for the first time, all banks have to include a charge for operational risk, in addition to a charge for market risk. These are primarily Basel II related changes, although Basel III has introduced some changes to the calculation of RWA, which CBRC has adopted, including charges for counterparty credit risk and settlement risk. These new calculations need to be in place by the beginning of 2013. The key differences between Basel III and CBRC requirements are set out in Table 4.

These RWAs will subsequently be measured against the bank's capital resources, the definition of which will be changed to accord with the tighter Basel III definition.

Basel III changes the definition of capital and of eligible capital instruments. Instead of debt-like substitutes, Basel III attempts to push banks to focus on the core elements of capital. Specifically, in the event that a bank is unable to support itself in the private market, capital instruments must have loss absorbability features. This can be done through permanently writing down principal, or through a conversion to equity (i.e., contingent convertibles, bail-in capital). Although it is likely that China will comply with this aspect of Basel III, these instruments have yet to be developed in the Chinese market. Therefore, banks will, for the time being, largely have to rely on their common equity reserves, while perhaps resorting to restraining dividend payout ratios in order to meet reserve requirements.

Again, this new definition needs to be in place by the beginning of 2013.

The capital adequacy ratio banks will have to meet will also be increased in line with the Basel III requirements.

Under Basel III, Tier 1 common equity must be increased from two percent (before adjustments) to at least 4.5% (after adjustments); CBRC has added an additional 0.5% to this, making 5.0%. In addition to the tier 1 common equity

requirement, banks are also required to hold 2.5% in a 'capital conservation buffer', making 7.5% common equity tier 1 and 10.5% total capital (the existing 8.0% plus the 2.5% conservation buffer).

Due to the interconnectedness of large financial institutions and the risk this could pose to the global financial system if such an institution were to fail, Basel III holds global systematically important financial institutions (G-SIFI) to higher regulatory standards. For instance, G-SIFIs are subject to more intensive supervision, must have additional loss absorbability, and must develop a 'Recovery and Resolution Plan'. CBRC's intention is to require an additional 1.0% capital (making a total of 11.5%) of China's SIFIs (Bank of China, the only G-SIFI, and several of the other major banks).

Banks will need to meet these new higher ratios by 2018. They are required to submit a capital plan to CBRC detailing how they will meet the new requirements. See the chart below which depicts the incremental capital requirements mandated by the CBRC to ensure that banks have enough capital buffer to withstand adverse economic conditions. These include the conservation buffer and the counter-cyclical buffer along with an additional 1 percent charge for D-Sifi's.

In addition to these capital adequacy requirements, banks will also have to comply with Pillar 2 of Basel II, which means they will have to develop an ICAAP, and also Pillar 3, which means they will have to make enhanced financial disclosures. Implementation of these two aspects of Basel is likely to be in 2013.

Moving on to 'new' features of Basel III, banks will have to comply with a new 'leverage' ratio covering both on and off-balance sheet items. CBRC has retained from the consultation the proposed tighter ratio of four percent, compared to the Basel Committee's three percent.

Perhaps the major new feature of Basel III, is the new liquidity requirements. The new liquidity coverage ratio (LCR) requires a bank to carry enough high-quality liquid assets to enable it to survive a 30 day stress scenario. The second ratio, the Net Stable Funding Ratio (NSFR), focuses on the one-year time period. At present, it does not seem that Chinese banks will struggle to meet the quantitative requirements but risk management relating to liquidity will likely prove challenging for certain banks. In particular, banks will need to enhance their cashflow monitoring and stress-testing while focusing on behavioural characteristics rather than purely contractual characteristics.

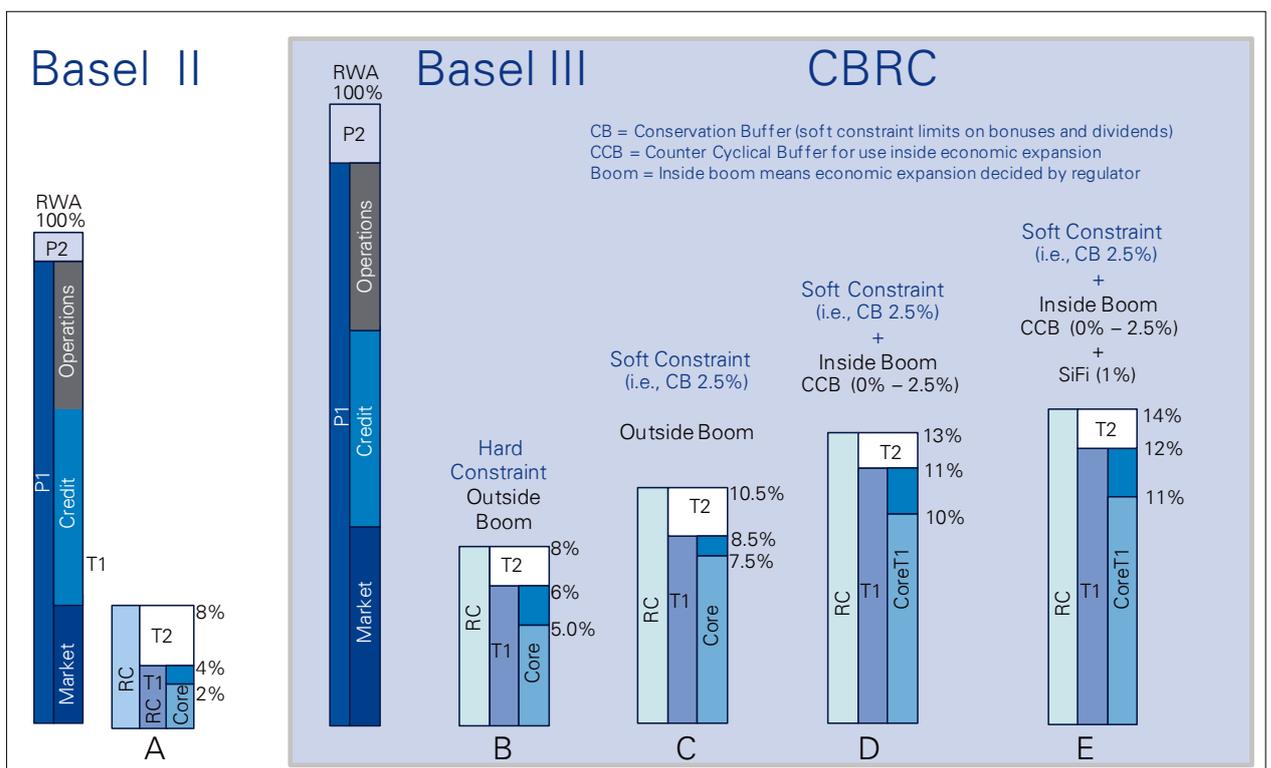


Table 4: Some Differences on Basel III and CBRC Requirements

Topic	Basel III	CBRC
Net stable funding ratio	2018 implementation requirement	Monitoring must start from 2012
Leverage ratio	Tier 1 capital to total assets of 3% will be tested	Plan to introduce a tighter limit of 4%
Common equity tier 1	Increased to 4.5% (after adjustments)	Increased to 5%
Definition of capital/eligible capital	Core elements of capital instead of debt-like substitutes	Rely on common equity/retained reserves as the main source of capital
Minimum total capital	Increased from 8.0% to 10.5% (including conservation buffer)	CARs of SIFI and non-SIFI under normal conditions will be no less than 11.5% and 10.5% respectively.
SIFIs	SIFIs (initially G-SIFIs) to have additional loss absorption capacity and more intense supervision	Six banks are supposed to be designated as SIFIs that will have to meet the more stringent CBRC requirements (still to be decided).
Forward-looking provisioning	Make provisioning more forward-looking and conservative	Early action taken on this, minimum requirement 150% provision cover of NPLs and 2.5% of total loans

Source: KPMG China Analysis

What KPMG can do – Achieving Basel II (and III) compliance

In order to remain competitive in China, banks will need to explore Basel III implementation from a business benefit viewpoint as well as a compliance viewpoint. Benefits could include improvements in regulatory capital calculation and risk management as well as risk-adjusted pricing and risk-adjusted performance management. Forward-thinking institutions in China are increasingly using their Basel II/III programmes to push through organisational changes and implement more advanced risk-based pricing mechanisms such as Risk Adjusted Return on Capital (RAROC) or Economic Capital (EC). On the funding side, banks are increasingly looking at maximising returns through Funds Transfer Pricing (FTP). They realise that only in this way can they remain on top in an ever more competitive banking market where accurately pricing risk is a deeply strategic advantage.

Navigating the complex set of options and requirements for local implementation of Basel II (and III) in China will require institutions to make decisions on:

- Using CBRC revised Standardised or IRB approaches for Credit Risk
- Using Standardised or IMA approaches for Market Risk
- Using Basic Indicator Approach or CBRC Revised Standardised approaches for Operational Risk
- How to comply with all three Pillars of Basel II and new requirements of Basel III?
- How to comply with new local Liquidity and Leverage Ratios?
- How to prepare an Internal Capital Adequacy Assessment Programme (ICAAP) for CBRC?
- How to adopt revised definitions of capital and measure the impact on strategic growth plans in China?
- What are the potential impacts of the new CBRC requirements on provisioning?
- How to submit a full capital analysis and implementation to the CBRC as required by new rules?

KPMG realises that the implementation of Basel II (and III) requires not only investments of time and money but also an experienced and knowledgeable team to carry out implementation. The complex quantitative and qualitative inputs needed for implementation will stretch even the most advanced organisations as many banks' systems, data architecture, organisational structure, and risk management will all need to be restructured into a format that is compliant with Basel guidelines. Therefore, it is critical that institutions start thinking about this now. Foreign institutions may not have a locally based Basel Implementation team, but they may be able to leverage tools and practices from the headquarters. However, will these satisfy local CBRC requirements?

The challenges of implementing Basel II/III in China are clear: more stringent local requirements, localisation of international practices, lack of resources to manage implementation programmes, unfamiliarity with changing regulatory landscape, and lack of historical data. KPMG has a global network of member firms with deep expertise that can help financial intuitions not only overcome the challenges of implementation, but also realise the benefits.

Mobile banking

China's 12th Five-Year Plan has positioned payment infrastructure as one of China's top three priorities for investment. As a result, there has been an acceleration in activity with increased collaboration amongst industry players, significant investment in infrastructure and technology as well as government support. Also with mobile phone usage in China surpassing the one billion mark in the first quarter of 2012,¹⁶ China has become the world's largest mobile phone market. There are unparalleled opportunities for mobile banking services¹⁷ while encouraging financial inclusion.

In recent years, there has been a greater focus on understanding the impact that mobile and tablet technologies could have on the banking industry. As consumers rapidly adopt the capability such devices offer, financial institutions now regard application-based functionality as an essential part of their long-term strategy. Given the dynamics of banking in China and the need to provide access to financial services to people across vast geographies, mobile-based banking services do indeed look set to become a key platform for competition between banks in the coming years. Further supporting this argument, analysts predict that worldwide mobile internet usage will outstrip desktop internet usage by 2014.¹⁸ However, in a number of provinces in China, it is widely recognised that this has already occurred. Market watchers predict that the transaction value of all mobile payments alone will increase from RMB 42.16 billion in 2011 to RMB 214.4 billion by 2016.¹⁹

Trends in mobile banking

Driven by exponential growth in user base, China is rapidly embracing the innovation and technology related to mobile payments. This is advantageous both to the customer and service provider, because the traditional approach to transaction verification includes multiple layers of payment schemes, which tend to be bureaucratic and invoke more risk and costs. Therefore, in order to make mobile banking economically feasible, the parties that are involved in providing this service offering need to find a way to consolidate and simplify the traditional payment processes, thereby cutting costs.²⁰



¹⁶ China Mobile Phone Users Now Top One Billion, 30 March 2012, Forbes

¹⁷ Ministry of Transport, www.moc.gov.cn

¹⁸ Morgan Stanley Research

¹⁹ China Mobile Forecast 27 February 2012, Business Wire

²⁰ A Merchant's View of Card Payments in Asia Pacific, KPMG, August 2011



A key element of mobile banking is that it can add significant value to the service offerings of both banks and mobile service providers. However, mobile banking does come with a number of significant challenges. First and foremost, implementing an effective mobile banking system requires new forms of collaboration between telecoms companies, service providers, banks, credit card companies and increasingly from third party payment providers. In addition to this, the mobile banking needs of the end user need to be tailored to meet the technological specifications, and limitations, of their handsets. Due to a relatively undeveloped SMS mobile banking market, account holders have to rely almost exclusively on the 3G internet services of smartphones. In essence, this means the key users of mobile banking services would be largely limited to the proportion of Chinese consumers who can afford smartphones. Although presently this has created limitations to the reach of mobile banking services, the cost of smartphones is constantly reducing, with the world's third largest smartphone manufacturer announcing the development of a low cost smartphone expected to retail at USD 30.²¹

Another important factor to bear in mind surrounds issues relating to security and privacy. In light of recent media attention being paid to instances of hacking and identity theft, there are concerns around security issues relating to mobile banking. Ensuring consumer protection by mitigating these security risks may prove costly and more worryingly, may complicate the transaction process, which is the main selling point of a technology that is supposed to grant users improved usage, speed and access during payments. Therefore, mobile banking providers must work in cooperation to optimise the advantages of a streamlined, more functional interface, while implementing the necessary security measures that customers demand.

²¹ Huawei's Cheap Deals Pressure Samsung, 19 July 2012, Bloomberg

The mobile ecosystem

Although the demand for mobile services is increasing around the world and the market opportunities are expanding quickly, the consumer business landscape remains fiercely competitive. To mitigate the issues of network complexity and create economies of scale, companies have begun to cooperate in order to provide a more attractive service. This has resulted in the development of a number of strategic alliances, most notably MOBEY and the 'Mobile Payment Industry Alliance.' The Mobile Payment Industry Alliance is led by China UnionPay and includes key global and domestic players, while MOBEY (which has 23 members including RBS, Nokia, and Visa) is a non-profit, global industry-driven forum that encourages the use of mobile technology in financial services. In summary, most companies surveyed in KPMG's 2011 Mobile Payments Outlook report, were of the opinion that it will take between two and four years for mobile payments to move into the mainstream in their primary region of business.

Banks, third party processors and telecommunications companies will be at the forefront of the development of this service offering. The influx and licensing of third party payment providers has been a significant development, with 196 companies potentially causing a huge impact on the value chain of the payment process. While there is the potential for collaboration between the banks and these companies, there is also a competitive element between the two entities as the third party payment providers respond to market demands not met by the bank and drive innovation. As customers in China become comfortable with the latest high-tech features, they will increasingly demand the same level of functionality when interacting with their bank. The value of mobile services is likely to evolve from simple marketing, data access and basic payments, into a core service offering by banks in China. In fact, mobile payments have dramatically increased transaction volume, however, the average transaction value has decreased.

While mobile payments increase the volume of transactions, they have also reduced the average value of transactions. A key benefit to payment providers is a reduction in the associated cost of transactions that are evident in legacy banking systems. However, the margins between such payment methods are beginning to erode as mobile banking forces innovation in back end systems and processes, improving efficiency and reducing cost.

How KPMG can help – developing a strategy that works

China's banking industry is made up of a diverse mix of state and multinational entities covering a population of over 1.3 billion. The range of products and services that these banks provide range from basic deposits and loans through to real-time payments and complex derivatives. Therefore, the strategic landscape for a bank playing in this market will be wrought with pitfalls and opportunities. In this context, strategic planning needs to be dynamic as well as focused on long term objectives, which may include short to medium term investments where the ROI in the first few years will be negative or low. Any strategy must therefore be aligned with an organisation's overall long-term strategic goals while ensuring the sustainability of its China presence.

For any strategy to succeed, it must be flexible and adaptable to this complex and challenging market. Banks need to find a balance between areas of strengths and niches and retain that core focus while at the same time adapting to an ever-changing banking environment.

It is important to improve and bring in new services to meet the changing needs of a diverse client base while also introducing the needed technology and processes to optimise your business. While different banks have different strategic objectives in this environment, with some focusing on retail, SME, corporate, private or retail banking (or a mix thereof) it is important to accurately benchmark yourself against local and multinational competitors and understand the key performance indicators necessary to measure performance and to achieve goals in your lines of business.

KPMG can help banks to:

- Develop a market entry strategy, which may include initial entrance into China or development of a new line of business
- Develop a business strategy to roll out a new line of business or optimise an existing one
- Develop an IT strategy covering areas such as mobile banking, payments and core banking systems
- Synchronise and roll out a marketing strategy, which may include setting up, refining and developing customer relationship management systems and location assessment for new branches or offices
- Perform a benchmarking and market assessment exercise of products, competitors and customers to understand areas for improvement for revenue growth and enhancement

SME Finance

Access to financing has improved substantially in the past few years for small and medium sized enterprises (SME) but securing capital still remains a challenge. The issue is particularly pertinent for small enterprises. In the past year we have seen a number of banks focusing on this sector and, for example, China Minsheng Bank has emerged as a leader in providing finance to SMEs.

Many SMEs in China still largely rely on profit-based funding or alternative financing from other entities and certain non-bank financial institutions, such as trust companies, credit guarantee companies, pawn shops and micro-credit companies, the result of which is a much higher cost of financing than bank loans.

However, the picture for SMEs in China is looking decidedly better. A combination of three factors is setting the foundation to ensure greater access to capital: the changing competitive environment, robust regulatory support for SME lending and the rapid growth of MCCs and credit guarantee companies.

First and foremost is the emerging competitive reality that the SOE market is a market of limited size with limited capital needs. It was recently reported that banks are already experiencing accelerated repayment of loans by large enterprises, most especially SOEs, while also being put under pressure by these same borrowers to offer greater discounts on loans. This situation is unlikely to reverse and is creating pressure to more aggressively expand the scope of lending. This pressure is being felt mostly by the city commercial banks who are increasingly being marginalised in lending to SOEs due to greater competition from the larger banks while also facing the challenge of low Loan to Deposit Ratios (LDR). The average LDR for the 88 city commercial banks that released such figures for 2011 is 56 percent compared to the banking sector average of 70 as per CBRC figures.²² Even within the city commercial banks themselves, this pressure is not being felt evenly as the variance in LDR between them is also significant with a low of 26.9 percent compared to a high of 74.8 percent. While the larger joint stock banks and big five commercial banks are likely to fall under the same pressure in the future, they have far stronger relationships with large SOEs as well as much higher LDRs.

The second key factor is that regulatory efforts to grow SME lending are bearing fruit. Difficulties encountered by SMEs in Wenzhou and the larger Pearl River Delta region in 2010 and 2011, where SMEs saw their credit lines from the banks cut due to the tightening credit environment combined with skyrocketing interest rates on lending from non-bank financial institutions, which triggered cascading bankruptcies of companies in the region, was a stark reminder that financing

²² The calculation of LDR for regulatory reporting purposes differs from our calculation methodology



problems at SMEs can have a macroeconomic impact. The CBRC recognised these risks remarkably fast and reacted quickly to alleviate some of the funding bottlenecks. Specifically, a number of regulations and rules have been released by the CBRC to generate more robust efforts on the part of the banks to lend to SMEs:

1. Preferential risk-weighting calculation for SME loans. When calculating capital adequacy ratio (CAR), banks can apply a 75 percent preferential risk-weighting for qualified SME loans, as laid out under the 'Commercial Bank Capital Management Measures'.
2. Increasing SME-specific tolerance of NPLs for commercial banks. This is a key regulation and in essence gives recognition to the fact that increased lending to SME will generate higher than average NPL growth for banks.
3. Permitting commercial banks to issue financial bonds to fund small and micro enterprise-specific lending. Proceeds from the bond issuance cannot be used to support any other type of loan issuance. Banks which obtain approval to issue these bonds can deduct the corresponding small and micro enterprise-specific loans not exceeding RMB 5 million from their calculation of SME-adjusted LDR.
4. Easing sub-branch batch application procedures for commercial banks with a specified monthly average of small-and-micro-enterprise outstanding loans to the total corporate lending balance and a specified ratio SME credit customers to total corporate credit customers. For coastal provinces in the east of the country and certain cities, the minimum customer ratio should be 70 percent while for other provinces and cities the minimum customer ratio should be 60 percent.
5. Preferential treatment for branch establishment applications for branches specialising in providing financial services to SMEs.
6. Commercial banks shall continue to optimise financial services for SMEs and are encouraged to set up special business units (SBUs) to focus on providing flexible services to small businesses, optimizing loan-issuance processes and procedures while pooling human, credit and IT resources together to serve this particular market.

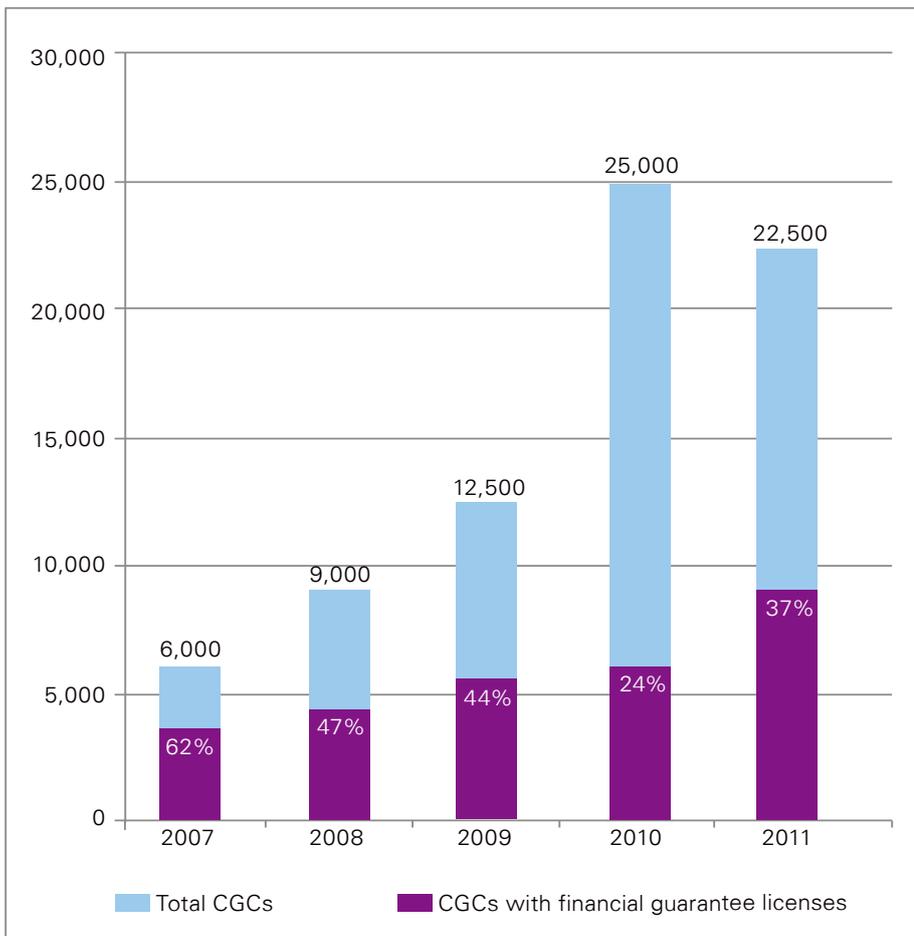


Credit guarantee companies

The rapid growth of the credit guarantee sector is also opening up financing channels for SMEs. The key value of credit guarantee companies (CGCs) guaranteeing SME loans (for which a financial guarantee license is required) is that they grant banks greater flexibility to issue a loan that they otherwise might not. Essentially during the loan issuance process, banks can exercise the option to bring in a credit guarantee company to provide a guarantee; while this increases the cost of funds for the SME in question, the ultimate cost of funding is still competitive in relation to other financing options. As per CBRC regulations though, credit guarantees cannot exceed 50 percent of the benchmark rate, creating a more predictable environment for cost of credit.

At the same time, it is important that banks recognise that while in theory, 100 percent of credit risk is borne by a CGC when they guarantee a loan, in practice loan losses may be shared. During a risk review of operations in the Pearl River Delta region, a major bank identified their credit guaranteed loan portfolio as being a 'high risk' area.²³ However, the spreading of credit risk is ultimately beneficial and encourages banks to engage in a higher volume of lower risk lending to SMEs.

Chart 8: Total number of credit guarantee firms in China



Source: CBRC, MIIT, China National Investment & Guaranty, KPMG research

²³ CCB: Escalate Alert on High Risk Loans, 11 July 2012, Caixin

However, the relationship between a bank and a credit guarantee company can be quite nuanced. The banks want to expand lending to SMEs, but want to avoid the higher credit risk that goes along with that. Therefore, the decision to require a credit guarantee on a loan normally arises during one of two situations. In the first scenario, during the bank's credit rating review process, should a company have a credit score insufficient to meet the internal requirements for a bank loan, the bank will reject the loan application. However, if the proposed borrower is close to an acceptable mark, the bank may offer them the option to engage an approved CGC to purchase a credit guarantee. In the second scenario, if a borrower's collateral is insufficient to meet the loan to value requirements of a bank, the bank may then exercise the option to require the borrower to purchase a credit guarantee. Generally in both of these situations, the banks are often very conscious of the repayment risk of a CGC and will typically restrict their relationships to a limited number of vetted and approved credit guarantee companies. Banks typically set a number of criteria before agreeing to a credit guarantee company becoming a qualified partner for the bank. Some of the criteria banks set in order for a CGC to become a qualified partner of the bank includes:

- Requiring a certain percentage of their investments to be in low risk products
- Having registered capital of at least 100 million RMB up to 300 million RMB
- A history of working with major banks
- Never having experienced a default.

Many banks are also partial to working with state-owned CGC although, according to the CBRC, only 18.7 percent of total CGCs with financial guarantee licenses are state-owned. Regardless, banks should more actively manage risk around loans with credit guarantees and ensure processes are in place to routinely verify the financial strength of their credit guarantee partners.

Beyond the above developments, there has also been an increasing willingness by banks to look at alternative forms of collateral. Certain banking institutions are exploring collateralisation of assets such as intellectual property rights & other intangible assets, equipment, depot bills, bills of lading, receivables, field warehouses and export tax rebate certificates. However, banks are still biased towards the use of land and property as collateral, which is a key bottleneck in the ability of SMEs to secure financing. SMEs, particularly those in the services sector, do not usually possess these asset classes and often lack clear-cut land-use rights to the land on which they operate. This dilemma is particularly apparent for SMEs based in rural areas, as operations usually take place on arable land, which is collectively owned.

The key change that needs to occur is the willingness of banks to lend to SMEs. While existing market-oriented rules will encourage this, it is equally important that banks put in place the appropriate credit risk management processes and procedures along with risk based pricing mechanisms to meet the needs of an SME lending business. The latter point is particularly important. SME lending must be done at rates that reflect the underlying risk. Current SME loans rates can sometimes underrate the associated credit risks and are often offered at a marginal level above the benchmark rate.

According to CBRC figures, as of year-end 2011, loans granted to 'small enterprises' were RMB 10.8 trillion, accounting for 19.6 percent of total lending while the growth rate of new loans to small enterprises saw a 25.8 percent year-on-year increase, which was 10 percentage points higher than total loan growth.

Foreign banks

One of the more notable standouts in terms of performance in this year's banking survey has been locally incorporated foreign banks in China. By most metrics, with certain exceptions such as LDR and cost income ratio, foreign banks have largely outperformed their domestic peers. While still modest as a percentage of total banking assets in China, foreign bank assets now account for 1.95 percent of total banking assets, up from 1.87 percent in 2010. Notably, asset growth for foreign banks from 2010 to 2011 was 24 percent, outpacing the 18 percent average growth of the overall sector. The deposit pressures that have plagued foreign banks in the past also seem to be easing with total deposits increasing 24 percent from 2010 to 2011, although this is down from the 2009 to 2010 figures (44 percent).

Net profit growth, interest income growth, non-interest income growth have all demonstrated strong performance with increases of 109 percent, 57 percent and 27 percent respectively. Interest income growth was driven more by an increase in net interest margin than by loan growth, which was only six percent from 2010 to 2011.²⁴ Operating expense growth has moderated with only a 20 percent increase year on year while the average cost income ratio across the 32 foreign banks which released such information is down from 66 percent in 2010 to 52 percent in 2011. On the strength of these numbers, the sector has largely outperformed other areas of the banking sector.

While there is variance from bank to bank in terms of business model, what is clear is that most foreign banks did well last year and saw profits reach record levels. This was in large part due to net interest income both in terms of volume and margin and improved performance in the global markets and treasury business lines as well as increased activity in bond and foreign exchange trading. Foreign banks have also been actively providing products and services for local Chinese enterprises in relation to their increasing outbound investments and overseas expansion.



²⁴ There was insufficient disclosure around NIM by foreign banks to come up with an average but the few banks that did release NIM information had substantial increases.

**Table 5: Foreign banking establishments in China**

Bank type	Number of institutions	Number of branches	With a RMB license	With a derivatives licence	Licensed to issue RMB financial bonds
Locally incorporated foreign banks	37	245	35	25	5
Branch status banks	77	94	45	25	0
Representative offices	209	n/a	n/a	n/a	n/a

Source: CBRC 2011 Annual Report

In terms of asset quality, total NPLs for the 20 foreign banks that disclosed NPL figures for both years are down nine percent leading to an NPL ratio of 0.24 percent, which is still well below total sector averages.

2011 also marked the end of the grace period for foreign banks to adhere to the 75 percent LDR. Notably, there has been a significant drop in the LDR of foreign banks and according to the CBRC, every foreign lender is in compliance with the 75 percent LDR reported under regulatory requirements.

China is still a challenging environment and increasingly conservative regulation from the CBRC is impacting both foreign and domestic banks alike. In particular, in the newly released CBRC rules on BASEL II/III, it was noted that even non-incorporated foreign bank branches should report pillar 1 RWA in RMB, meaning that branch status foreign banks are expected to follow some of these new requirements. Likewise, despite the remarkably improved performance of foreign banks, they are still under-represented as a percentage of net profits in comparison to their percentage of total banking sector assets; at year end 2011, foreign banks only accounted for 1.4 percent of total sector net profits.

City commercial banks and regional banks

Transparency within the city commercial banking sector has improved in this year's report, with 100 of the 144 city commercial banks disclosing their financial information. Consolidation in the city commercial banking space has also continued at pace into 2011 as they merged and developed into larger provincial and regional banks. Notably, the total number of city commercial banks has reduced from 147 to 144. Total assets of the sector reached RMB 9.98 trillion in 2011, an increase of 27.15 percent over the previous year. This increase in assets has largely been driven by strong deposit and loan growth in the sector.

The number of regional or provincial banks has also continued to grow in line with CBRC objectives. At present, there are at least 22 such banks in operation. These institutions are better capitalised and offering a wider array of financial services. Longjiang Bank is one such example; it was formed from the merger of Qiqihar City Commercial Bank, Mudanjiang City Commercial Bank, Daqing City Commercial Bank and Qitaihe City Credit Union. Other city commercial banks have simply been given regional operating status by local provincial authorities or are newly set up.

Moreover, with increasing asset quality and risk management systems, a growing number of city commercial banks are being granted trans-regional expansion licenses, allowing them to do business outside of their immediate regions. The criteria to get these licenses are quite rigorous and include maintaining a sound record of supervisory ratings and high performance in terms of risk management. On the other hand, the regulators are no doubt cognisant of the risks associated with having a bank purely exposed to the economy of a single city and unable to follow their clients, which explains why the pace of trans-regional has been so rapid. The regulators also noted in the 2011 CBRC Annual Report that a number of city commercial banks have begun to nurture their own brands and corporate culture through the development of innovative products, services and internal procedures. Geographic diversification does to an extent equate to risk diversification. However, rapid branch expansion brings with it certain risks, as shown by the recent incidents of branch frauds at some of the trans-regional branches. Branch expansion beyond city borders must be commensurate with improvements in IT systems and branch management and monitoring systems.





Rural banking

The rural banking sector in China has made rapid progress over the past few years as the development of a fully functional financial services sector in rural areas is a policy goal for the central government and is supported by new regulations brought in by the CBRC. As in previous years, rural commercial banks had particularly high growth rates of 54 percent in terms of total asset growth from year-end 2010 to year-end 2011 according to CBRC figures. This can partially be attributed to growth in numbers of these institutions as they more than doubled from 85 in 2010 to 212 by 2011 year-end. Village and township banks (VTBs) also nearly doubled from 349 to 635. In contrast, the number of rural credit cooperatives dropped from 2,646 to 2,265, which is also consistent with the pattern observed in previous years. These entities are increasingly undergoing a process of consolidation, with many of them being incorporated into rural commercial banks.

The rural financial services market is the most rapidly expanding area within the banking sector. While the term rural is often associated with farming regions, this is something of a misconception. The term in China refers to a political categorisation to separate different county level administrative units from city level ones. Certain counties in China are actually highly developed and home to some of China's most profitable industrial areas and innovative SMEs. For many of these counties, the agricultural sector is only a minor contributor, with the bulk of the local economy based on industry. Hence, rural China covers both highly industrialised areas as well as the countryside. Following the launch in 2006 of three new type financial institutions, microloan companies, rural mutual credit cooperatives and VTBs, there has been a rapid expansion of financial services in rural areas.

Among the new type financial institutions, VTBs have drawn the greatest amount of interest and seen the most rapid expansion as they can operate much like a commercial bank and issue loans, accept deposits and provide a wide variety of financial services. These institutions also face fewer restrictions in setting lending rates as they are capped at a rate as high as four times the central bank's base rate, giving them greater encouragement to price for risk. Moreover, only one VTB is permitted per county, creating a more predictable competitive environment. Not surprisingly, this has drawn the involvement of some of the larger commercial banks, foreign banks and city commercial banks who are keen to expand beyond their city borders. Among some of the





more notable banks to set up such operations are Bank of Inner Mongolia, ANZ, Commonwealth Bank, Bank of Nanjing, Fudian Bank, HSBC, Minsheng Bank, CCB and Standard Chartered.

The roll out of VTBs was given a further boost in 2011 when the CBRC issued The Notice on Adjusting Licensing Policies and Procedures for the Establishment of Village or Township Banks (VTBs), which lowered entry thresholds, but increased supervision of VTBs while requiring them to remain committed to 'granting small loans to diversified small borrowers. According to CBRC numbers, as of 2011 year-end, 726 VTBs have been established, of which 635 have commenced operations. The majority, 60.2 percent, were located in the western and central regions. RMB 62.0 billion of small business loans and RMB 43.2 billion of rural household loans were registered in 2011, making up 80 percent of the total of all loans for new-type rural financial institutions. The total outstanding balance of loans for these institutions stood at RMB 131.6 billion at year-end 2011, an increase of 119 percent.

Conclusion

There are indications that the banking sector is entering a more mature phase of its development, marked by an increasing overseas presence, the roll out of new and innovative services and the rapid adoption of mobile banking apps and online payment systems. While the sector has a long way to go, 2011 has reflected the ability of banks to deal with a more challenging environment. While there are recognised risks within the sector, the government and regulators have actively turned their attention to these risks and are putting in place measures to control NPLs as well as limiting lending to areas regarded as being of higher risk or suffering from over-capacity. The indicators in this market point the banking sector in a direction of sustainable development with well-rounded features. The expansion of mobile banking and the opportunity posed by internationalisation of the RMB bode well for the development of additional revenue sources going forward.

KPMG China is pleased with the changes that have taken place over the past year and the marked increase in transparency across the sector. From our inaugural Mainland China Banking Survey in 2006, which included the financial information for 21 banks, it is testament to the increasing transparency within China's banking industry that 197 banks disclosed their financials for this year's report. We look forward to seeing this number move even higher in the coming years.





Financial Summary (1)¹

		Profit and loss (in RMB million)							
		Net interest income		Non-interest income		Operating expenses		Operating profit before provisions	
No.	Name of bank (ranked by total assets)	2011	2010	2011	2010	2011	2010	2011	2010
1	Industrial and Commercial Bank of China	362,764	303,749	112,450	77,072	173,093	138,346	302,121	242,475
2	China Construction Bank Corporation	304,572	251,500	92,518	71,989	143,635	120,493	253,455	202,996
3	Bank of China	228,064	193,962	100,102	82,855	140,272	121,661	187,894	155,156
4	Agricultural Bank of China	307,199	242,152	70,532	48,266	156,768	127,576	220,963	162,842
5	China Development Bank Corporation	116,455	87,658	970	3,782	26,159	19,212	91,266	72,228
6	Bank of Communications	102,601	84,995	24,355	19,239	49,368	42,001	77,588	62,233
7	China Merchants Bank	76,307	57,076	19,850	14,301	41,194	32,912	54,963	38,465
8	China CITIC Bank Corporation	65,106	48,135	11,842	7,630	28,316	22,547	48,632	33,218
9	Shanghai Pudong Development Bank	61,442	45,204	6,476	4,652	24,661	20,197	43,257	29,659
10	Industrial Bank	50,734	38,032	9,136	5,424	23,422	17,217	36,448	26,239
11	China Minsheng Banking Corporation	64,821	45,873	17,547	8,895	36,707	26,253	45,661	28,515
12	Agricultural Development Bank of China	56,581	37,495	866	362	17,305	14,652	40,142	23,205
13	China Everbright Bank	39,441	30,423	6,632	5,107	18,227	15,058	27,846	20,472
14	Shenzhen Development Bank	25,290	15,829	4,354	2,144	14,362	8,685	15,282	9,288
15	Hua Xia Bank	30,293	22,760	3,251	1,719	16,410	12,239	17,134	12,240
16	The Export-Import Bank of China	10,436	6,006	218	1,671	3,629	2,651	7,025	5,026
17	Bank of Beijing	18,772	14,479	1,956	1,156	6,952	5,837	13,776	9,798
18	China Guangfa Bank	23,709	19,362	4,464	2,596	13,415	10,660	14,758	11,298
19	Bank of Shanghai	13,208	12,203	954	746	6,560	5,517	7,602	7,432
20	Bank of Jiangsu	14,880	10,541	1,644	907	6,691	4,864	9,833	6,584
21	Evergrowing Bank	6,984	5,213	2,445	830	3,009	2,259	6,420	3,784
22	Beijing Rural Commercial Bank	7,371	4,831	2,826	2,121	4,976	3,719	5,221	3,233
23	Chongqing Rural Commercial Bank	10,505	7,501	613	350	4,774	3,910	6,344	3,941
24	China Bohai Bank	3,806	3,143	2,613	797	3,317	2,308	3,102	1,632
25	Shanghai Rural Commercial Bank	8,089	6,060	938	317	4,044	3,203	4,983	3,174
26	China Zheshang Bank	7,679	4,819	774	593	3,741	2,644	4,712	2,768
27	Ping An Bank	6,937	5,438	1,634	928	4,832	3,768	3,739	2,598
28	Bank of Nanjing	6,512	4,622	951	684	2,813	1,959	4,650	3,347
29	Guangzhou Rural Commercial Bank	6,842	5,068	1,214	746	3,085	2,341	4,971	3,473
30	HSBC Bank (China)	6,333	3,315	1,802	1,307	4,181	3,680	3,954	942
31	Bank of Ningbo	6,833	5,115	1,133	797	3,486	2,763	4,480	3,149
32	Huishang Bank Corporation	5,203	4,584	2,493	1,672	2,592	2,229	5,104	4,027
33	Bank of Hangzhou	6,726	4,577	787	439	3,144	2,163	4,369	2,853
34	Bank of Tianjin	4,637	4,010	353	281	2,047	1,561	2,943	2,730
35	Shengjing Bank	5,344	3,548	79	162	1,730	1,265	3,693	2,445
36	Bank of Guangzhou	3,725	2,916	238	423	1,231	973	2,732	2,366
37	Harbin Bank	3,606	2,606	1,773	584	2,253	1,279	3,126	1,911
38	Bank of Dalian	4,682	3,568	576	238	2,325	1,736	2,933	2,070
39	Baoshang Bank	2,057	1,763	3,410	1,505	2,516	1,452	2,951	1,816
40	Bank of Chengdu	4,730	3,559	235	95	1,843	1,299	3,122	2,355
41	The Bank of East Asia (China)	4,006	2,941	610	425	2,548	2,059	2,068	1,307
42	Standard Chartered Bank (China)	4,839	3,672	701	834	4,111	3,843	1,429	663
43	Longjiang Bank Corporation	3,121	1,475	172	208	1,551	856	1,742	827
44	Tianjin Rural Commercial Bank	3,484	1,415	1,374	633	2,053	913	2,805	1,135
45	Hankou Bank	2,817	2,005	716	207	1,361	931	2,172	1,281
46	Foshan Shunde Rural Commercial Bank	4,068	3,129	224	166	1,503	1,203	2,789	2,092
47	Bank of Kunlun	2,013	1,054	321	54	612	226	1,722	882
48	Citibank (China)	2,689	1,305	1,698	1,650	2,480	1,878	1,907	1,077
49	Bank of Chongqing	3,285	2,517	237	213	1,440	1,091	2,082	1,639
50	Bank of Changsha	n/a	2,023	n/a	247	n/a	903	n/a	1,367
51	Bank of Dongguan	2,953	2,083	400	463	1,358	1,047	1,995	1,499
52	Bank of Tokyo-Mitsubishi UFJ (China)	1,825	1,260	1,245	894	1,580	1,281	1,490	873
53	Guangxi Beibu Gulf Bank	1,845	1,112	192	108	865	589	1,172	631
54	Bank of Hebei	2,428	1,789	235	45	1,210	807	1,453	1,027
55	Bank of Jinzhou	3,176	2,137	76	32	1,530	914	1,722	1,255
56	Xiamen International Bank	1,493	978	423	396	898	705	1,018	669
57	Huarong Xiangjiang Bank Corporation	1,430	274	695	77	1,197	198	928	153
58	Bank of Xi'an	2,507	1,679	106	101	877	696	1,736	1,084
59	Hangzhou United Rural Commercial Bank	2,971	2,250	119	50	979	810	2,111	1,490
60	Wuhan Rural Commercial Bank	2,903	2,094	577	428	1,281	1,031	2,199	1,491
61	Bank of Nanchang	2,408	1,383	902	615	1,117	759	2,193	1,239
62	DBS Bank (China)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
63	Guangdong Nanyue Bank	615	922	1,513	146	1,011	567	1,117	501
64	Bank of Suzhou	2,219	1,344	79	51	933	544	1,365	851
65	Fudian Bank	2,182	1,708	100	151	1,183	1,002	1,099	857
66	Bank of Guiyang	1,888	1,442	813	526	1,051	711	1,650	1,257

Profit and loss (in RMB million)

	Charge for bad and doubtful debts		Exceptional and other items		Profit before tax		Net profit after tax		Total assets	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	31,832	27,888	1,311	939	272,311	215,426	208,445	166,025	15,476,868	13,458,622
	32,403	25,641	1,435	1,452	219,107	175,156	169,439	135,031	12,281,834	10,810,317
	19,272	15,564	105	(18)	168,644	142,145	130,319	109,691	11,830,066	10,459,865
	62,100	43,536	1,463	1,304	158,201	120,734	121,956	94,907	11,677,577	10,337,406
	30,235	20,230	(7)	(13)	60,858	51,915	45,607	37,126	6,252,256	5,112,297
	12,479	12,246	555	254	65,451	49,954	50,817	39,172	4,611,177	3,951,593
	8,199	5,570	509	379	47,122	33,343	36,127	25,769	2,794,971	2,402,507
	5,734	4,238	165	726	41,590	28,695	30,844	21,779	2,765,881	2,081,314
	7,159	4,533	82	209	35,839	25,281	27,355	19,179	2,684,694	2,191,411
	2,625	2,221	132	108	33,664	24,005	25,597	18,521	2,408,798	1,849,673
	7,973	5,303	(110)	(35)	37,175	22,976	28,443	17,688	2,229,064	1,823,737
	n/a	14,520	(150)	(71)	9,066	4,952	6,779	3,622	1,953,467	1,750,828
	3,420	3,254	63	130	24,211	17,111	18,085	12,794	1,733,346	1,483,950
	2,136	1,474	124	148	13,257	7,948	10,390	6,247	1,258,177	727,207
	4,666	4,174	3	(20)	12,527	8,008	9,221	5,990	1,244,141	1,040,230
	n/a	n/a	413	287	4,255	3,938	3,135	2,804	1,199,057	887,077
	2,431	1,203	46	(8)	11,397	8,601	8,946	6,806	956,499	733,211
	2,489	2,895	135	114	12,382	8,604	9,586	6,189	918,982	814,390
	1,002	1,905	45	59	6,717	5,739	5,807	5,028	655,800	566,775
	2,252	1,060	251	94	7,818	5,629	5,834	4,185	514,146	430,437
	1,031	962	27	9	5,416	2,831	4,148	2,247	437,289	274,675
	2,139	1,412	35	118	2,859	1,234	2,240	967	377,316	331,397
	555	5	1	-	5,497	3,986	4,248	3,061	344,820	285,546
	n/a	560	27	19	2,465	1,091	1,838	778	312,488	265,086
	n/a	862	1,253	413	4,128	2,726	3,202	2,226	309,927	252,101
	937	611	4	8	3,778	2,165	2,850	1,643	301,858	217,312
	624	374	3	18	3,105	2,243	2,409	1,753	284,206	255,774
	706	503	39	10	3,949	2,839	3,235	2,318	281,792	221,493
	n/a	338	49	33	3,848	3,255	2,900	2,498	273,737	211,469
	(176)	127	5	198	4,121	1,013	3,424	922	269,015	205,620
	636	366	191	165	4,035	2,948	3,254	2,322	260,498	263,274
	597	578	79	53	4,604	3,502	3,493	2,702	256,982	208,976
	1,010	426	18	(39)	3,376	2,386	2,691	1,911	243,937	217,429
	442	525	15	12	2,563	2,010	2,121	1,731	235,360	203,850
	446	127	19	26	3,266	2,345	2,605	1,919	221,170	201,318
	n/a	168	88	8	2,547	2,206	2,051	1,881	205,985	167,147
	866	233	24	35	2,332	1,724	1,725	1,307	203,639	125,825
	642	379	(51)	(15)	2,177	1,649	1,723	1,316	187,893	172,760
	n/a	62	5	1	2,647	1,755	2,094	1,410	181,941	114,844
	195	515	203	211	3,103	2,045	2,404	1,625	181,394	151,320
	n/a	29	115	31	1,774	1,309	1,314	1,004	174,403	153,029
	184	161	(94)	(20)	1,151	482	883	384	173,152	169,023
	228	301	2	-	1,483	491	1,119	377	153,019	83,107
	n/a	n/a	60	18	1,499	199	1,175	125	149,899	133,068
	255	110	29	128	1,938	1,299	1,508	1,017	137,943	111,766
	n/a	n/a	47	131	2,636	2,012	2,062	1,577	137,502	119,949
	n/a	n/a	5	-	1,450	811	1,234	689	130,295	82,604
	202	(54)	4	28	1,681	1,159	1,261	871	127,389	127,400
	183	253	5	10	1,903	1,390	1,463	1,083	127,217	108,239
	213	211	6	-	1,740	1,136	1,420	869	123,769	83,347
	n/a	n/a	(19)	28	1,660	1,294	1,325	1,063	122,623	107,661
	n/a	n/a	10	27	1,379	881	1,049	664	121,112	100,982
	90	42	3	6	1,053	590	786	441	111,161	59,228
	274	328	10	(24)	1,169	664	999	571	106,705	75,783
	287	143	6	(3)	1,420	1,115	1,074	841	106,470	93,712
	n/a	n/a	3	3	789	583	590	538	105,096	70,902
	116	2	104	-	915	151	727	117	104,300	51,465
	98	-	10	3	1,516	1,086	1,107	826	102,353	80,884
	485	395	1	22	1,609	1,102	1,225	840	89,799	78,506
	n/a	404	(1)	9	1,576	1,014	1,112	830	88,674	71,090
	481	203	7	72	1,638	1,060	1,232	767	88,078	64,335
	n/a	n/a	n/a	(262)	708	347	527	263	83,246	61,485
	n/a	n/a	(18)	7	948	396	682	295	83,241	50,207
	59	102	9	2	1,314	774	1,043	611	83,083	55,220
	199	202	30	23	959	679	740	519	83,011	71,277
	168	233	36	5	1,517	1,021	1,156	821	82,066	63,444

Financial Summary (1)²

		Profit and loss (in RMB million)							
		Net interest income		Non-interest income		Operating expenses		Operating profit before provisions	
No.	Name of bank (ranked by total assets)	2011	2010	2011	2010	2011	2010	2011	2010
67	Mizuho Corporate Bank (China)	877	656	361	300	902	760	336	196
68	Sumitomo Mitsui Banking Corporation (China)	1,166	894	433	412	894	767	705	539
69	Jinshang Bank	1,941	1,163	167	66	969	714	1,139	515
70	Bank of Qingdao	2,299	1,506	186	69	1,133	742	1,352	833
71	Hang Seng Bank (China)	882	776	590	284	1,095	916	377	144
72	Nanchong City Commercial Bank	1,453	985	556	170	556	374	1,453	781
73	Bank of Lanzhou	1,572	1,226	474	251	906	621	1,140	856
74	Bank of Zhengzhou	1,588	1,044	616	426	823	601	1,381	869
75	Nanhai Rural Commercial Bank	1,768	1,215	649	482	1,018	802	1,399	895
76	Jiangsu Changshu Rural Commercial Bank	1,820	n/a	167	n/a	n/a	549	n/a	n/a
77	Jiangsu Zhangjiagang Rural Commercial Bank	1,695	1,218	152	131	583	412	1,264	937
78	Xiamen Bank	1,278	599	10	(32)	592	321	696	246
79	Nanyang Commercial Bank (China)	890	719	93	46	708	546	275	219
80	Zhejiang Xiaoshan Rural Cooperative Bank	1,989	1,484	382	408	693	557	1,678	1,335
81	Bank of Wenzhou	2,187	1,568	88	63	1,131	837	1,144	794
82	Bank of Jiujiang	1,235	734	1,354	348	668	438	1,921	644
83	Bank of Luoyang	1,900	1,074	138	50	551	330	1,487	794
84	Zhejiang Chouzhou Commercial Bank	1,996	1,185	267	125	943	622	1,320	688
85	Fujian Haixia Bank	1,887	1,321	43	12	872	553	1,058	780
86	Chongqing Three Gorges Bank	1,079	780	116	77	462	299	733	558
87	Ningbo Yinzhou Rural Cooperative Bank	1,892	1,277	356	342	628	485	1,620	1,134
88	Jiangsu Jinagyin Rural Commercial Bank	1,840	1,593	79	74	521	476	1,398	1,191
89	Weihai City Commercial Bank	1,188	837	338	278	619	483	907	632
90	Bank of Ningxia	2,321	1,608	84	23	921	661	1,484	970
91	Jiangsu Wujiang Rural Commercial Bank	1,643	1,160	67	59	644	485	1,066	734
92	Bank of Yingkou	1,861	1,121	162	21	696	483	1,327	659
93	Bank of Taizhou	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
94	Deutsche Bank (China)	778	286	981	774	1,132	997	627	63
95	OCBC Bank (China)	1,108	465	(112)	13	538	412	458	66
96	Bank of Liuzhou	877	486	198	156	507	296	568	346
97	Chang'an Bank	1,504	934	155	116	713	475	946	575
98	Bank of Anshan	1,444	1,155	246	224	583	462	1,107	917
99	Bank of Ganzhou	724	585	568	208	422	272	870	521
100	Zhejiang Tailong Commercial Bank	2,343	1,697	300	278	1,349	905	1,294	1,070
101	Bank of Inner Mongolia	1,450	924	382	176	839	505	993	595
102	China Resources Bank of Zhuhai	896	279	73	24	486	170	483	133
103	Bank of Weifang	1,471	1,264	289	241	725	604	1,035	901
104	Bank of Liaoyang	1,234	850	152	127	477	373	909	604
105	Panzhuhua City Commercial Bank	1,211	731	133	55	369	239	975	547
106	Guilin Bank	891	551	352	202	504	295	739	458
107	Chinese Mercantile Bank	889	399	108	39	188	99	809	339
108	Qishang Bank	1,717	1,292	79	33	636	506	1,160	819
109	Zhejiang Mintai Commercial Bank	1,408	951	168	100	791	534	785	517
110	First Sino Bank	648	520	268	156	357	262	559	414
111	BNP Paribas (China)	992	587	284	179	544	560	732	206
112	Jiangsu Kunshan Rural Commercial Bank	1,328	875	72	66	407	310	993	631
113	Bank of Rizhao	1,536	1,073	163	87	491	359	1,208	801
114	Bank of Shaoxing	1,072	995	43	36	441	358	674	673
115	Bank of Deyang	1,076	740	36	45	324	233	788	552
116	Ningbo Cixi Rural Cooperative Bank	1,318	987	105	60	n/a	n/a	n/a	n/a
117	Bank of Fuxin	841	465	89	76	376	239	554	302
118	Zhangjiakou City Commercial Bank	1,330	1,058	284	300	611	390	1,003	968
119	United Overseas Bank (China)	462	306	173	171	499	320	136	157
120	Zhejiang Hangzhou Yuhang Rural Cooperative	1,188	838	694	526	1,100	n/a	782	n/a
121	Laishang Bank	1,200	877	208	228	529	406	879	699
122	Bank of Handan	1,012	689	210	78	440	269	782	498
123	JP Morgan Chase Bank (China)	651	390	240	50	443	308	448	132
124	Wing Hang Bank (China)	670	437	9	62	306	260	373	239
125	Australia and New Zealand Bank (China)	400	60	344	77	616	135	128	2
126	Bank of Jiaxing	966	741	31	32	410	311	587	462
127	Bank of Jinhua	798	653	157	136	451	360	504	429
128	Bank of Cangzhou	1,136	784	10	11	522	359	624	436
129	Jiangmen Xinhui Rural Commercial Bank	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
130	Bank of Xingtai	891	591	34	13	339	212	586	392
131	Dongying City Commercial Bank	1,075	772	38	35	382	288	731	519
132	Mianyang City Commercial Bank	639	423	186	147	246	175	579	395

Profit and loss (in RMB million)

	Charge for bad and doubtful debts		Exceptional and other items		Profit before tax		Net profit after tax		Total assets	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	35	10	4	10	303	172	233	131	79,211	62,078
	(28)	28	12	13	745	524	567	389	78,045	64,439
	303	187	1	12	837	340	604	265	77,787	53,500
	n/a	n/a	2	-	967	672	738	515	77,026	62,937
	(26)	110	-	12	400	46	400	46	76,385	58,579
	133	95	9	12	1,331	700	1,058	572	75,755	43,113
	n/a	n/a	13	128	899	431	663	334	75,410	58,828
	n/a	32	(50)	7	1,224	828	958	629	72,485	57,727
	258	801	163	137	944	211	656	116	71,904	64,936
	353	145	54	10	962	687	785	562	71,648	52,089
	170	112	15	4	1,103	829	923	685	70,246	52,690
	178	47	20	4	534	195	378	136	70,081	52,896
	n/a	n/a	(4)	13	198	224	154	161	67,367	49,135
	n/a	259	(78)	(17)	1,299	1,059	1,010	821	66,296	59,268
	270	139	(8)	(13)	866	641	645	495	65,652	51,371
	283	85	29	1	1,667	560	1,318	462	64,180	41,450
	264	79	12	1	1,246	708	963	568	62,199	43,357
	317	n/a	2	7	1,005	639	755	480	62,062	52,476
	159	57	2	3	901	724	753	600	61,790	53,348
	63	52	34	5	705	512	533	377	60,422	45,555
	n/a	n/a	(92)	(36)	1,298	998	975	760	56,820	48,926
	306	122	19	8	1,111	1,077	897	861	56,327	52,820
	225	165	(14)	-	661	460	500	345	56,276	51,972
	388	100	16	7	1,156	873	880	670	55,984	44,455
	n/a	n/a	15	20	991	683	768	544	54,003	40,002
	n/a	n/a	61	54	1,313	627	972	456	53,660	43,176
	280	99	6	3	1,733	1,439	1,313	1,088	53,340	47,819
	n/a	5	4	7	637	65	483	46	52,479	37,199
	n/a	(28)	1	4	456	98	341	55	52,320	34,031
	39	40	7	(2)	536	304	405	230	51,733	23,971
	n/a	133	3	2	660	387	511	304	51,230	32,438
	303	142	(7)	(3)	739	685	580	513	48,936	41,074
	58	73	19	15	831	486	646	384	48,166	32,921
	263	68	(3)	2	1,028	1,004	772	753	47,831	36,748
	n/a	n/a	21	(5)	800	538	598	394	46,938	31,037
	89	13	29	-	416	136	302	106	46,331	16,560
	n/a	138	(7)	4	845	767	638	572	46,200	40,325
	n/a	n/a	3	2	811	499	519	370	44,883	32,866
	246	50	1	(1)	730	496	548	368	44,439	31,261
	n/a	n/a	11	-	615	416	462	313	42,731	25,563
	n/a	n/a	1	3	687	238	515	184	42,440	21,650
	223	196	4	2	908	625	683	473	41,826	36,619
	n/a	n/a	10	(3)	603	440	423	323	41,748	33,156
	173	20	5	11	391	405	312	307	40,577	28,737
	(10)	36	7	36	749	206	553	156	40,145	36,019
	n/a	n/a	(62)	8	621	483	478	373	39,798	30,756
	n/a	183	(3)	4	1,067	622	812	482	39,489	37,689
	6	150	(3)	8	665	531	531	416	39,051	35,838
	220	n/a	2	(8)	563	455	572	367	37,279	31,651
	n/a	n/a	11	(9)	772	597	593	459	36,313	31,257
	179	121	-	(1)	375	180	281	126	36,165	22,340
	104	368	20	-	927	605	697	457	35,833	32,287
	4	39	(8)	8	123	126	95	93	35,269	22,762
	n/a	n/a	(18)	(16)	546	459	429	373	34,968	30,674
	69	54	9	7	819	652	600	494	34,814	25,324
	150	119	-	1	632	369	474	285	31,689	25,311
	82	38	2	12	406	105	297	70	29,784	20,209
	73	42	-	4	297	201	226	160	29,772	19,343
	38	(10)	44	16	134	28	104	19	29,206	22,723
	n/a	n/a	(4)	1	446	345	345	267	28,772	23,409
	n/a	n/a	(1)	-	395	389	301	312	28,496	23,804
	71	25	1	(2)	554	386	416	293	27,933	23,271
	210	n/a	n/a	n/a	n/a	n/a	n/a	n/a	27,722	22,935
	340	250	1	-	246	142	184	106	27,583	16,776
	n/a	n/a	3	-	572	446	429	336	25,745	25,811
	n/a	-	(1)	(13)	478	382	369	382	23,384	21,149

Financial Summary (1)³

		Profit and loss (in RMB million)							
		Net interest income		Non-interest income		Operating expenses		Operating profit before provisions	
No.	Name of bank (ranked by total assets)	2011	2010	2011	2010	2011	2010	2011	2010
133	The Royal Bank of Scotland (China)	507	345	201	257	773	809	(65)	(207)
134	Bank of Dandong	n/a	423	n/a	38	n/a	201	n/a	260
135	Jincheng Bank	666	548	40	14	238	182	468	380
136	Bank of Huzhou	748	546	144	96	331	257	561	385
137	Societe Generale (China)	499	332	211	71	643	427	67	(24)
138	Jiangsu Hai'an Rural Commercial Bank	828	561	77	56	250	206	655	411
139	Bank of Chengde	682	571	139	86	230	168	591	489
140	Jiangsu Xinghua Rural Commercial Bank	602	n/a	565	305	677	n/a	490	n/a
141	Wuhu Yangzi Rural Commercial Bank	561	271	111	57	256	138	416	190
142	Ningxia Yellow River Rural Commercial Bank	747	647	196	154	285	231	658	570
143	Jiangsu Taicang Rural Commercial Bank	694	535	23	21	266	210	451	346
144	Bank of Shizuishan	721	373	164	66	254	155	631	284
145	Bank of Jining	955	489	52	35	330	208	677	316
146	Zhejiang Wenling Rural Cooperative Bank	862	738	51	42	323	261	590	519
147	Credit Agricole Corporate and Investment Bank (China)	288	199	207	95	202	177	293	117
148	Guangdong Huaxing Bank	116	-	3	-	74	-	45	-
149	Jiangmen Ronghe Rural Commercial Bank	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
150	Hana Bank (China)	438	288	15	11	224	195	229	104
151	Woori Bank (China)	405	306	115	93	261	216	259	183
152	Bangkok Bank (China)	336	189	(94)	(74)	164	154	78	(39)
153	Jiangsu Jiangyan Rural Commercial Bank	608	456	64	50	212	170	460	336
154	Zhejiang Nanxun Rural Commercial Bank	725	510	44	32	226	159	543	383
155	Hengshui Commercial Bank	466	-	112	n/a	212	-	366	n/a
156	Jiangsu Jiangdu Rural Commercial Bank	502	361	106	87	227	163	381	285
157	Rural Commercial Bank of Nanan Fujian	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
158	Bank of Xinxiang	620	520	68	54	227	157	461	417
159	Jiaozuo City Commercial Bank	375	284	149	113	170	149	354	248
160	Hunan Liuyang Rural Commercial Bank	545	412	105	82	n/a	n/a	n/a	n/a
161	Jilin Jiutai Rural Commercial Bank	n/a	313	n/a	64	n/a	180	n/a	197
162	Fujian Fuzhou Rural Commercial Bank	300	203	386	n/a	n/a	n/a	n/a	n/a
163	Qujing City Commercial Bank	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
164	CITIC Bank International (China)	227	146	(7)	9	103	86	117	69
165	Bank of Xuchang	447	276	64	50	212	162	299	164
166	Liangshan Prefecture Commercial Bank	323	205	46	36	128	94	241	147
167	Panzhuhua Rural Commercial Bank	351	256	16	8	170	121	197	143
168	Shinhan Bank (China)	276	202	(3)	6	213	173	60	35
169	Yuxi City Commercial Bank	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
170	Jiangsu Sheyang Rural Commercial Bank	423	284	36	21	219	126	240	179
171	Zhumadian City Commercial Bank	469	332	52	41	176	114	345	259
172	Fujian Putian Rural Commercial Bank	444	263	10	8	215	143	239	128
173	KEB Bank (China)	254	148	20	16	170	144	104	20
174	Bank of Xinyang	615	324	(128)	(15)	225	143	262	166
175	Luzhou Commercial Bank	278	163	37	21	101	83	214	101
176	Industrial Bank of Korea (China)	207	168	82	60	154	103	135	125
177	Bank of Anyang	225	119	41	62	115	84	151	97
178	Sanmenxia City Commercial Bank	268	158	12	8	114	66	166	100
179	Zigong City Commercial Bank	260	168	21	29	95	62	186	135
180	Zaozhuang City Commercial Bank	365	250	7	9	122	89	250	170
181	Jiaojiang Rural Cooperative Bank	363	287	5	5	137	116	231	176
182	Anhui Tongcheng Rural Cooperative Bank	304	190	22	12	129	87	197	115
183	Dah Sing Bank (China)	183	97	2	13	125	86	60	24
184	Guangdong Jieyang Rural Commercial Bank	382	312	7	3	192	154	197	161
185	Anhui Shucheng Rural Cooperative Bank	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
186	Feixi Rural Commercial Bank	255	177	5	3	114	83	146	97
187	Morgan Stanley Bank International (China)	77	60	79	88	76	75	80	73
188	Bank of Hebi	206	162	22	13	66	49	162	126
189	Jingdezhen City Commercial Bank	466	88	32	13	198	49	300	52
190	Zhejiang Tiantai Rural Cooperative Bank	289	218	2	2	178	134	113	86
191	Dazhou City Commercial Bank	191	109	3	2	96	68	98	43
192	East West Bank (China)	105	59	(16)	(15)	53	54	36	(10)
193	Hunan Yizhang Rural Commercial Bank	150	108	8	5	68	61	90	52
194	Wuxi Rural Commercial Bank	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
195	Hefei Science&Technical Rural Commercial Bank	n/a	418	n/a	152	n/a	262	n/a	308
196	Jiangsu Dafeng Rural Commercial Bank	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
197	Anhui Qianshan Rural Commercial Bank	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Profit and loss (in RMB million)										
	Charge for bad and doubtful debts		Exceptional and other items		Profit before tax		Net profit after tax		Total assets	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	9	21	236	401	162	173	127	128	23,043	28,407
	97	62	79	5	339	202	237	142	22,925	17,172
	n/a	71	-	(1)	383	309	282	234	22,837	21,851
	n/a	n/a	2	-	456	312	348	239	22,822	18,784
	(42)	54	2	23	71	(59)	63	23	22,385	17,739
	n/a	n/a	(42)	(12)	465	259	324	207	21,631	17,951
	72	73	6	-	526	416	421	327	21,213	16,592
	235	n/a	(4)	n/a	249	n/a	164	136	19,619	15,150
	n/a	n/a	4	1	274	142	218	116	19,605	13,576
	157	245	(1)	6	505	331	395	259	18,879	13,795
	139	119	10	1	330	234	243	185	18,448	15,857
	n/a	52	2	(3)	510	238	364	184	18,092	13,532
	300	73	9	6	386	249	297	186	17,875	14,451
	126	142	(4)	(7)	459	370	364	268	17,434	15,196
	30	20	6	6	269	103	204	51	17,380	16,831
	37	-	-	-	8	-	8	-	16,600	-
	n/a	n/a	n/a	n/a	331	146	248	128	15,991	13,069
	n/a	7	2	-	235	97	177	73	15,889	12,560
	153	2	4	1	84	213	61	156	15,763	12,923
	n/a	n/a	8	9	93	(57)	68	(45)	15,731	9,599
	231	205	(1)	(9)	228	122	120	82	15,097	12,073
	130	n/a	(4)	(4)	409	357	311	271	15,088	12,458
	-	-	(13)	186	353	186	307	156	15,084	14,052
	n/a	n/a	(19)	(20)	155	101	114	55	14,207	12,096
	105	n/a	284	204	284	204	212	151	14,170	11,939
	n/a	n/a	(1)	(1)	326	307	214	202	13,960	11,620
	192	n/a	1	(13)	158	112	105	67	13,679	13,043
	-	-	4	6	378	241	272	177	13,139	11,077
	n/a	21	n/a	(3)	291	173	222	131	12,947	9,071
	89	51	24	27	154	92	101	71	12,881	9,667
	n/a	n/a	5	n/a	160	n/a	109	n/a	12,577	n/a
	22	10	-	1	95	59	74	44	11,866	6,907
	10	23	2	18	286	158	214	112	11,734	9,207
	10	n/a	(2)	(1)	217	150	158	112	10,763	9,278
	n/a	n/a	4	2	153	81	103	48	10,603	6,673
	-	16	1	-	61	28	41	16	10,393	9,898
	30	27	1	n/a	108	70	83	53	10,230	8,435
	n/a	n/a	(5)	(5)	162	119	127	82	9,960	7,681
	n/a	n/a	(3)	6	234	175	175	110	9,619	7,493
	50	n/a	(2)	(10)	143	27	110	16	9,030	6,807
	n/a	n/a	13	4	129	20	96	12	8,836	7,501
	110	14	-	(4)	147	148	109	95	8,351	6,428
	80	67	2	-	136	34	90	21	8,340	5,739
	8	-	15	1	142	126	105	93	8,308	6,879
	34	n/a	(4)	(1)	113	65	85	47	8,279	6,835
	40	34	21	-	142	66	106	49	7,954	5,226
	31	n/a	-	-	155	122	116	91	7,423	5,370
	93	42	1	-	157	128	99	87	7,322	6,537
	n/a	n/a	(10)	(9)	151	120	113	80	7,087	6,111
	60	51	-	1	132	56	84	40	7,004	5,528
	56	4	n/a	n/a	4	20	1	15	6,736	5,447
	80	50	(1)	(1)	115	113	84	85	6,663	5,405
	n/a	n/a	-	-	69	41	32	31	6,614	5,272
	76	38	1	-	70	55	45	32	6,093	4,470
	7	-	-	1	72	74	55	58	5,669	4,757
	46	26	-	-	112	100	85	76	5,496	5,113
	n/a	n/a	(6)	(1)	256	36	192	28	5,240	3,871
	n/a	n/a	(15)	(5)	98	81	71	59	4,862	3,827
	n/a	n/a	-	3	53	31	39	23	4,351	3,445
	(33)	157	-	-	69	(167)	69	(167)	4,133	2,756
	39	36	-	1	62	17	40	14	3,121	2,522
	n/a	n/a	(22)	19	944	718	730	560	n/a	45,876
	78	35	2	18	333	291	260	220	n/a	22,707
	n/a	n/a	(24)	n/a	246	n/a	205	n/a	n/a	n/a
	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Financial Summary (2)¹

		Size and strength measures (in RMB million)							
		Gross advances to customers		Provisions against customer advances		Total deposits from customers		Total equity	
No.	Name of bank (ranked by total assets)	2011	2010	2011	2010	2011	2010	2011	2010
1	Industrial and Commercial Bank of China	7,788,897	6,790,506	194,878	167,134	12,261,219	11,145,557	957,823	821,657
2	China Construction Bank Corporation	6,496,411	5,669,128	171,217	143,102	9,987,450	9,075,369	816,661	700,905
3	Bank of China	6,342,814	5,660,621	139,676	122,856	8,817,961	7,733,537	755,894	676,150
4	Agricultural Bank of China	5,628,705	4,956,741	229,842	168,733	9,622,026	8,887,905	649,788	542,236
5	China Development Bank Corporation	5,525,872	4,509,689	122,890	94,146	446,640	406,134	445,250	402,541
6	Bank of Communications	2,561,750	2,236,927	56,365	46,437	3,283,232	2,867,847	272,788	223,657
7	China Merchants Bank	1,641,075	1,431,451	36,704	29,291	2,220,060	1,897,178	165,010	134,006
8	China CITIC Bank Corporation	1,434,037	1,264,245	23,258	18,219	1,968,051	1,730,816	178,781	124,538
9	Shanghai Pudong Development Bank	1,331,436	1,146,489	29,112	22,376	1,851,055	1,640,460	149,543	123,280
10	Industrial Bank	983,254	854,339	14,314	11,771	1,345,279	1,132,767	116,078	91,995
11	China Minsheng Banking Corporation	1,205,221	1,057,571	26,936	19,848	1,644,738	1,417,877	134,110	105,257
12	Agricultural Development Bank of China	1,875,550	1,671,065	44,401	29,250	367,524	339,549	35,513	28,735
13	China Everbright Bank	889,825	778,828	21,043	18,273	1,178,800	1,029,711	96,150	81,463
14	Shenzhen Development Bank	620,642	407,391	10,566	6,425	850,845	562,912	75,381	33,198
15	Hua Xia Bank	611,463	527,937	17,259	13,073	896,024	767,622	63,930	35,496
16	The Export-Import Bank of China	n/a	n/a	n/a	n/a	57,706	55,235	16,133	12,847
17	Bank of Beijing	405,610	334,732	9,533	7,129	614,241	557,724	50,434	42,567
18	China Guangfa Bank	540,163	466,839	16,718	15,387	742,538	628,858	52,706	42,882
19	Bank of Shanghai	334,599	298,436	9,075	8,347	466,764	409,522	35,276	29,487
20	Bank of Jiangsu	290,825	239,530	7,400	5,326	434,278	362,631	27,812	22,692
21	Evergrowing Bank	144,655	120,154	2,549	1,505	202,686	172,420	20,089	15,361
22	Beijing Rural Commercial Bank	169,385	139,180	9,207	7,250	336,071	297,007	16,268	12,811
23	Chongqing Rural Commercial Bank	144,097	121,025	5,275	3,911	246,141	205,563	28,011	22,430
24	China Bohai Bank	112,547	92,432	1,915	1,400	162,043	134,318	16,509	9,416
25	Shanghai Rural Commercial Bank	167,255	141,742	4,975	2,956	247,548	211,834	25,066	23,226
26	China Zheshang Bank	148,985	112,954	2,559	1,622	214,682	156,809	20,686	17,816
27	Ping An Bank	150,740	130,798	1,648	1,125	210,260	182,118	18,246	15,681
28	Bank of Nanjing	102,805	83,892	2,601	1,902	166,424	139,724	21,804	18,970
29	Guangzhou Rural Commercial Bank	121,416	108,026	2,517	1,339	212,517	178,334	21,426	13,989
30	HSBC Bank (China)	111,369	94,757	197	373	156,546	143,116	19,478	13,055
31	Bank of Ningbo	122,745	101,574	2,003	1,380	176,737	145,828	18,714	15,877
32	Huishang Bank Corporation	137,413	117,034	3,490	2,976	203,580	159,582	17,084	14,357
33	Bank of Hangzhou	126,846	106,508	2,687	1,677	181,840	152,317	14,379	11,938
34	Bank of Tianjin	96,064	78,436	3,125	2,672	164,725	153,452	14,322	10,913
35	Shengjing Bank	98,372	82,942	1,610	1,251	171,474	132,507	11,482	7,122
36	Bank of Guangzhou	72,532	62,643	725	445	127,508	116,638	11,372	10,226
37	Harbin Bank	65,439	54,025	1,466	824	145,962	112,892	11,530	5,244
38	Bank of Dalian	86,113	72,651	2,462	1,821	137,304	142,794	9,052	7,251
39	Baoshang Bank	48,441	34,993	700	384	117,068	94,216	15,969	6,920
40	Bank of Chengdu	80,636	67,899	2,161	1,793	134,799	122,480	10,948	9,013
41	The Bank of East Asia (China)	95,982	91,595	643	249	139,480	117,885	13,383	12,027
42	Standard Chartered Bank (China)	94,495	96,192	520	399	124,973	123,311	14,387	11,378
43	Longjiang Bank Corporation	25,646	20,040	514	305	93,373	66,676	6,362	4,104
44	Tianjin Rural Commercial Bank	77,091	65,441	3,179	n/a	121,600	110,871	9,731	8,232
45	Hankou Bank	47,800	37,707	988	741	91,728	85,616	8,148	6,478
46	Foshan Shunde Rural Commercial Bank	71,616	61,408	1,881	1,683	106,851	101,408	11,167	9,532
47	Bank of Kunlun	20,995	12,000	402	125	74,224	57,056	12,786	6,504
48	Citibank (China)	56,673	49,558	513	323	87,096	91,398	9,147	7,759
49	Bank of Chongqing	64,022	52,968	1,197	1,013	89,307	73,856	6,388	4,991
50	Bank of Changsha	41,171	34,081	1,094	976	87,215	69,203	5,836	4,577
51	Bank of Dongguan	48,001	39,782	1,223	956	80,054	70,017	7,642	4,962
52	Bank of Tokyo-Mitsubishi UFJ (China)	63,075	56,828	370	252	92,048	67,899	11,704	10,512
53	Guangxi Beibu Gulf Bank	23,447	17,389	462	372	45,685	34,336	4,748	4,167
54	Bank of Hebei	39,071	32,838	967	698	73,789	67,791	4,453	3,714
55	Bank of Jinzhou	51,779	40,854	1,124	852	81,494	78,897	9,741	8,612
56	Xiamen International Bank	n/a	n/a	n/a	n/a	72,076	55,313	3,881	3,332
57	Huarong Xiangjiang Bank Corporation	29,392	21,221	295	179	54,647	40,546	5,811	4,233
58	Bank of Xi'an	44,613	37,759	1,213	951	76,434	63,123	5,245	4,463
59	Hangzhou United Rural Commercial Bank	50,424	44,475	2,119	1,633	68,141	63,890	7,915	6,818
60	Wuhan Rural Commercial Bank	53,103	41,987	2,121	1,603	77,865	62,645	5,939	4,925
61	Bank of Nanchang	33,999	27,861	1,158	835	72,252	54,136	5,926	4,857
62	DBS Bank (China)	40,054	32,317	399	442	57,339	41,296	5,287	4,742
63	Guangdong Nanyue Bank	24,755	18,768	373	222	52,000	40,602	4,948	3,554
64	Bank of Suzhou	32,012	23,518	830	778	52,885	38,415	13,733	13,028
65	Fudian Bank	42,430	36,333	1,403	1,204	61,667	49,529	5,557	3,529
66	Bank of Guiyang	38,079	31,379	1,573	1,403	71,524	57,723	5,339	3,734

Size and strength measures (in RMB million)										
	Capital adequacy ratio		Liquidity ratio		Net loan/deposit ratio		Non-interest income/total operating income		Net interest income/total assets	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	13.17%	12.27%	27.60%	31.80%	61.94%	59.43%	23.66%	20.24%	2.34%	2.26%
	13.68%	12.68%	53.70%	51.96%	63.33%	60.89%	23.30%	22.25%	2.48%	2.33%
	12.97%	12.58%	47.00%	43.20%	70.35%	71.61%	30.50%	29.93%	1.93%	1.85%
	11.94%	11.59%	40.18%	38.36%	56.11%	53.87%	18.67%	16.62%	2.63%	2.34%
	10.78%	10.87%	n/a	n/a	1,209.70%	1,087.21%	0.83%	4.14%	1.86%	1.71%
	12.44%	12.36%	35.37%	32.23%	76.31%	76.38%	19.18%	18.46%	2.23%	2.15%
	11.53%	11.47%	44.28%	37.04%	72.27%	73.91%	20.64%	20.04%	2.73%	2.38%
	12.27%	11.31%	58.97%	56.75%	71.68%	71.99%	15.39%	13.68%	2.35%	2.31%
	12.70%	12.02%	42.80%	40.28%	70.36%	68.52%	9.54%	9.33%	2.29%	2.06%
	11.04%	11.29%	30.71%	38.45%	72.03%	74.38%	15.26%	12.48%	2.11%	2.06%
	10.86%	10.44%	40.90%	33.24%	71.64%	73.19%	21.30%	16.24%	2.91%	2.52%
	n/a	n/a	n/a	n/a	n/a	483.53%	1.51%	0.96%	2.90%	2.14%
	10.57%	11.02%	37.67%	45.63%	73.70%	73.86%	14.39%	14.37%	2.28%	2.05%
	11.51%	10.19%	51.93%	52.52%	71.70%	71.23%	14.69%	11.93%	2.01%	2.18%
	11.68%	10.58%	39.39%	38.10%	66.32%	67.07%	9.69%	7.02%	2.43%	2.19%
	n/a	n/a	n/a	n/a	n/a	n/a	2.05%	21.77%	0.87%	0.68%
	12.06%	12.62%	33.64%	37.71%	64.48%	58.74%	9.44%	7.39%	1.96%	1.97%
	11.10%	11.02%	48.22%	55.61%	70.49%	71.79%	15.84%	11.82%	2.58%	2.38%
	11.75%	10.70%	40.65%	35.21%	69.74%	70.84%	6.74%	5.76%	2.01%	2.15%
	12.82%	11.82%	44.71%	42.22%	65.26%	64.58%	9.95%	7.92%	2.89%	2.45%
	11.41%	11.08%	41.44%	69.13%	70.11%	68.81%	25.93%	13.73%	1.60%	1.90%
	14.87%	14.06%	50.45%	53.41%	47.66%	44.42%	27.71%	30.51%	1.95%	1.46%
	14.90%	16.31%	n/a	n/a	56.40%	56.97%	5.51%	4.46%	3.05%	2.63%
	11.77%	10.91%	39.26%	35.01%	68.27%	67.77%	40.71%	20.23%	1.22%	1.19%
	16.12%	17.23%	36.77%	41.26%	65.55%	65.52%	10.39%	4.97%	2.61%	2.40%
	13.94%	15.44%	32.46%	35.11%	68.21%	71.00%	9.16%	10.96%	2.54%	2.22%
	11.10%	10.96%	n/a	n/a	70.91%	71.20%	19.06%	14.58%	2.44%	2.13%
	14.96%	14.63%	39.21%	40.24%	60.21%	58.68%	12.74%	12.89%	2.31%	2.09%
	13.92%	11.00%	n/a	n/a	55.95%	59.82%	15.07%	12.83%	2.50%	2.40%
	14.00%	12.10%	n/a	n/a	71.02%	65.95%	22.15%	28.28%	2.35%	1.61%
	15.36%	16.20%	52.19%	46.90%	68.32%	68.71%	14.22%	13.48%	2.62%	1.94%
	14.68%	12.06%	38.48%	35.81%	65.78%	71.47%	32.39%	26.73%	2.02%	2.19%
	12.21%	11.73%	45.42%	51.50%	68.28%	68.82%	10.48%	8.75%	2.76%	2.11%
	11.33%	11.30%	41.92%	49.29%	56.42%	49.37%	7.07%	6.55%	1.97%	1.97%
	n/a	n/a	n/a	n/a	56.43%	61.65%	1.46%	4.37%	2.42%	1.76%
	12.13%	12.70%	59.57%	73.39%	56.32%	53.33%	6.01%	12.67%	1.81%	1.74%
	n/a	11.57%	n/a	47.85%	43.83%	47.13%	32.96%	18.31%	1.77%	2.07%
	11.57%	12.02%	34.98%	40.57%	60.92%	49.60%	10.95%	6.25%	2.49%	2.07%
	14.36%	11.34%	37.08%	55.30%	40.78%	36.73%	62.37%	46.05%	1.13%	1.54%
	15.22%	13.14%	43.71%	41.55%	58.22%	53.97%	4.73%	2.60%	2.61%	2.35%
	13.27%	12.62%	55.82%	63.30%	68.35%	77.49%	13.21%	12.63%	2.30%	1.92%
	12.80%	11.20%	n/a	n/a	75.20%	77.68%	12.65%	18.51%	2.79%	2.17%
	12.05%	12.47%	36.82%	57.66%	26.92%	29.60%	5.22%	12.36%	2.04%	1.77%
	10.93%	10.80%	46.27%	27.00%	60.78%	n/a	28.28%	30.91%	2.32%	1.06%
	11.04%	12.01%	60.06%	48.78%	51.03%	43.18%	20.27%	9.36%	2.04%	1.79%
	16.41%	15.65%	31.01%	46.93%	65.26%	58.90%	5.22%	5.04%	2.96%	2.61%
	19.18%	17.16%	75.66%	58.30%	27.74%	20.81%	13.75%	4.87%	1.54%	1.28%
	14.09%	14.20%	n/a	n/a	64.48%	53.87%	38.71%	55.84%	2.11%	1.02%
	11.96%	12.41%	42.98%	45.43%	70.35%	70.35%	6.73%	7.80%	2.58%	2.33%
	13.02%	13.44%	50.78%	50.45%	45.95%	47.84%	n/a	10.88%	n/a	2.43%
	13.74%	11.70%	64.93%	38.26%	58.43%	55.45%	11.93%	18.19%	2.41%	1.93%
	n/a	n/a	49.89%	52.66%	68.12%	83.32%	40.55%	41.50%	1.51%	1.25%
	14.01%	16.99%	51.29%	48.02%	50.31%	49.56%	9.43%	8.85%	1.66%	1.88%
	12.19%	13.15%	55.97%	51.52%	51.64%	47.41%	8.82%	2.45%	2.28%	2.36%
	14.01%	14.71%	47.25%	66.29%	62.16%	50.70%	2.34%	1.48%	2.98%	2.28%
	n/a	n/a	n/a	n/a	n/a	n/a	22.08%	28.82%	1.42%	1.38%
	11.54%	13.78%	38.00%	35.09%	53.25%	51.90%	32.71%	21.94%	1.37%	0.53%
	14.12%	16.52%	46.47%	47.35%	56.78%	58.31%	4.06%	5.67%	2.45%	2.08%
	13.14%	13.93%	n/a	n/a	70.89%	67.06%	3.85%	2.17%	3.31%	2.87%
	11.62%	13.02%	34.89%	31.52%	65.47%	64.46%	16.58%	16.97%	3.27%	2.95%
	13.63%	12.65%	49.58%	49.42%	45.45%	49.92%	27.25%	30.78%	2.73%	2.15%
	13.60%	15.10%	100.30%	116.50%	69.16%	77.19%	n/a	9.30%	n/a	n/a
	10.58%	12.03%	68.57%	62.51%	46.89%	45.68%	71.10%	13.67%	0.74%	1.84%
	24.86%	40.35%	63.75%	80.97%	58.96%	59.20%	3.44%	3.66%	2.67%	2.43%
	14.27%	12.24%	38.26%	34.83%	66.53%	70.93%	4.38%	8.12%	2.63%	2.40%
	13.42%	14.88%	48.48%	49.79%	51.04%	51.93%	30.10%	26.73%	2.30%	2.27%

Financial Summary (2)²

		Size and strength measures (in RMB million)							
		Gross advances to customers		Provisions against customer advances		Total deposits from customers		Total equity	
No.	Name of bank (ranked by total assets)	2011	2010	2011	2010	2011	2010	2011	2010
67	Mizuho Corporate Bank (China)	36,960	31,606	439	404	61,224	42,741	7,767	7,521
68	Sumitomo Mitsui Banking Corporation (China)	28,943	32,733	91	406	56,444	42,644	9,556	9,011
69	Jinshang Bank	27,368	22,557	837	534	57,755	42,673	5,276	3,082
70	Bank of Qingdao	34,290	27,718	1,007	682	60,244	49,539	6,958	4,145
71	Hang Seng Bank (China)	36,039	30,787	208	347	31,942	29,293	5,023	4,511
72	Nanchong City Commercial Bank	15,899	12,976	394	265	44,912	27,940	3,708	1,493
73	Bank of Lanzhou	38,960	30,652	831	640	58,638	50,812	4,241	3,561
74	Bank of Zhengzhou	37,405	26,800	688	581	54,976	44,629	6,282	2,773
75	Nanhai Rural Commercial Bank	42,946	37,630	1,305	1,268	63,284	59,948	5,979	3,723
76	Jiangsu Changshu Rural Commercial Bank	31,606	26,770	920	575	51,373	44,623	4,884	4,113
77	Jiangsu Zhangjiagang Rural Commercial Bank	27,402	22,671	709	550	43,482	36,310	4,521	3,755
78	Xiamen Bank	13,604	11,006	492	345	45,186	39,055	3,044	2,046
79	Nanyang Commercial Bank (China)	30,695	33,942	320	256	43,781	29,916	5,222	5,055
80	Zhejiang Xiaoshan Rural Cooperative Bank	42,830	36,116	1,306	1,033	59,765	53,334	5,349	4,456
81	Bank of Wenzhou	36,453	30,173	658	422	52,176	41,910	4,444	3,976
82	Bank of Jiujiang	18,180	14,095	513	229	51,155	34,242	6,278	3,413
83	Bank of Luoyang	29,429	21,132	773	514	45,364	35,222	3,885	2,711
84	Zhejiang Chouzhou Commercial Bank	31,916	25,271	593	284	46,367	35,229	5,786	4,285
85	Fujian Haixia Bank	28,784	24,125	606	464	47,823	37,776	5,034	4,467
86	Chongqing Three Gorges Bank	13,820	10,173	199	136	31,387	23,978	3,167	2,733
87	Ningbo Yinzhou Rural Cooperative Bank	32,021	28,004	937	763	43,825	39,590	4,143	3,126
88	Jiangsu Jinagyin Rural Commercial Bank	35,809	30,539	914	601	47,648	44,593	4,390	3,556
89	Weihai City Commercial Bank	29,454	24,983	739	522	45,632	42,067	3,103	2,585
90	Bank of Ningxia	30,453	25,168	1,203	854	45,455	36,658	4,841	4,090
91	Jiangsu Wujiang Rural Commercial Bank	26,057	22,730	723	638	40,020	35,276	4,337	3,637
92	Bank of Yingkou	23,564	n/a	464	n/a	45,323	37,241	4,411	2,834
93	Bank of Taizhou	32,424	27,474	531	255	43,560	42,867	4,704	3,392
94	Deutsche Bank (China)	15,090	14,507	32	38	19,846	15,041	5,524	5,056
95	OCBC Bank (China)	16,644	18,961	88	85	25,730	15,998	3,980	3,641
96	Bank of Liuzhou	13,398	10,795	272	232	30,422	21,708	3,430	1,538
97	Chang'an Bank	19,946	13,744	541	249	34,656	25,677	4,111	3,739
98	Bank of Anshan	28,328	24,197	1,092	789	42,161	36,335	4,451	4,023
99	Bank of Ganzhou	12,931	10,671	222	164	38,225	26,956	3,115	2,594
100	Zhejiang Tailong Commercial Bank	28,105	21,316	509	248	38,688	32,184	3,189	2,407
101	Bank of Inner Mongolia	16,115	13,348	688	450	34,641	27,266	6,954	2,912
102	China Resources Bank of Zhuhai	8,784	3,999	133	43	26,917	13,912	6,831	1,473
103	Bank of Weifang	27,132	23,464	744	557	38,192	34,880	3,676	2,499
104	Bank of Liaoyang	n/a	19,340	n/a	698	39,862	29,722	3,690	2,689
105	Panzhuhua City Commercial Bank	14,580	12,125	406	159	31,362	26,920	2,428	1,144
106	Guilin Bank	14,425	na	258	n/a	30,928	n/a	2,825	1,827
107	Chinese Mercantile Bank	n/a	n/a	n/a	n/a	24,995	12,421	4,096	2,086
108	Qishang Bank	25,888	23,272	885	739	35,676	31,746	3,134	2,534
109	Zhejiang Mintai Commercial Bank	22,586	15,557	281	175	31,190	25,164	3,083	2,216
110	First Sino Bank	23,646	19,826	322	150	34,916	25,111	2,460	2,178
111	BNP Paribas (China)	9,752	12,433	169	180	13,715	8,738	5,536	4,376
112	Jiangsu Kunshan Rural Commercial Bank	22,070	18,943	1,188	874	33,761	28,073	2,148	1,708
113	Bank of Rizhao	22,586	18,126	750	720	32,232	29,977	2,984	2,290
114	Bank of Shaoxing	25,069	23,493	721	937	32,552	31,182	2,902	2,424
115	Bank of Deyang	15,377	12,900	614	396	27,012	26,497	1,851	1,151
116	Ningbo Cixi Rural Cooperative Bank	22,101	19,652	n/a	n/a	30,825	27,545	3,908	2,790
117	Bank of Fuxin	14,871	11,007	490	443	32,602	19,895	2,181	1,301
118	Zhangjiakou City Commercial Bank	15,330	12,247	736	639	27,779	21,302	2,353	1,823
119	United Overseas Bank (China)	13,697	9,819	275	286	21,106	13,692	3,558	3,448
120	Zhejiang Hangzhou Yuhang Rural Cooperative	22,319	18,884	687	474	31,973	28,233	2,248	1,895
121	Laishang Bank	15,525	12,953	407	339	22,240	20,282	4,517	2,003
122	Bank of Handan	11,332	9,290	276	203	25,959	18,485	2,138	1,042
123	JP Morgan Chase Bank (China)	10,898	7,237	157	78	16,148	9,743	4,655	4,472
124	Wing Hang Bank (China)	14,381	12,581	194	127	22,050	13,282	2,110	1,879
125	Australia and New Zealand Bank (China)	11,873	10,565	76	39	17,819	11,704	2,814	2,700
126	Bank of Jiaxing	17,165	13,965	506	403	24,205	20,052	2,296	1,275
127	Bank of Jinhua	17,989	15,301	520	417	24,299	21,053	1,787	1,559
128	Bank of Cangzhou	14,164	11,503	285	213	24,600	20,719	2,193	1,595
129	Jiangmen Xinhui Rural Commercial Bank	14,580	12,788	n/a	n/a	23,494	21,381	3,398	1,067
130	Bank of Xingtai	9,007	6,795	518	327	18,790	13,752	1,075	956
131	Dongying City Commercial Bank	15,431	13,070	409	270	21,960	18,829	2,254	1,303
132	Mianyang City Commercial Bank	12,258	9,409	382	289	18,280	18,691	1,154	816

Size and strength measures (in RMB million)										
Capital adequacy ratio		Liquidity ratio		Net loan/deposit ratio		Non-interest income/total operating income		Net interest income/total assets		
2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	
19.05%	22.52%	n/a	n/a	59.65%	73.00%	29.16%	31.38%	1.11%	1.06%	
24.68%	24.15%	77.39%	77.65%	51.12%	75.81%	27.08%	31.55%	1.49%	1.39%	
17.97%	13.83%	41.67%	45.68%	45.94%	51.61%	7.92%	5.37%	2.50%	2.17%	
14.52%	11.10%	55.51%	48.38%	55.25%	54.58%	7.48%	4.38%	2.98%	2.39%	
13.70%	15.00%	n/a	n/a	112.18%	103.92%	40.08%	26.79%	1.15%	1.32%	
16.65%	11.17%	81.95%	91.93%	34.52%	45.49%	27.68%	14.72%	1.92%	2.28%	
n/a	n/a	n/a	n/a	65.02%	59.06%	23.17%	16.99%	2.08%	2.08%	
18.45%	11.61%	36.97%	35.80%	66.79%	58.75%	27.95%	28.98%	2.19%	1.81%	
16.94%	9.20%	47.51%	49.51%	65.80%	60.66%	26.85%	28.40%	2.46%	1.87%	
13.69%	13.46%	53.08%	66.74%	59.73%	58.70%	8.40%	n/a	2.54%	n/a	
13.31%	13.86%	88.56%	60.56%	61.39%	60.92%	8.23%	9.71%	2.41%	2.31%	
14.56%	15.80%	57.58%	55.30%	29.02%	27.30%	0.78%	(5.64%)	1.82%	1.13%	
16.08%	15.78%	50.00%	57.00%	69.38%	112.60%	9.46%	6.01%	1.32%	1.46%	
11.90%	11.59%	55.20%	70.36%	69.48%	65.78%	16.11%	21.56%	3.00%	2.50%	
11.59%	12.70%	47.39%	56.05%	68.60%	70.99%	3.87%	3.86%	3.33%	3.05%	
15.97%	15.35%	98.47%	88.73%	34.54%	40.49%	52.30%	32.16%	1.92%	1.77%	
12.27%	13.79%	52.55%	50.88%	63.17%	58.54%	6.77%	4.45%	3.05%	2.48%	
13.70%	15.35%	58.77%	64.77%	67.55%	70.93%	11.80%	9.54%	3.22%	2.26%	
13.93%	15.56%	39.18%	40.05%	58.92%	62.64%	2.23%	0.90%	3.05%	2.48%	
13.13%	15.91%	53.95%	51.96%	43.40%	41.86%	9.71%	8.98%	1.79%	1.71%	
12.92%	12.35%	35.30%	44.52%	70.93%	68.81%	15.84%	21.12%	3.33%	2.61%	
13.13%	12.82%	n/a	n/a	73.23%	67.14%	4.12%	4.44%	3.27%	3.02%	
11.58%	12.08%	56.65%	56.80%	62.93%	58.15%	22.15%	24.93%	2.11%	1.61%	
13.38%	14.85%	45.55%	46.29%	64.35%	66.33%	3.49%	1.41%	4.15%	3.62%	
14.16%	15.75%	37.31%	40.23%	63.30%	62.63%	3.92%	4.84%	3.04%	2.90%	
13.01%	n/a	47.18%	n/a	50.97%	n/a	8.01%	1.84%	3.47%	2.60%	
13.59%	11.43%	64.60%	64.75%	73.22%	63.50%	n/a	n/a	n/a	n/a	
24.02%	26.60%	74.99%	92.77%	75.87%	96.20%	55.77%	73.02%	1.48%	0.77%	
23.00%	25.00%	n/a	n/a	64.35%	117.99%	(11.24%)	2.72%	2.12%	1.37%	
12.51%	13.48%	47.17%	45.63%	43.15%	48.66%	18.42%	24.30%	1.70%	2.03%	
18.72%	24.41%	37.92%	45.24%	55.99%	52.56%	9.34%	11.05%	2.94%	2.88%	
13.38%	13.17%	n/a	n/a	64.60%	64.42%	14.56%	16.24%	2.95%	2.81%	
n/a	14.21%	n/a	109.64%	33.25%	38.98%	43.96%	26.23%	1.50%	1.78%	
12.21%	11.37%	n/a	68.35%	71.33%	65.46%	11.35%	14.08%	4.90%	4.62%	
19.75%	14.29%	41.71%	48.03%	44.53%	47.30%	20.85%	16.00%	3.09%	2.98%	
26.09%	14.16%	46.00%	69.08%	32.14%	28.44%	7.53%	7.92%	1.93%	1.68%	
12.32%	10.15%	39.12%	50.40%	69.09%	65.67%	16.42%	16.01%	3.18%	3.13%	
n/a	13.16%	n/a	53.85%	n/a	62.72%	10.97%	13.00%	2.75%	2.59%	
16.10%	n/a	67.95%	n/a	45.19%	44.45%	9.90%	7.00%	2.73%	2.34%	
11.97%	n/a	45.57%	n/a	45.81%	n/a	28.32%	26.83%	2.09%	2.16%	
n/a	n/a	n/a	n/a	n/a	n/a	10.83%	8.90%	2.09%	1.84%	
12.08%	12.23%	46.62%	43.64%	70.08%	70.98%	4.40%	2.49%	4.11%	3.53%	
11.35%	11.97%	50.45%	51.86%	71.51%	61.13%	10.66%	9.51%	3.37%	2.87%	
14.26%	14.98%	n/a	n/a	66.80%	78.36%	29.26%	23.08%	1.60%	1.81%	
31.00%	27.00%	n/a	n/a	69.87%	140.23%	22.26%	23.37%	2.47%	1.63%	
12.69%	12.01%	56.10%	45.43%	61.85%	64.36%	5.14%	7.01%	3.34%	2.84%	
12.73%	13.12%	65.55%	49.78%	67.75%	58.06%	9.59%	7.50%	3.89%	2.85%	
12.22%	12.12%	57.24%	53.35%	74.80%	72.34%	3.86%	3.49%	2.75%	2.78%	
12.56%	12.23%	40.38%	44.60%	54.65%	47.19%	3.24%	5.73%	2.89%	2.34%	
16.18%	13.11%	47.24%	n/a	n/a	n/a	7.38%	5.73%	3.63%	3.16%	
12.44%	13.72%	64.79%	50.44%	44.11%	53.10%	9.59%	14.03%	2.33%	2.08%	
14.57%	17.32%	n/a	n/a	52.54%	54.49%	17.60%	22.09%	3.71%	3.28%	
25.50%	39.20%	n/a	n/a	63.59%	69.62%	27.24%	35.85%	1.31%	1.34%	
11.02%	10.74%	55.16%	62.86%	67.66%	65.21%	36.88%	38.56%	3.40%	2.73%	
23.08%	13.06%	81.93%	93.07%	67.98%	62.19%	14.77%	20.63%	3.45%	3.46%	
13.73%	10.81%	56.21%	50.39%	42.59%	49.16%	17.18%	10.17%	3.19%	2.72%	
35.91%	44.18%	n/a	n/a	66.52%	73.48%	26.94%	11.36%	2.19%	1.93%	
20.00%	21.00%	n/a	n/a	64.34%	93.77%	1.33%	12.42%	2.25%	2.26%	
15.48%	19.27%	n/a	n/a	66.20%	89.94%	46.24%	56.20%	1.37%	0.26%	
12.52%	10.88%	61.43%	69.15%	68.82%	67.63%	3.11%	4.14%	3.36%	3.17%	
12.22%	13.04%	51.65%	51.75%	71.89%	70.70%	16.44%	17.24%	2.80%	2.74%	
15.46%	13.13%	77.02%	56.95%	56.42%	54.49%	0.87%	1.38%	4.07%	3.37%	
19.93%	8.02%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
12.18%	15.93%	48.31%	46.42%	45.18%	47.03%	3.68%	2.15%	3.23%	3.52%	
14.62%	12.24%	58.10%	46.52%	68.41%	67.98%	3.41%	4.34%	4.18%	2.99%	
12.03%	11.95%	n/a	65.29%	64.97%	48.79%	22.55%	25.79%	2.73%	2.00%	

Financial Summary (2)³

No.	Name of bank (ranked by total assets)	Size and strength measures (in RMB million)							
		Gross advances to customers		Provisions against customer advances		Total deposits from customers		Total equity	
		2011	2010	2011	2010	2011	2010	2011	2010
133	The Royal Bank of Scotland (China)	4,696	7,049	49	215	8,589	10,523	4,796	4,369
134	Bank of Dandong	10,081	8,291	305	208	19,730	15,698	n/a	1,223
135	Jincheng Bank	8,957	7,322	211	202	16,706	12,953	1,452	1,266
136	Bank of Huzhou	14,143	11,459	339	226	18,804	16,103	2,005	1,659
137	Societe Generale (China)	8,163	12,744	85	127	14,652	9,795	3,693	3,604
138	Jiangsu Haian Rural Commercial Bank	13,767	11,672	469	248	18,681	15,508	1,837	1,247
139	Bank of Chengde	9,037	6,962	259	187	17,833	14,628	1,432	1,086
140	Jiangsu Xinghua Rural Commercial Bank	10,008	8,225	769	512	14,229	11,553	1,473	790
141	Wuhu Yangzi Rural Commercial Bank	10,188	5,976	237	92	13,991	11,094	1,881	1,693
142	Ningxia Yellow River Rural Commercial Bank	8,763	7,410	656	604	10,512	7,655	2,630	2,234
143	Jiangsu Taicang Rural Commercial Bank	11,844	9,934	497	358	16,690	14,193	1,276	1,043
144	Bank of Shizuishan	7,004	5,457	253	280	14,366	11,078	1,338	785
145	Bank of Jining	10,729	7,821	538	245	15,152	11,880	2,326	2,114
146	Zhejiang Wenling Rural Cooperative Bank	11,313	9,909	704	577	15,152	13,331	1,875	1,587
147	Credit Agricole Corporate and Investment Bank (China)	6,207	7,509	139	111	8,140	4,594	3,336	3,128
148	Guangdong Huaxing Bank	3,682	-	37	-	7,215	-	5,115	-
149	Jiangmen Ronghe Rural Commercial Bank	9,742	8,348	n/a	n/a	13,304	11,960	2,395	738
150	Hana Bank (China)	7,921	8,619	97	191	11,223	7,850	2,260	2,082
151	Woori Bank (China)	7,410	9,573	327	174	11,679	8,588	2,398	2,457
152	Bangkok Bank (China)	6,202	7,047	273	289	9,063	2,122	4,080	4,012
153	Jiangsu Jiangan Rural Commercial Bank	8,606	7,256	749	522	12,235	10,118	1,297	628
154	Zhejiang Nanxun Rural Commercial Bank	9,149	7,412	230	100	12,980	10,786	1,670	1,412
155	Hengshui Commercial Bank	8,433	7,389	167	250	13,625	12,023	1,259	1,009
156	Jiangsu Jiangdu Rural Commercial Bank	9,210	7,862	672	452	12,498	10,678	734	634
157	Rural Commercial Bank of Nanan Fujian	7,931	7,005	498	391	n/a	n/a	1,731	1,556
158	Bank of Xinxiang	8,478	7,671	605	485	11,359	10,250	1,183	918
159	Jiaozuo City Commercial Bank	7,498	6,798	215	411	10,837	10,191	798	992
160	Hunan Liuyang Rural Commercial Bank	7,680	6,335	256	461	10,928	9,159	1,746	1,237
161	Jilin Jiutai Rural Commercial Bank	5,532	4,235	73	48	10,714	7,477	1,519	829
162	Fujian Fuzhou Rural Commercial Bank	7,224	5,880	203	107	11,569	8,567	996	n/a
163	Qijing City Commercial Bank	5,240	n/a	217	n/a	11,514	n/a	622	n/a
164	CITIC Bank International (China)	3,592	3,655	70	48	6,864	2,653	1,161	1,085
165	Bank of Xuchang	6,175	5,239	101	92	9,674	7,798	1,090	555
166	Liangshan Prefecture Commercial Bank	5,138	3,966	68	58	9,080	8,060	810	697
167	Panzhuhua Rural Commercial Bank	4,311	3,279	212	177	6,893	4,166	715	261
168	Shinhan Bank (China)	4,670	5,697	78	79	7,813	7,150	2,130	2,089
169	Yuxi City Commercial Bank	3,515	2,766	n/a	n/a	9,320	7,525	589	385
170	Jiangsu Sheyang Rural Commercial Bank	n/a	n/a	n/a	n/a	8,154	6,443	1,216	1,045
171	Zhumadian City Commercial Bank	5,044	4,263	307	201	7,725	6,518	986	811
172	Fujian Putian Rural Commercial Bank	4,647	3,717	178	128	8,086	6,013	680	594
173	KEB Bank (China)	n/a	n/a	n/a	n/a	5,151	3,937	2,308	2,212
174	Bank of Xinyang	5,059	3,979	274	165	6,797	5,431	922	718
175	Luzhou Commercial Bank	4,114	3,374	162	82	6,975	5,125	559	500
176	Industrial Bank of Korea (China)	3,269	3,361	56	57	5,210	3,584	1,996	1,990
177	Bank of Anyang	4,201	3,767	85	80	6,391	5,434	548	469
178	Sanmenxia City Commercial Bank	4,323	2,938	175	146	6,294	4,468	582	477
179	Zigong City Commercial Bank	4,110	3,309	93	65	6,573	4,788	683	381
180	Zaozhuang City Commercial Bank	4,065	3,401	214	127	6,509	5,870	634	569
181	Jiaojiang Rural Cooperative Bank	4,538	3,768	240	277	6,293	5,385	642	556
182	Anhui Tongcheng Rural Cooperative Bank	4,180	3,179	184	131	6,014	4,603	661	597
183	Dah Sing Bank (China)	2,733	3,222	66	10	4,474	3,285	1,007	1,006
184	Guangdong Jieyang Rural Commercial Bank	4,080	3,316	178	139	5,702	4,678	807	586
185	Anhui Shucheng Rural Cooperative Bank	4,106	3,385	n/a	n/a	5,981	4,749	350	n/a
186	Feixi Rural Commercial Bank	3,526	2,612	182	158	5,525	3,983	410	369
187	Morgan Stanley Bank International (China)	735	969	7	-	2,600	1,786	1,284	1,230
188	Bank of Hebi	2,968	2,310	129	123	4,850	4,597	524	439
189	Jingdezhen City Commercial Bank	2,028	2,039	115	74	4,228	3,342	656	463
190	Zhejiang Tiantai Rural Cooperative Bank	2,986	2,450	n/a	n/a	4,390	3,430	354	282
191	Dazhou City Commercial Bank	2,663	1,965	59	38	3,857	3,027	276	255
192	East West Bank (China)	1,180	778	32	54	2,087	706	1,155	1,086
193	Hunan Yizhang Rural Commercial Bank	1,574	1,365	82	54	2,751	2,340	298	64
194	Wuxi Rural Commercial Bank	34,108	28,496	836	677	46,949	42,272	n/a	2,589
195	Hefei Science&Technical Rural Commercial Bank	15,017	12,077	169	250	20,573	18,308	1,541	1,086
196	Jiangsu Dafeng Rural Commercial Bank	7,695	n/a	n/a	n/a	10,288	n/a	n/a	n/a
197	Anhui Qianshan Rural Commercial Bank	1,896	1,545	183	n/a	2,908	2,201	n/a	n/a

Size and strength measures (in RMB million)										
	Capital adequacy ratio		Liquidity ratio		Net loan/deposit ratio		Non-interest income/total operating income		Net interest income/total assets	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	30.00%	27.00%	n/a	n/a	54.10%	64.94%	28.39%	42.69%	2.20%	1.21%
	16.54%	16.37%	60.82%	56.59%	49.55%	51.49%	n/a	8.24%	n/a	2.46%
	12.71%	16.04%	59.05%	60.97%	52.35%	54.97%	5.67%	2.49%	2.92%	2.51%
	13.63%	14.82%	n/a	n/a	73.41%	69.76%	16.14%	14.95%	3.28%	2.91%
	24.62%	24.41%	n/a	n/a	55.13%	128.81%	29.72%	17.62%	2.23%	1.87%
	13.13%	12.21%	89.40%	80.35%	71.18%	73.67%	8.51%	9.08%	3.83%	3.13%
	17.02%	15.17%	67.00%	73.79%	49.22%	46.32%	16.93%	13.09%	3.22%	3.44%
	14.60%	10.20%	38.73%	36.85%	64.93%	66.76%	48.41%	n/a	3.07%	n/a
	17.32%	27.21%	69.70%	115.53%	71.12%	53.04%	16.52%	17.38%	2.86%	2.00%
	24.20%	25.88%	74.53%	57.20%	77.12%	88.91%	20.78%	19.23%	3.96%	4.69%
	13.72%	12.90%	35.88%	35.43%	67.99%	67.47%	3.21%	3.78%	3.76%	3.37%
	15.67%	13.16%	58.02%	72.31%	46.99%	46.73%	18.53%	15.03%	3.99%	2.76%
	19.56%	22.68%	79.65%	84.07%	67.26%	63.77%	5.16%	6.68%	5.34%	3.38%
	13.45%	13.24%	46.16%	49.36%	70.02%	70.00%	5.59%	5.38%	4.94%	4.86%
	37.03%	32.37%	n/a	n/a	74.55%	161.04%	41.82%	32.31%	1.66%	1.18%
	59.61%	-	112.26%	-	50.52%	n/a	2.52%	n/a	0.70%	n/a
	22.82%	7.70%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	n/a	27.36%	n/a	n/a	69.71%	107.36%	3.31%	3.68%	2.76%	2.29%
	38.74%	38.17%	56.46%	50.82%	60.65%	109.44%	22.12%	23.31%	2.57%	2.37%
	76.97%	56.80%	n/a	n/a	65.42%	318.47%	(38.84%)	(64.35%)	2.14%	1.97%
	14.38%	10.71%	94.04%	65.34%	64.22%	66.55%	9.52%	9.88%	4.03%	3.78%
	14.96%	15.27%	61.55%	64.10%	68.71%	67.79%	5.72%	5.90%	4.81%	4.09%
	12.43%	11.87%	48.67%	44.26%	60.67%	59.38%	19.38%	n/a	3.09%	-
	12.92%	n/a	n/a	n/a	68.31%	69.40%	17.43%	19.42%	3.53%	2.98%
	17.58%	22.57%	37.51%	41.98%	n/a	n/a	n/a	n/a	n/a	n/a
	12.78%	11.70%	85.12%	99.22%	69.31%	70.11%	9.88%	9.41%	4.44%	4.48%
	10.14%	13.14%	59.70%	63.80%	67.20%	62.67%	28.44%	28.46%	2.74%	2.18%
	21.49%	18.62%	56.28%	64.54%	67.94%	64.13%	16.15%	16.60%	4.15%	3.72%
	13.36%	16.63%	n/a	n/a	50.95%	56.00%	n/a	16.98%	n/a	3.45%
	12.74%	14.06%	65.76%	50.00%	60.69%	67.39%	56.27%	n/a	2.33%	2.10%
	16.44%	n/a	50.69%	n/a	43.63%	n/a	n/a	n/a	n/a	n/a
	37.28%	30.04%	n/a	n/a	51.31%	135.96%	(3.18%)	5.81%	1.91%	2.11%
	20.84%	14.32%	41.95%	33.47%	62.79%	66.00%	12.52%	15.34%	3.81%	3.00%
	17.34%	n/a	48.92%	n/a	55.84%	48.49%	12.47%	14.94%	3.00%	2.21%
	n/a	n/a	n/a	n/a	59.47%	74.46%	4.36%	3.03%	3.31%	3.84%
	54.62%	44.23%	n/a	n/a	58.77%	78.57%	(1.10%)	2.88%	2.66%	2.04%
	13.77%	13.82%	74.66%	76.14%	n/a	n/a	n/a	n/a	n/a	n/a
	13.94%	20.60%	47.76%	n/a	n/a	n/a	7.84%	6.89%	4.25%	3.70%
	19.42%	18.23%	84.68%	54.17%	61.32%	62.32%	9.98%	10.99%	4.88%	4.43%
	12.47%	15.29%	72.74%	60.78%	55.27%	59.69%	2.20%	2.95%	4.92%	3.86%
	n/a	n/a	n/a	n/a	n/a	n/a	7.30%	9.76%	2.87%	1.97%
	21.52%	22.90%	45.65%	50.49%	70.40%	70.23%	(26.28%)	(4.85%)	7.36%	5.04%
	13.52%	17.78%	28.76%	37.51%	56.66%	64.23%	11.75%	11.41%	3.33%	2.84%
	56.59%	56.77%	n/a	n/a	61.67%	92.19%	28.37%	26.32%	2.49%	2.44%
	15.02%	13.37%	75.11%	69.32%	64.40%	67.85%	15.41%	34.25%	2.72%	1.74%
	16.33%	19.72%	60.26%	66.49%	65.90%	62.49%	4.29%	4.82%	3.37%	3.02%
	17.13%	11.79%	39.01%	28.00%	61.11%	67.75%	7.47%	14.72%	3.50%	3.13%
	17.23%	16.64%	57.91%	35.87%	59.16%	55.78%	1.88%	3.47%	4.98%	3.82%
	13.34%	12.94%	46.41%	58.32%	68.30%	64.83%	1.36%	1.71%	5.12%	4.70%
	15.01%	17.27%	54.02%	50.75%	66.44%	66.22%	6.75%	5.94%	4.34%	3.44%
	46.32%	45.94%	105.74%	60.49%	59.61%	97.78%	1.08%	11.82%	2.72%	1.78%
	14.09%	18.28%	54.70%	48.39%	68.43%	67.91%	1.80%	0.95%	5.73%	5.77%
	12.11%	11.36%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	13.22%	13.85%	n/a	n/a	60.52%	61.61%	1.92%	1.67%	4.19%	3.96%
	100.88%	66.70%	n/a	n/a	28.00%	54.26%	50.64%	59.46%	1.36%	1.26%
	16.06%	17.62%	44.81%	40.54%	58.54%	47.57%	9.65%	7.43%	3.75%	3.17%
	18.58%	19.93%	84.80%	131.78%	45.25%	58.80%	6.43%	12.87%	8.89%	2.27%
	11.34%	10.34%	42.97%	n/a	n/a	n/a	0.69%	0.91%	5.94%	5.70%
	12.78%	15.59%	46.98%	51.37%	67.51%	63.66%	1.55%	1.80%	4.39%	3.16%
	107.55%	133.85%	n/a	n/a	55.01%	102.55%	(17.98%)	(34.09%)	2.54%	2.14%
	19.03%	5.85%	n/a	n/a	54.23%	56.03%	5.06%	4.42%	4.81%	4.28%
	13.47%	11.04%	37.56%	42.29%	70.87%	65.81%	n/a	n/a	n/a	n/a
	11.77%	9.39%	n/a	n/a	72.17%	64.60%	n/a	26.67%	n/a	1.84%
	16.41%	n/a	78.49%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	16.72%	n/a	n/a	n/a	58.91%	n/a	n/a	n/a	n/a	n/a

Financial Summary (3)¹

No.	Name of bank (ranked by total assets)	Performance measures							
		Cost/income ratio		Net interest margin		ROA		ROE	
		2011	2010	2011	2010	2011	2010	2011	2010
1	Industrial and Commercial Bank of China	29.38%	30.61%	2.61%	2.44%	1.44%	1.32%	23.44%	22.79%
2	China Construction Bank Corporation	29.79%	31.47%	2.70%	2.49%	1.47%	1.32%	22.51%	22.61%
3	Bank of China	33.07%	34.16%	2.12%	2.07%	1.17%	1.14%	18.27%	18.87%
4	Agricultural Bank of China	35.89%	38.59%	2.85%	2.57%	1.11%	0.99%	20.46%	22.49%
5	China Development Bank Corporation	6.71%	7.55%	2.04%	1.85%	0.80%	0.77%	10.76%	9.49%
6	Bank of Communications	30.13%	31.89%	2.59%	2.46%	1.19%	1.08%	20.49%	20.08%
7	China Merchants Bank	36.19%	39.90%	3.06%	2.65%	1.39%	1.15%	24.16%	22.73%
8	China CITIC Bank Corporation	29.86%	33.82%	3.00%	2.63%	1.27%	1.13%	21.07%	19.24%
9	Shanghai Pudong Development Bank	28.79%	33.06%	2.60%	2.49%	1.12%	1.01%	20.05%	20.04%
10	Industrial Bank	31.95%	32.91%	n/a	n/a	1.20%	1.16%	24.67%	24.64%
11	China Minsheng Banking Corporation	35.61%	39.48%	3.14%	2.94%	1.40%	1.09%	23.95%	18.29%
12	Agricultural Development Bank of China	20.64%	28.11%	n/a	n/a	0.37%	0.21%	21.10%	13.48%
13	China Everbright Bank	31.95%	35.44%	2.49%	2.17%	1.12%	0.95%	20.44%	20.99%
14	Shenzhen Development Bank	39.99%	40.95%	2.53%	2.49%	1.04%	0.95%	19.14%	23.40%
15	Hua Xia Bank	41.89%	43.41%	2.81%	2.46%	0.81%	0.64%	17.44%	18.25%
16	The Export-Import Bank of China	14.02%	15.84%	n/a	n/a	0.30%	0.33%	21.64%	24.34%
17	Bank of Beijing	26.35%	30.30%	n/a	n/a	1.06%	1.07%	19.25%	16.99%
18	China Guangfa Bank	39.94%	41.26%	2.93%	2.70%	1.11%	0.84%	20.06%	19.78%
19	Bank of Shanghai	38.03%	36.06%	n/a	n/a	0.95%	0.97%	17.93%	19.72%
20	Bank of Jiangsu	34.04%	36.14%	n/a	n/a	1.24%	1.10%	23.10%	22.19%
21	Evergrowing Bank	25.10%	30.80%	n/a	n/a	1.17%	0.92%	23.48%	17.98%
22	Beijing Rural Commercial Bank	44.69%	49.80%	n/a	n/a	0.63%	0.31%	15.41%	7.55%
23	Chongqing Rural Commercial Bank	36.64%	44.40%	3.36%	3.07%	1.35%	1.26%	15.17%	13.65%
24	China Bohai Bank	44.64%	51.17%	2.17%	2.08%	0.64%	0.41%	14.18%	10.62%
25	Shanghai Rural Commercial Bank	38.70%	44.01%	n/a	n/a	1.14%	0.96%	13.26%	12.27%
26	China Zheshang Bank	36.81%	41.86%	n/a	n/a	1.10%	0.86%	14.80%	12.39%
27	Ping An Bank	48.14%	52.87%	n/a	2.30%	0.89%	0.74%	14.20%	11.69%
28	Bank of Nanjing	30.97%	30.46%	2.66%	2.55%	1.29%	1.25%	15.87%	14.97%
29	Guangzhou Rural Commercial Bank	31.82%	33.29%	n/a	n/a	1.20%	1.30%	16.37%	19.35%
30	HSBC Bank (China)	46.08%	73.99%	n/a	n/a	1.44%	0.50%	21.05%	7.29%
31	Bank of Ningbo	36.38%	38.14%	3.23%	3.06%	1.24%	1.09%	18.81%	18.13%
32	Huishang Bank Corporation	27.09%	29.14%	n/a	n/a	1.50%	1.46%	22.22%	19.89%
33	Bank of Hangzhou	34.58%	36.44%	n/a	n/a	1.10%	1.04%	20.45%	17.14%
34	Bank of Tianjin	33.33%	30.66%	n/a	n/a	0.97%	0.98%	16.81%	17.99%
35	Shengjing Bank	23.77%	27.87%	n/a	n/a	1.23%	1.07%	28.00%	30.91%
36	Bank of Guangzhou	24.52%	23.12%	n/a	n/a	1.10%	1.28%	18.99%	20.22%
37	Harbin Bank	37.18%	35.96%	n/a	n/a	1.05%	1.24%	20.57%	28.62%
38	Bank of Dalian	37.13%	38.50%	n/a	n/a	0.96%	0.88%	21.14%	19.60%
39	Baoshang Bank	39.47%	38.21%	n/a	n/a	1.41%	1.44%	13.11%	20.37%
40	Bank of Chengdu	30.98%	29.36%	n/a	n/a	1.44%	1.27%	24.09%	19.36%
41	The Bank of East Asia (China)	46.98%	53.21%	n/a	n/a	0.80%	0.73%	10.34%	8.66%
42	Standard Chartered Bank (China)	67.15%	79.23%	n/a	n/a	0.52%	0.26%	6.85%	3.43%
43	Longjiang Bank Corporation	43.67%	46.52%	n/a	n/a	0.95%	0.61%	21.38%	10.44%
44	Tianjin Rural Commercial Bank	35.61%	38.09%	n/a	n/a	0.82%	0.38%	12.97%	8.57%
45	Hankou Bank	32.22%	36.26%	n/a	n/a	1.21%	1.17%	20.67%	19.76%
46	Foshan Shunde Rural Commercial Bank	31.18%	33.14%	n/a	n/a	1.60%	1.42%	19.93%	18.12%
47	Bank of Kunlun	22.88%	17.42%	n/a	n/a	1.16%	1.32%	12.81%	13.03%
48	Citibank (China)	50.92%	58.04%	n/a	n/a	0.99%	0.72%	14.92%	11.80%
49	Bank of Chongqing	34.48%	33.97%	n/a	n/a	1.24%	1.15%	25.71%	23.99%
50	Bank of Changsha	n/a	n/a	n/a	n/a	1.37%	1.18%	27.98%	30.38%
51	Bank of Dongguan	34.62%	35.93%	n/a	n/a	1.15%	1.14%	21.03%	23.37%
52	Bank of Tokyo-Mitsubishi UFJ (China)	44.30%	53.30%	n/a	n/a	0.94%	0.74%	9.44%	7.02%
53	Guangxi Beibu Gulf Bank	35.24%	41.93%	n/a	n/a	0.92%	1.02%	17.69%	11.91%
54	Bank of Hebei	39.52%	38.16%	n/a	n/a	1.09%	0.87%	24.46%	16.34%
55	Bank of Jinzhou	41.31%	36.14%	n/a	n/a	1.07%	1.14%	11.76%	12.32%
56	Xiamen International Bank	38.83%	45.12%	n/a	n/a	0.67%	0.91%	16.36%	17.51%
57	Huarong Xiangjiang Bank Corporation	50.78%	51.00%	n/a	n/a	0.93%	0.23%	14.48%	2.76%
58	Bank of Xi'an	28.04%	33.59%	n/a	n/a	1.21%	1.15%	22.81%	19.83%
59	Hangzhou United Rural Commercial Bank	27.68%	29.11%	n/a	n/a	1.46%	1.30%	16.63%	16.08%
60	Wuhan Rural Commercial Bank	30.61%	35.13%	n/a	n/a	1.39%	1.32%	20.47%	18.33%
61	Bank of Nanchang	29.09%	32.68%	n/a	n/a	1.62%	1.41%	22.58%	16.90%
62	DBS Bank (China)	63.00%	72.00%	n/a	n/a	0.73%	0.53%	10.51%	5.68%
63	Guangdong Nanyue Bank	40.46%	44.10%	n/a	n/a	1.02%	0.76%	16.05%	9.34%
64	Bank of Suzhou	35.34%	35.41%	n/a	n/a	1.51%	1.39%	7.79%	8.07%
65	Fudian Bank	44.19%	46.31%	2.97%	2.64%	0.96%	0.83%	16.29%	15.49%
66	Bank of Guiyang	31.81%	30.26%	n/a	n/a	1.59%	1.45%	25.72%	25.67%

Performance measures										
Gross NPLs		Gross NPLs/gross advances to customers		Bad debt charge/gross advances to customers		Provision coverage ratio		Entrusted Loans		
2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	
73,011	73,241	0.94%	1.08%	0.41%	0.41%	2.50%	2.46%	640,650	394,407	
70,915	64,712	1.09%	1.14%	0.50%	0.45%	2.64%	2.52%	1,027,817	778,349	
63,274	62,470	1.00%	1.10%	0.30%	0.27%	2.20%	2.17%	n/a	n/a	
87,358	100,405	1.55%	2.03%	1.10%	0.88%	4.08%	3.40%	n/a	n/a	
22,252	30,662	0.40%	0.68%	0.55%	0.45%	2.22%	2.09%	n/a	n/a	
21,986	24,988	0.86%	1.12%	0.49%	0.55%	2.20%	2.08%	n/a	n/a	
9,173	9,686	0.56%	0.68%	0.50%	0.39%	2.24%	2.05%	123,116	104,013	
8,541	8,533	0.60%	0.67%	0.40%	0.34%	1.62%	1.44%	108,556	99,662	
5,827	5,880	0.44%	0.51%	0.54%	0.40%	2.19%	1.95%	98,595	162,371	
3,715	3,616	0.38%	0.42%	0.27%	0.26%	1.46%	1.38%	n/a	n/a	
7,539	7,339	0.63%	0.69%	0.66%	0.50%	2.23%	1.88%	61,463	38,814	
27,446	46,594	1.46%	2.79%	n/a	0.87%	n/a	1.75%	n/a	n/a	
5,734	5,831	0.64%	0.75%	0.38%	0.42%	2.36%	2.34%	37,112	39,239	
3,295	2,367	0.53%	0.58%	0.34%	0.36%	1.70%	1.58%	20,665	11,144	
5,600	6,254	0.92%	1.18%	0.76%	0.79%	2.82%	2.48%	30,951	24,780	
n/a	n/a	0.64%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
2,135	2,321	0.53%	0.69%	0.60%	0.36%	2.35%	2.13%	n/a	n/a	
7,231	7,380	1.34%	1.58%	0.46%	0.62%	3.09%	3.30%	23,600	20,708	
3,279	3,354	0.98%	1.12%	0.30%	0.64%	2.71%	2.80%	27,386	21,771	
2,789	2,541	0.96%	1.06%	0.77%	0.44%	2.54%	2.22%	n/a	n/a	
853	747	0.59%	0.62%	0.71%	0.80%	1.76%	1.25%	n/a	n/a	
5,899	6,640	3.49%	4.78%	1.26%	1.01%	5.44%	5.21%	3,038	2,165	
2,075	2,880	1.44%	2.38%	0.39%	0.00%	3.66%	3.23%	n/a	n/a	
156	100	0.14%	0.11%	n/a	0.61%	1.70%	1.51%	n/a	n/a	
1,950	1,914	1.17%	1.35%	n/a	0.61%	2.97%	2.09%	29,944	24,918	
360	226	0.24%	0.20%	0.63%	0.54%	1.72%	1.44%	n/a	n/a	
558	533	0.37%	0.41%	0.41%	0.29%	1.09%	0.86%	n/a	n/a	
803	811	0.78%	0.97%	0.69%	0.60%	2.53%	2.27%	5,331	3,912	
716	766	0.59%	0.71%	n/a	0.31%	2.07%	1.24%	n/a	n/a	
58	249	0.05%	0.26%	(0.16%)	0.13%	0.18%	0.39%	n/a	n/a	
832	704	0.68%	0.69%	0.52%	0.36%	1.63%	1.36%	n/a	n/a	
654	697	0.48%	0.60%	0.43%	0.49%	2.54%	2.54%	9,780	6,180	
754	688	0.60%	0.65%	0.80%	0.40%	2.12%	1.57%	n/a	n/a	
894	803	0.93%	1.02%	0.46%	0.67%	3.25%	3.41%	n/a	n/a	
n/a	n/a	n/a	n/a	0.45%	0.15%	1.64%	1.51%	2,067	1,153	
22	-	0.03%	-	n/a	0.27%	1.00%	0.71%	n/a	n/a	
422	428	0.65%	0.79%	1.32%	0.43%	2.24%	1.53%	n/a	n/a	
843	708	0.98%	0.97%	0.75%	0.52%	2.86%	2.51%	n/a	n/a	
208	158	0.43%	0.46%	n/a	0.18%	1.45%	1.10%	n/a	n/a	
504	497	0.62%	0.73%	0.24%	0.76%	2.68%	2.64%	7,679	5,150	
n/a	n/a	n/a	n/a	n/a	0.03%	0.67%	0.27%	n/a	n/a	
343	299	0.36%	0.32%	0.19%	0.17%	0.55%	0.41%	14,597	12,291	
212	319	0.85%	1.61%	0.89%	1.50%	2.00%	1.52%	n/a	n/a	
1,922	2,296	2.50%	3.52%	n/a	n/a	4.12%	n/a	n/a	n/a	
418	439	0.87%	1.16%	0.53%	0.29%	2.07%	1.97%	1,619	666	
342	564	0.48%	0.92%	n/a	n/a	2.63%	2.74%	n/a	n/a	
7	7	0.03%	0.06%	n/a	n/a	1.91%	1.04%	n/a	n/a	
260	179	0.50%	0.36%	0.36%	(0.11%)	0.91%	0.65%	12,844	12,604	
227	190	0.35%	0.36%	0.29%	0.48%	1.87%	1.91%	n/a	n/a	
312	454	0.76%	1.33%	0.52%	0.62%	2.66%	2.86%	n/a	n/a	
385	433	0.80%	1.09%	n/a	n/a	2.55%	2.40%	n/a	n/a	
n/a	n/a	n/a	n/a	n/a	n/a	0.59%	0.44%	n/a	n/a	
120	169	0.52%	0.97%	0.38%	0.24%	1.97%	2.14%	260	165	
311	222	0.80%	0.67%	0.70%	1.00%	2.47%	2.13%	n/a	n/a	
469	420	0.91%	1.03%	0.55%	0.35%	2.17%	2.09%	n/a	n/a	
n/a	n/a	n/a	0.35%	n/a	n/a	n/a	n/a	n/a	n/a	
-	-	-	-	0.39%	0.01%	1.00%	0.84%	n/a	n/a	
435	427	0.98%	1.13%	0.22%	-	2.72%	2.52%	775	450	
461	351	0.91%	0.79%	0.96%	0.89%	4.20%	3.82%	n/a	n/a	
810	830	1.52%	1.98%	n/a	0.96%	3.99%	3.82%	n/a	n/a	
433	384	1.28%	1.38%	1.41%	0.73%	3.41%	3.00%	n/a	n/a	
243	267	0.60%	0.80%	n/a	n/a	1.00%	1.37%	n/a	n/a	
266	267	1.08%	1.42%	n/a	n/a	1.51%	1.18%	n/a	n/a	
189	145	0.59%	0.62%	0.18%	0.43%	2.59%	3.31%	n/a	n/a	
456	464	1.08%	1.28%	0.47%	0.56%	3.31%	3.31%	4,680	4,117	
279	355	0.73%	1.13%	0.44%	0.74%	4.13%	4.47%	8,632	3,066	

Financial Summary (3)²

No. Name of bank (ranked by total assets)		Performance measures							
		Cost/income ratio		Net interest margin		ROA		ROE	
		2011	2010	2011	2010	2011	2010	2011	2010
67	Mizuho Corporate Bank (China)	64.14%	71.97%	n/a	n/a	0.33%	0.25%	3.04%	2.10%
68	Sumitomo Mitsui Banking Corporation (China)	50.16%	52.83%	n/a	n/a	0.80%	0.64%	6.11%	4.41%
69	Jinshang Bank	40.09%	52.61%	n/a	n/a	0.92%	0.62%	14.48%	8.95%
70	Bank of Qingdao	40.18%	41.63%	n/a	n/a	1.06%	0.97%	13.29%	12.75%
71	Hang Seng Bank (China)	65.96%	79.81%	n/a	n/a	0.59%	0.10%	8.40%	1.02%
72	Nanchong City Commercial Bank	22.00%	27.40%	n/a	n/a	1.78%	1.70%	40.69%	46.58%
73	Bank of Lanzhou	36.41%	34.53%	n/a	n/a	0.99%	0.65%	17.00%	11.02%
74	Bank of Zhengzhou	31.77%	35.85%	n/a	n/a	1.47%	1.26%	21.16%	25.66%
75	Nanhai Rural Commercial Bank	38.35%	43.61%	n/a	n/a	0.96%	0.19%	13.52%	3.25%
76	Jiangsu Changshu Rural Commercial Bank	30.40%	n/a	n/a	n/a	1.29%	1.24%	17.45%	16.76%
77	Jiangsu Zhangjiagang Rural Commercial Bank	27.50%	26.89%	n/a	n/a	1.50%	1.61%	22.31%	19.56%
78	Xiamen Bank	40.92%	49.21%	n/a	n/a	0.61%	0.34%	14.85%	8.02%
79	Nanyang Commercial Bank (China)	61.85%	74.00%	n/a	n/a	0.26%	0.40%	3.00%	3.23%
80	Zhejiang Xiaoshan Rural Cooperative Bank	24.74%	25.18%	n/a	n/a	1.61%	1.39%	20.60%	18.42%
81	Bank of Wenzhou	41.23%	43.96%	n/a	n/a	1.10%	1.07%	14.51%	12.44%
82	Bank of Jiujiang	21.31%	35.18%	n/a	n/a	2.50%	1.43%	27.20%	18.36%
83	Bank of Luoyang	20.83%	23.81%	n/a	n/a	1.82%	1.53%	29.20%	25.36%
84	Zhejiang Chouzhou Commercial Bank	33.01%	38.40%	n/a	n/a	1.32%	1.13%	14.99%	14.92%
85	Fujian Haixia Bank	38.96%	35.93%	n/a	n/a	1.31%	1.26%	15.85%	14.04%
86	Chongqing Three Gorges Bank	34.48%	29.64%	n/a	n/a	1.01%	1.04%	16.85%	13.76%
87	Ningbo Yinzhou Rural Cooperative Bank	23.76%	26.10%	n/a	n/a	1.84%	1.72%	26.83%	27.55%
88	Jiangsu Jinagyin Rural Commercial Bank	22.51%	24.66%	n/a	n/a	1.64%	1.83%	22.58%	28.52%
89	Weihai City Commercial Bank	33.81%	37.31%	n/a	n/a	0.92%	0.76%	17.60%	14.32%
90	Bank of Ningxia	32.25%	34.77%	n/a	n/a	1.75%	1.61%	19.71%	18.75%
91	Jiangsu Wujiang Rural Commercial Bank	33.63%	36.01%	n/a	n/a	1.63%	1.47%	19.25%	19.14%
92	Bank of Yingkou	31.19%	36.25%	n/a	n/a	2.01%	2.11%	26.84%	32.18%
93	Bank of Taizhou	25.69%	25.30%	n/a	n/a	2.60%	2.67%	32.44%	37.43%
94	Deutsche Bank (China)	58.39%	86.70%	n/a	n/a	1.08%	0.14%	9.13%	0.91%
95	OCBC Bank (China)	47.79%	78.66%	n/a	n/a	0.79%	0.21%	8.95%	1.52%
96	Bank of Liuzhou	41.66%	40.20%	n/a	n/a	1.07%	1.08%	16.29%	17.37%
97	Chang'an Bank	37.72%	39.70%	n/a	n/a	1.22%	1.07%	12.92%	8.59%
98	Bank of Anshan	28.17%	27.63%	n/a	n/a	1.29%	1.35%	13.69%	14.45%
99	Bank of Ganzhou	27.40%	28.37%	n/a	n/a	1.59%	1.58%	22.63%	20.24%
100	Zhejiang Tailong Commercial Bank	44.34%	39.42%	n/a	n/a	1.83%	2.39%	27.59%	37.31%
101	Bank of Inner Mongolia	40.39%	40.09%	n/a	n/a	1.53%	1.52%	12.12%	14.58%
102	China Resources Bank of Zhuhai	47.14%	52.54%	n/a	n/a	0.96%	0.74%	7.32%	7.43%
103	Bank of Weifang	34.61%	34.31%	n/a	n/a	1.47%	1.59%	20.66%	25.60%
104	Bank of Liaoyang	28.14%	31.94%	n/a	n/a	1.34%	1.27%	16.27%	15.27%
105	Panzhuhua City Commercial Bank	19.72%	23.82%	n/a	n/a	1.43%	1.54%	30.70%	37.27%
106	Guilin Bank	35.41%	n/a	n/a	n/a	1.35%	1.55%	19.87%	21.77%
107	Chinese Mercantile Bank	12.34%	15.75%	n/a	n/a	1.61%	1.12%	16.66%	9.09%
108	Qishang Bank	27.76%	31.15%	n/a	n/a	1.74%	1.42%	24.22%	20.26%
109	Zhejiang Mintai Commercial Bank	43.02%	40.56%	n/a	n/a	1.13%	1.61%	15.97%	12.77%
110	First Sino Bank	29.59%	31.41%	n/a	n/a	0.90%	1.22%	13.45%	15.07%
111	BNP Paribas (China)	36.44%	60.44%	n/a	n/a	1.45%	0.48%	11.16%	3.56%
112	Jiangsu Kunshan Rural Commercial Bank	25.79%	29.81%	n/a	n/a	1.33%	1.19%	24.60%	23.51%
113	Bank of Rizhao	21.01%	24.22%	n/a	n/a	2.10%	1.53%	30.78%	23.30%
114	Bank of Shaoxing	31.87%	27.69%	n/a	n/a	1.42%	1.22%	19.93%	18.43%
115	Bank of Deyang	22.05%	23.65%	n/a	n/a	1.60%	1.45%	38.09%	44.82%
116	Ningbo Cixi Rural Cooperative Bank	n/a	n/a	n/a	n/a	1.76%	1.47%	17.71%	16.45%
117	Bank of Fuxin	35.15%	38.29%	2.96%	2.53%	0.96%	0.69%	16.14%	12.02%
118	Zhangjiakou City Commercial Bank	32.47%	23.49%	n/a	n/a	2.05%	1.42%	33.38%	25.07%
119	United Overseas Bank (China)	78.50%	67.00%	2.30%	1.90%	0.30%	0.50%	2.70%	2.73%
120	Zhejiang Hangzhou Yuhang Rural Cooperative	24.18%	26.91%	n/a	n/a	1.31%	1.35%	20.71%	21.46%
121	Laishang Bank	30.83%	30.97%	n/a	n/a	1.99%	2.13%	18.40%	27.17%
122	Bank of Handan	29.93%	29.42%	n/a	n/a	1.66%	1.46%	29.81%	31.05%
123	JP Morgan Chase Bank (China)	44.22%	63.18%	n/a	n/a	1.19%	0.38%	6.51%	1.57%
124	Wing Hang Bank (China)	45.80%	48.80%	n/a	n/a	0.92%	0.83%	11.33%	8.52%
125	Australia and New Zealand Bank (China)	76.88%	46.50%	n/a	n/a	0.40%	0.86%	3.77%	13.90%
126	Bank of Jiaxing	33.46%	33.69%	n/a	n/a	1.40%	1.32%	17.52%	22.01%
127	Bank of Jinhua	40.06%	39.29%	n/a	n/a	1.15%	1.43%	16.84%	20.04%
128	Bank of Cangzhou	37.48%	37.60%	n/a	n/a	1.62%	1.45%	21.96%	20.59%
129	Jiangmen Xinhui Rural Commercial Bank	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
130	Bank of Xingtai	31.46%	29.51%	n/a	n/a	0.83%	0.76%	18.12%	11.69%
131	Dongying City Commercial Bank	27.94%	28.62%	n/a	n/a	1.66%	1.56%	24.11%	29.34%
132	Mianyang City Commercial Bank	24.09%	25.27%	n/a	n/a	1.66%	2.00%	37.44%	60.31%

Performance measures										
	Gross NPLs		Gross NPLs/gross advances to customers		Bad debt charge/gross advances to customers		Provision coverage ratio		Entrusted Loans	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	n/a	n/a	n/a	n/a	0.09%	0.03%	1.19%	1.28%	8,963	4,639
	6	295	0.02%	0.90%	(0.10%)	0.09%	0.31%	1.24%	n/a	n/a
	289	293	1.05%	1.30%	1.11%	0.83%	3.06%	2.37%	n/a	n/a
	296	317	0.86%	1.14%	n/a	n/a	2.94%	2.46%	n/a	n/a
	n/a	n/a	n/a	n/a	(0.07%)	0.36%	0.58%	1.13%	n/a	n/a
	67	70	0.42%	0.54%	0.84%	0.73%	2.48%	2.04%	n/a	n/a
	332	372	0.85%	1.21%	n/a	n/a	2.13%	2.09%	n/a	n/a
	165	137	0.44%	0.51%	n/a	0.12%	1.84%	2.17%	n/a	n/a
	632	2,714	1.47%	7.21%	0.60%	2.13%	3.04%	3.37%	1,288	-
	213	207	0.69%	0.78%	1.12%	0.54%	2.91%	2.15%	n/a	n/a
	189	148	0.69%	0.65%	0.62%	0.49%	2.59%	2.43%	n/a	n/a
	137	161	1.03%	1.47%	1.31%	0.43%	3.62%	3.13%	n/a	n/a
	86	84	0.28%	0.25%	n/a	n/a	1.04%	0.75%	n/a	n/a
	300	226	0.31%	0.29%	n/a	0.72%	3.05%	2.86%	n/a	n/a
	362	262	0.98%	0.87%	0.74%	0.46%	1.81%	1.40%	n/a	n/a
	22	24	0.12%	0.17%	1.56%	0.60%	2.82%	1.62%	n/a	n/a
	160	254	0.54%	1.20%	0.90%	0.37%	2.63%	2.43%	n/a	n/a
	202	101	0.63%	0.40%	0.99%	n/a	1.86%	1.12%	n/a	n/a
	248	215	0.86%	0.89%	0.55%	0.24%	2.11%	1.92%	n/a	n/a
	46	63	0.33%	0.61%	0.46%	0.51%	1.44%	1.34%	n/a	n/a
	155	234	0.48%	0.83%	n/a	n/a	2.93%	2.72%	n/a	n/a
	171	151	0.48%	0.49%	0.85%	0.40%	2.55%	1.96%	372	269
	203	210	0.69%	0.84%	0.76%	0.66%	2.51%	2.09%	n/a	n/a
	262	248	0.86%	0.99%	1.27%	0.40%	3.95%	3.39%	n/a	n/a
	193	226	0.74%	0.99%	n/a	n/a	2.77%	2.81%	n/a	n/a
	115	n/a	0.49%	n/a	n/a	n/a	1.97%	n/a	n/a	n/a
	106	64	0.33%	0.23%	0.86%	0.36%	1.64%	0.93%	n/a	n/a
	-	-	-	-	n/a	0.03%	0.21%	0.26%	n/a	n/a
	-	6	-	0.03%	n/a	(0.15%)	0.53%	0.45%	n/a	n/a
	102	104	0.76%	0.96%	0.29%	0.37%	2.03%	2.15%	n/a	n/a
	48	26	0.24%	0.19%	n/a	0.97%	2.71%	1.81%	622	610
	477	n/a	1.68%	n/a	1.07%	0.59%	3.85%	3.26%	n/a	n/a
	13	10	0.10%	0.09%	0.45%	0.68%	1.72%	1.54%	n/a	n/a
	144	94	0.51%	0.44%	0.94%	0.32%	1.81%	1.16%	n/a	n/a
	181	146	1.12%	1.09%	n/a	n/a	4.27%	3.37%	n/a	n/a
	2	6	0.02%	0.14%	1.01%	0.33%	1.51%	1.08%	n/a	n/a
	239	250	0.88%	1.07%	n/a	0.59%	2.74%	2.37%	n/a	n/a
	n/a	188	n/a	0.97%	n/a	n/a	n/a	3.61%	n/a	n/a
	n/a	n/a	0.11%	n/a	1.69%	0.41%	2.78%	1.31%	872	605
	79	83	0.55%	n/a	n/a	n/a	1.79%	n/a	n/a	n/a
	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	437	284	1.68%	1.22%	0.86%	0.84%	3.42%	3.18%	n/a	n/a
	171	108	0.75%	0.68%	n/a	n/a	1.24%	1.12%	n/a	n/a
	35	40	0.15%	0.20%	0.73%	0.10%	1.36%	0.76%	n/a	n/a
	n/a	n/a	n/a	n/a	(0.10%)	0.29%	1.73%	1.45%	1,577	-
	316	361	1.46%	1.91%	n/a	n/a	5.38%	4.61%	n/a	n/a
	144	124	0.64%	0.68%	n/a	1.01%	3.32%	3.97%	n/a	n/a
	159	455	0.63%	1.94%	0.02%	0.64%	2.88%	3.99%	n/a	n/a
	90	94	0.58%	0.73%	1.43%	n/a	3.99%	3.07%	n/a	n/a
	128	130	0.58%	0.66%	n/a	n/a	n/a	n/a	n/a	n/a
	193	208	1.30%	1.89%	1.20%	1.10%	3.30%	4.02%	n/a	n/a
	n/a	n/a	n/a	n/a	0.68%	3.00%	4.80%	5.22%	1,035	1,051
	88	283	0.60%	2.90%	0.03%	0.40%	2.01%	2.91%	102	23
	75	128	0.34%	0.68%	n/a	n/a	3.08%	2.51%	n/a	n/a
	82	88	0.59%	0.69%	0.44%	0.42%	2.62%	2.62%	n/a	n/a
	47	49	0.41%	0.53%	1.32%	1.28%	2.44%	2.19%	272	190
	-	-	-	-	0.75%	0.53%	1.44%	1.08%	n/a	n/a
	93	18	0.65%	0.14%	0.51%	0.33%	1.35%	1.01%	-	-
	n/a	9	n/a	0.09%	0.32%	(0.09%)	0.64%	0.37%	n/a	n/a
	155	94	0.90%	0.67%	n/a	n/a	2.95%	2.89%	n/a	n/a
	178	181	0.99%	1.18%	n/a	n/a	2.89%	2.73%	n/a	n/a
	80	82	0.56%	0.71%	0.50%	0.22%	2.01%	1.85%	n/a	n/a
	399	779	2.74%	6.09%	1.44%	n/a	n/a	n/a	n/a	n/a
	n/a	69	0.95%	1.03%	3.77%	3.68%	5.75%	4.81%	n/a	n/a
	87	87	0.56%	0.66%	n/a	n/a	2.65%	2.07%	n/a	n/a
	126	139	1.03%	1.48%	n/a	-	3.12%	3.07%	n/a	n/a

Financial Summary (3)³

		Performance measures							
		Cost/income ratio		Net interest margin		ROA		ROE	
No.	Name of bank (ranked by total assets)	2011	2010	2011	2010	2011	2010	2011	2010
133	The Royal Bank of Scotland (China)	101.98%	125.42%	n/a	n/a	0.49%	0.45%	2.77%	2.92%
134	Bank of Dandong	n/a	30.15%	n/a	n/a	1.18%	0.99%	16.01%	15.09%
135	Jincheng Bank	28.05%	28.11%	n/a	n/a	1.26%	1.31%	20.72%	27.50%
136	Bank of Huzhou	30.38%	33.49%	n/a	n/a	1.67%	1.44%	19.00%	17.65%
137	Societe Generale (China)	64.65%	86.10%	n/a	n/a	0.31%	0.17%	1.73%	0.64%
138	Jiangsu Hai'an Rural Commercial Bank	23.49%	29.58%	n/a	n/a	1.65%	1.30%	21.01%	20.47%
139	Bank of Chengde	22.36%	20.19%	n/a	n/a	2.23%	2.28%	33.45%	34.18%
140	Jiangsu Xinghua Rural Commercial Bank	19.71%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
141	Wuhu Yangzi Rural Commercial Bank	31.40%	34.15%	n/a	n/a	1.31%	1.06%	12.20%	11.18%
142	Ningxia Yellow River Rural Commercial Bank	24.81%	23.72%	n/a	n/a	2.42%	2.13%	16.26%	14.93%
143	Jiangsu Taicang Rural Commercial Bank	33.17%	33.84%	n/a	n/a	1.44%	1.30%	21.63%	21.02%
144	Bank of Shizuishan	22.24%	27.33%	n/a	n/a	2.30%	1.68%	34.32%	31.87%
145	Bank of Jining	23.34%	31.07%	n/a	n/a	1.84%	1.59%	13.38%	13.49%
146	Zhejiang Wenling Rural Cooperative Bank	31.98%	29.62%	n/a	n/a	2.23%	1.89%	21.08%	18.36%
147	Credit Agricole Corporate and Investment Bank (China)	33.85%	52.64%	n/a	n/a	1.19%	0.35%	6.31%	1.63%
148	Guangdong Huaxing Bank	57.18%	n/a	4.11%	-	0.30%	n/a	0.63%	n/a
149	Jiangmen Ronghe Rural Commercial Bank	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
150	Hana Bank (China)	41.72%	57.19%	n/a	n/a	1.11%	0.62%	8.48%	3.55%
151	Woori Bank (China)	44.23%	48.12%	n/a	n/a	0.43%	1.36%	2.51%	6.48%
152	Bangkok Bank (China)	60.33%	122.61%	n/a	n/a	0.54%	(0.46%)	1.68%	(1.12%)
153	Jiangsu Jiangyan Rural Commercial Bank	27.82%	29.50%	n/a	n/a	0.88%	0.76%	12.46%	14.75%
154	Zhejiang Nanxun Rural Commercial Bank	25.54%	25.83%	n/a	n/a	2.25%	2.43%	20.16%	20.62%
155	Hengshui Commercial Bank	31.97%	46.28%	n/a	n/a	2.12%	1.23%	27.06%	17.10%
156	Jiangsu Jiangdu Rural Commercial Bank	32.57%	31.92%	n/a	n/a	0.87%	0.45%	16.67%	8.68%
157	Rural Commercial Bank of Nanan Fujian	36.76%	35.20%	n/a	n/a	1.63%	1.45%	12.91%	14.30%
158	Bank of Xinxiang	26.16%	20.56%	n/a	n/a	1.67%	1.82%	20.30%	22.00%
159	Jiaozuo City Commercial Bank	26.34%	31.23%	n/a	n/a	0.79%	0.57%	11.73%	6.99%
160	Hunan Liuyang Rural Commercial Bank	n/a	n/a	n/a	n/a	2.25%	1.80%	18.27%	15.98%
161	Jilin Jiutai Rural Commercial Bank	n/a	45.09%	n/a	n/a	1.71%	1.79%	16.75%	20.74%
162	Fujian Fuzhou Rural Commercial Bank	42.45%	43.85%	n/a	n/a	0.90%	0.90%	10.65%	12.84%
163	Qujing City Commercial Bank	n/a	n/a	n/a	n/a	0.87%	n/a	17.52%	n/a
164	CITIC Bank International (China)	41.82%	50.32%	n/a	n/a	0.79%	0.70%	6.59%	4.10%
165	Bank of Xuchang	35.81%	44.28%	n/a	n/a	2.04%	1.30%	25.99%	24.67%
166	Liangshan Prefecture Commercial Bank	29.50%	33.00%	n/a	n/a	1.58%	1.21%	20.97%	16.07%
167	Panzhuhua Rural Commercial Bank	42.78%	42.42%	n/a	n/a	1.19%	0.72%	21.11%	18.39%
168	Shinhan Bank (China)	69.96%	75.96%	n/a	n/a	0.40%	0.18%	1.94%	0.77%
169	Yuxi City Commercial Bank	n/a	n/a	n/a	n/a	0.85%	0.74%	16.30%	15.67%
170	Jiangsu Sheyang Rural Commercial Bank	44.83%	37.70%	n/a	n/a	1.25%	1.22%	11.15%	11.60%
171	Zhumadian City Commercial Bank	27.24%	24.05%	n/a	n/a	2.05%	1.62%	19.49%	14.50%
172	Fujian Putian Rural Commercial Bank	44.91%	48.75%	n/a	n/a	1.39%	0.27%	17.44%	4.78%
173	KEB Bank (China)	55.47%	81.10%	n/a	n/a	1.18%	0.15%	4.25%	0.54%
174	Bank of Xinyang	37.87%	40.53%	n/a	n/a	1.51%	1.63%	13.55%	18.21%
175	Luzhou Commercial Bank	27.01%	39.20%	n/a	n/a	1.28%	0.38%	16.97%	4.46%
176	Industrial Bank of Korea (China)	48.44%	41.67%	n/a	n/a	1.38%	1.58%	5.27%	4.73%
177	Bank of Anyang	37.18%	40.68%	n/a	n/a	1.12%	0.71%	16.69%	12.71%
178	Sanmenxia City Commercial Bank	34.92%	33.41%	n/a	n/a	1.61%	1.10%	20.02%	13.63%
179	Zigong City Commercial Bank	27.05%	25.38%	n/a	n/a	1.81%	1.71%	21.80%	26.84%
180	Zaozhuang City Commercial Bank	26.34%	28.31%	n/a	n/a	1.43%	1.46%	16.40%	19.69%
181	Jiaojiang Rural Cooperative Bank	33.69%	36.64%	n/a	n/a	1.70%	1.14%	19.05%	12.11%
182	Anhui Tongcheng Rural Cooperative Bank	35.88%	39.58%	n/a	n/a	1.34%	0.84%	13.35%	9.37%
183	Dah Sing Bank (China)	n/a	n/a	3.11%	1.78%	0.02%	0.28%	0.10%	1.49%
184	Guangdong Jieyang Rural Commercial Bank	32.57%	38.40%	n/a	n/a	1.39%	1.79%	12.06%	21.85%
185	Anhui Shucheng Rural Cooperative Bank	n/a	n/a	n/a	n/a	0.54%	0.59%	n/a	n/a
186	Feixi Rural Commercial Bank	40.38%	42.78%	n/a	n/a	0.86%	0.72%	11.64%	8.67%
187	Morgan Stanley Bank International (China)	39.74%	43.92%	n/a	n/a	1.06%	1.61%	4.38%	4.83%
188	Bank of Hebi	22.62%	22.30%	4.41%	4.11%	1.60%	1.71%	17.58%	22.50%
189	Jingdezhen City Commercial Bank	23.78%	54.15%	n/a	n/a	4.22%	0.80%	34.39%	8.31%
190	Zhejiang Tiantai Rural Cooperative Bank	42.61%	43.64%	n/a	n/a	1.64%	1.54%	22.48%	20.92%
191	Dazhou City Commercial Bank	43.41%	54.45%	n/a	n/a	1.00%	0.66%	14.69%	8.91%
192	East West Bank (China)	55.06%	115.91%	n/a	n/a	2.00%	(6.06%)	6.16%	(15.38%)
193	Hunan Yizhang Rural Commercial Bank	39.87%	46.02%	n/a	n/a	1.42%	0.56%	22.10%	21.88%
194	Wuxi Rural Commercial Bank	n/a	n/a	n/a	n/a	n/a	1.37%	n/a	23.68%
195	Hefei Science&Technical Rural Commercial Bank	n/a	39.47%	n/a	n/a	n/a	1.04%	19.79%	22.54%
196	Jiangsu Dafeng Rural Commercial Bank	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
197	Anhui Qianshan Rural Commercial Bank	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Performance measures										
	Gross NPLs		Gross NPLs/gross advances to customers		Bad debt charge/gross advances to customers		Provision coverage ratio		Entrusted Loans	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	n/a	n/a	n/a	n/a	0.19%	0.30%	1.04%	3.05%	n/a	n/a
	n/a	71	0.66%	0.86%	0.96%	0.75%	3.03%	2.51%	n/a	n/a
	78	78	0.87%	1.07%	n/a	0.97%	2.36%	2.76%	3,449	3,086
	n/a	n/a	n/a	n/a	n/a	n/a	2.40%	1.97%	n/a	n/a
	-	-	-	-	(0.51%)	0.42%	1.04%	1.00%	n/a	n/a
	164	184	1.19%	1.61%	n/a	n/a	3.41%	2.12%	n/a	n/a
	63	65	0.70%	0.94%	0.80%	1.05%	2.87%	2.69%	n/a	n/a
	187	204	1.86%	2.48%	n/a	n/a	7.68%	6.22%	n/a	n/a
	63	38	0.64%	0.63%	n/a	n/a	2.33%	1.54%	n/a	n/a
	387	653	4.42%	8.81%	1.79%	3.31%	7.49%	8.15%	n/a	n/a
	n/a	87	n/a	0.88%	1.17%	1.20%	4.20%	3.60%	n/a	n/a
	52	67	0.74%	1.24%	n/a	0.95%	3.61%	5.13%	n/a	n/a
	79	80	0.74%	1.02%	2.80%	0.93%	5.01%	3.13%	n/a	n/a
	177	167	1.57%	1.68%	1.11%	1.43%	6.22%	5.82%	n/a	n/a
	-	-	-	-	0.48%	0.27%	2.00%	1.47%	n/a	n/a
	-	-	-	n/a	1.00%	n/a	1.00%	n/a	n/a	-
	202	337	2.08%	4.03%	n/a	n/a	n/a	n/a	n/a	n/a
	n/a	122	n/a	1.42%	n/a	0.08%	1.22%	2.22%	n/a	n/a
	275	15	3.71%	0.16%	2.06%	0.02%	4.41%	1.82%	n/a	n/a
	130	180	2.10%	2.55%	n/a	n/a	4.40%	4.10%	n/a	n/a
	171	226	1.99%	3.12%	2.68%	2.83%	8.70%	7.19%	n/a	n/a
	46	34	0.50%	0.46%	1.42%	n/a	2.51%	1.35%	n/a	n/a
	83	136	0.98%	1.84%	-	-	1.98%	3.38%	n/a	n/a
	340	380	3.69%	4.83%	n/a	n/a	7.30%	5.75%	n/a	n/a
	92	103	1.16%	1.47%	1.32%	n/a	6.27%	5.58%	n/a	n/a
	125	126	1.47%	1.63%	n/a	n/a	7.14%	6.32%	n/a	n/a
	134	134	1.79%	1.92%	2.56%	n/a	2.87%	6.05%	n/a	n/a
	108	139	1.41%	2.20%	-	-	3.33%	7.28%	n/a	n/a
	33	40	0.60%	0.64%	n/a	0.50%	1.32%	1.13%	n/a	n/a
	45	34	0.62%	0.58%	n/a	n/a	2.81%	1.82%	n/a	n/a
	101	n/a	1.84%	n/a	n/a	n/a	4.14%	n/a	n/a	n/a
	46	47	1.28%	1.29%	0.61%	0.27%	1.95%	1.31%	576	277
	27	37	0.44%	0.70%	0.16%	0.44%	1.64%	1.76%	n/a	n/a
	20	n/a	0.39%	n/a	n/a	n/a	1.32%	1.46%	n/a	n/a
	n/a	n/a	n/a	n/a	n/a	n/a	4.92%	5.40%	n/a	n/a
	24	29	0.51%	0.52%	-	0.28%	1.67%	1.39%	n/a	n/a
	28	26	0.78%	0.92%	0.85%	0.98%	n/a	n/a	n/a	n/a
	n/a	92	1.96%	1.96%	n/a	n/a	n/a	n/a	n/a	n/a
	54	35	1.07%	0.81%	n/a	n/a	6.09%	4.71%	n/a	n/a
	59	175	1.27%	5.26%	1.08%	n/a	4.18%	3.44%	n/a	n/a
	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	82	71	1.62%	1.77%	2.17%	0.35%	5.42%	4.15%	n/a	n/a
	26	26	0.63%	0.78%	1.94%	1.99%	3.94%	2.43%	n/a	n/a
	n/a	n/a	n/a	n/a	0.24%	-	1.71%	1.70%	n/a	n/a
	35	35	0.83%	0.94%	0.81%	n/a	2.02%	2.12%	n/a	n/a
	57	58	1.31%	1.98%	0.93%	1.16%	4.05%	4.97%	n/a	n/a
	35	36	0.86%	1.08%	0.75%	n/a	2.26%	1.96%	n/a	n/a
	69	41	1.70%	1.21%	2.29%	1.23%	5.26%	3.73%	n/a	n/a
	100	112	2.20%	2.96%	n/a	n/a	5.29%	7.35%	n/a	n/a
	70	75	1.67%	2.36%	1.44%	1.60%	4.40%	4.12%	n/a	n/a
	131	9	4.79%	0.28%	2.05%	0.12%	2.41%	0.31%	n/a	n/a
	118	106	2.93%	3.20%	1.96%	1.51%	4.36%	4.19%	n/a	n/a
	261	n/a	6.35%	7.87%	n/a	n/a	n/a	n/a	n/a	n/a
	150	158	4.26%	6.06%	2.16%	1.45%	5.16%	6.05%	n/a	n/a
	-	-	-	-	0.95%	-	0.95%	-	483	323
	28	44	0.94%	1.90%	1.55%	1.13%	4.35%	5.32%	n/a	n/a
	18	44	0.87%	2.15%	n/a	n/a	5.67%	3.63%	n/a	n/a
	84	77	2.81%	3.13%	n/a	n/a	n/a	n/a	n/a	n/a
	19	20	0.73%	1.06%	n/a	n/a	2.22%	1.93%	n/a	n/a
	-	n/a	-	n/a	(2.80%)	20.18%	2.71%	6.94%	n/a	n/a
	35	35	2.19%	2.54%	2.48%	2.64%	5.21%	3.96%	n/a	n/a
	302	359	0.92%	1.28%	n/a	n/a	2.45%	2.38%	n/a	n/a
	94	76	0.63%	0.63%	0.52%	0.29%	1.13%	2.07%	n/a	n/a
	125	n/a	1.63%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	80	n/a	4.24%	n/a	n/a	n/a	9.65%	n/a	n/a	n/a

Key ratio explanation

1	Net interest income	Interest income less interest expenses (including interest income from investments or investment income where interest income from investment is not specifically disclosed)
2	Non-interest income	All operating income not included in net interest income
3	Operating expenses	Includes all expenses charged to arrive at profit before tax (excluding interest expenses, charges for bad and doubtful debts and exceptional and other items)
4	Operating profit before provisions	Total operating income less operating expenses
5	Charge for bad and doubtful debts	Charges to the profit and loss accounts for bad debts, provisions for doubtful debts and net of recoveries against customer advances
6	Exceptional and other items	Non-operating income and expenses and exceptional items
7	Profit before tax	Operating profit after provisions, exceptional items and other items
8	Net profit after tax	Profit before minority interest and transfers to/from reserves and appropriations
9	Gross advances to customers	Loan and advances to customers before provisions, including advances to non-bank group undertakings and trade bills receivables. Excludes advances to banks, accrued interest, and other accounts
10	Provisions against customer advance	Includes individually and collectively assessed provisions for impairment
11	Total deposits from customers	Current, fixed savings, and other deposits from customers including non-bank group undertakings. Excludes current accounts and overdrafts with banks
12	Total equity	Share capital plus distributable and non-distributable reserves and minority interests
13	Capital adequacy ratio	In accordance with the respective regulatory guidelines
14	Liquidity ratio	In accordance with the respective regulatory guidelines
15	Net loan/deposit ratio	Gross advances to customers, less provisions for loan losses as a percentage of deposits from customers
16	Non-interest income/total operating income	Non-interest income as a percentage of total operating income
17	Net interest income/total assets	Net interest income as a percentage of total assets
18	Cost/income ratio	Operating expenses as a percentage of total operating income
19	Net interest margin	Interest income less interest expenses as a percentage of average interest bearing assets
20	Return on assets (ROA)	Profit after tax as a percentage of total assets
21	Return on equity (ROE)	Profit after tax as a percentage of total equity
22	Gross non-performing loans (NPLs)	Customer advances defined as non-performing or impaired in the financial statements
23	Gross NPLs/gross advances to customers	Gross NPLs as a percentage of gross advances to customers
24	Bad debt charge/gross advances to customers	Charge for bad and doubtful debts as a percentage of gross advances to customers
25	Provision coverage ratio	Provision as a percentage of gross advances to customers
26	Entrusted loans	Entrusted loans involve the bank acting as an agent of funds from a depositor which are on-lent to a designated borrower identified by the depositor.

Table 6: Key changes the CBRC has made to the China Basel II & III rules

Subject	Topic	Consultative 18 August, 2011	Final version 8 June, 2012
Capital Definitions	Core Tier 1 capital	<ul style="list-style-type: none"> • Include foreign exchange translation difference (for functional currency only) 	<ul style="list-style-type: none"> • Translation difference not included
	Excess loan loss provision in tier 2 capital	<ul style="list-style-type: none"> • Excess of: • 150% coverage ratio 	<ul style="list-style-type: none"> • Excess of: • Either over 100% of the coverage ratio or special reserve
	Tier 2 capital	<ul style="list-style-type: none"> • Tier 2 capital instruments and its premium • Excess loan loss provision • Minority interest • 50% unrealised net gain in AFS equity and debt • 70% Fixed assets revaluation reserve • Unrealised accumulated net gain in HFT fair value change 	<ul style="list-style-type: none"> • The last 3 removed
	Mandatory Capital Deductions items	<ul style="list-style-type: none"> • 7 deduction items 	<ul style="list-style-type: none"> • 2 new items besides the original 7: <ul style="list-style-type: none"> - Hedging cash flow reserve - Unrealised P&L of banks liabilities' (fair value) from due to change of bank's own credit risk
	Eligible capital instruments for non-core tier 1 capital		<ul style="list-style-type: none"> • One new additional term: <ul style="list-style-type: none"> - If the instrument can be converted to common shares and also for securities whereby the liability can be written off
Market Risk	Risk exposures	<ul style="list-style-type: none"> • No capital charge on Structured FX risk exposures 	<ul style="list-style-type: none"> • May not charge market charge risk on structure FX risk exposure
	Adjustment of market risk SVAR multiplier	<ul style="list-style-type: none"> • Adjust according to actual number of breakouts 	<ul style="list-style-type: none"> • Exceptions for no adjustment to multiplier: • Reasonable explanation of sound model • Financial market institutional change
	Definition of Structural FX risk exposure	<ul style="list-style-type: none"> • Comprised of: • Borrowed capital, eg. perpetual subordinated debts • Foreign currency assets and liabilities held by the bank due to regulatory constraints of settlement 	<ul style="list-style-type: none"> • Statement changed to: 'position held to maintain stable CAR' • 'Foreign currency assets and liabilities held due to regulatory control of settlement' has been deleted therefore now we have to include this into the market risk capital charge
	Underwriting Risk Exposure Market Risk Standardized Approach	<ul style="list-style-type: none"> • Day-end underwriting balance*(1-deduction ratio) • Deduction ratio: • Since inception – 90% • Middle point from inception till payment day – 50% • Since payment day – 0% 	<ul style="list-style-type: none"> • Day-end underwriting balance * conversion factor: • Since inception - 50% • Since payment day – 100%
	Interest risk	<ul style="list-style-type: none"> • '4-5years' is in Zone 2 	<ul style="list-style-type: none"> • Moved '4~5 years' from Zone 2 to Zone 3
	IMA coverage	<ul style="list-style-type: none"> • Banks who apply to adopt IMA for market risk capital charge calculation: • The coverage of IMA capital should not less than 50% at submission; and • The coverage of IMA capital should reach 90% by the end of the 3-year transition period. 	<ul style="list-style-type: none"> • No requirement for the 3-year transition period any more, while the 50% IMA coverage at the time of application submission still stands

Table 6: Key changes the CBRC has made to the China Basel II & III rules			
Subject	Topic	Consultative 18 August, 2011	Final version 8 June, 2012
Operational risk	Risk Weight in Basic Indicator Approach	<ul style="list-style-type: none"> Risk weight approaches 18% after a 5-year ramp up period. 	<ul style="list-style-type: none"> Risk weight is 15% applied immediately
Credit risk	Risk weights in standardised approach	<p>Claims on public sector entities (PSEs)</p> <ul style="list-style-type: none"> n/a <p>Mortgage</p> <ul style="list-style-type: none"> The first real estate: 45% The second real estate: 60% <p>Non-self-use Real Estate</p> <ul style="list-style-type: none"> n/a <p>Other commercial bank's debt</p> <ul style="list-style-type: none"> 25% <p>Credit Card Unused Lines:</p> <ul style="list-style-type: none"> 50% 	<p>Claims on PSEs</p> <ul style="list-style-type: none"> Risk Weight of China Mainland PSEs is 20% The claims on PSEs should be treated the same as claims on the commercial banks in whose jurisdictions the PSEs are established <p>Mortgage</p> <ul style="list-style-type: none"> 50% <p>Non-self-use Real Estate</p> <ul style="list-style-type: none"> 100% <p>Other commercial bank's debt</p> <ul style="list-style-type: none"> Maturity less than 3 months: 20% Maturity longer than 3 months: 25% <p>Credit Card Unused Lines:</p> <ul style="list-style-type: none"> Lower Risk Weight can apply: 20% (if all 3 special requirements met) General: 50%
	Settlement Risk Charge (placed under credit risk)	Risk exposure derived from settlement of security, commodity and FX transactions	
Counterparty Credit Risk (CCR)	CCP transactions	n/a	<ul style="list-style-type: none"> Clearly requires the central counterparty transactions to be included in the measurement, but the measurement methods are to be specified separately
	SFT	<ul style="list-style-type: none"> Repo and SFT 	<ul style="list-style-type: none"> New Definitions on SFT now consistent with Basel 2.5:
	Netting in CCR	n/a	<ul style="list-style-type: none"> Repo
	SFT calculation method	n/a	<ul style="list-style-type: none"> Security borrowing and lending
Securitisation risk	Qualified facility not based on external rating for Off Balance Sheet Exposures	<ul style="list-style-type: none"> With a conversion factor of 50% 	<ul style="list-style-type: none"> Maturity longer than 1 year: with a conversion factor of 50% Maturity less than 1 year: with a conversion factor of 20%

Table 6: Key changes the CBRC has made to the China Basel II & III rules

Subject	Topic	Consultative 18 August, 2011	Final version 8 June, 2012
Disclosure	Risk management	<ul style="list-style-type: none"> Disclosure of risk management framework on credit, market, operational and other risks 	<ul style="list-style-type: none"> Specifically requires disclosure of liquidity risk management objectives, policy and procedure, and roles and responsibilities
	Capital quantity and composition	n/a	<ul style="list-style-type: none"> Deduction/addition of cash flow reserve derived from hedging of B/S items which are not measured at fair value Unrealised P&L of banks liabilities' (fair value) due to change of bank's own credit risk Minority interest deduction from core tier 1 capital must be disclosed now
	RWA	n/a	<ul style="list-style-type: none"> RWA for credit, market, CCR, and operational risk need to be disclosed
	Off-B/S items	n/a	<ul style="list-style-type: none"> Qualitative information of off B/S entities (if any), including scope of business, main products and risk characteristics Quantitative information of off B/S entities (if any), large amount exposure, conversion factors and risk exposure
	ICAAP	n/a	<ul style="list-style-type: none"> ICAAP methodologies and procedures; Capital planning and capital adequacy ratio management plan
Transition period to meet Capital Adequacy Rules (CAR)		<ul style="list-style-type: none"> SIFI banks – end of 2013, no later than end of 2015 Non-SIFI banks – end of 2016, no later than end of 2018 Rural cooperative banks and rural banks – end of 2018 	<ul style="list-style-type: none"> End of 2018 for commercial banks; encouraging early compliance to meet the 10.5% CAR for Non-SIFI's Must submit a plan to CBRC to demonstrate in phases how the bank will meet these targets
Decrease of Includable Minority interest		n/a	<ul style="list-style-type: none"> 5 years adding-back period allowed
Decrease of excess loan loss provisions and increase of loan loss provision gap due to implementation of new rules		<ul style="list-style-type: none"> 5 years adding-back period since 2012 for decrease of excess loan loss provisions and increase of loan loss provision gap 	<ul style="list-style-type: none"> n/a – rules are obsolete
Transition period of operational risk capital charge		<ul style="list-style-type: none"> 5 years transition period since 2012 for operational risk basic indicator approach (BIA) increasing alpha Lower capital charge using either basic indicator approach, standard approach, or advanced approach during transition period 	<ul style="list-style-type: none"> n/a – no transition period must go right away to 15%
RMB RWA Foreign Banks		n/a	<ul style="list-style-type: none"> Foreign Bank branch RWA in RMB
Parallel period for advanced approach of capital measurement		n/a	<ul style="list-style-type: none"> 3-year parallel period since approval of advanced approach of capital measurement
Transition period to meet CAR		<ul style="list-style-type: none"> SIFI banks – end of 2013, no later than end of 2015 Non-SIFI banks –no later than end of 2018 Rural cooperative banks and rural banks – end of 2018 	<ul style="list-style-type: none"> End of 2018 for commercial banks; encouraging early compliance to meet the 10.5% CAR for Non-SIFI's by 2016 Must submit a plan to CBRC to demonstrate in phases how the bank will meet these targets
Decrease of Includable Minority interest		n/a	<ul style="list-style-type: none"> 5 years adding-back period allowed

Table 7 Foreign investments in mainland Chinese banks (1)

SN	Chinese bank	Foreign investor	Stake size
1	Industrial and Commercial Bank of China Limited	Goldman Sachs Group Nomura Holdings, Inc. JP Morgan Chase & Co.	2.51% 1.41% 1.25%
2	China Construction Bank Corporation	Bank of America Temasek Holdings Pte. Ltd. Reca Investment Limited	0.80% 9.06% 0.34%
3	Bank of China Limited	Asian Development Bank The Bank of Tokyo-Mitsubishi UFJ, Ltd.	0.11% 0.19%
4	Agricultural Bank of China	Standard Chartered Bank	0.37%
5	Bank of Communications	HSBC	18.63%
6	China CITIC Bank Corporation Limited	BBVA Mizuho Corporate Bank	15.00% 0.18%
7	Shanghai Pudong Development Bank	Citibank Overseas Investment Corporation	2.71%
8	Industrial Bank	Hang Seng Bank Tetrad Ventures Pte Ltd.	12.80% 3.79%
9	Hua Xia Bank	Deutsche Bank Sal. Oppenheim JR. & CIE. Kommanditgesellschaft Auf Aktien	19.99%
10	Bank of Qingdao	Intesa Sanpaolo Rothschilds Continuation Holdings AG	17.49% 2.50%
11	China Merchants Bank	Bestwinner Investment Ltd.	0.20%
12	Bank of Beijing	ING Bank International Finance Corporation	16.07% 4.04%
13	Bank of Shanghai	HSBC Shanghai Commercial Bank Ltd.	8.00% 3.00%
14	Bank of Tianjin	Australia and New Zealand Banking Group Limited	17.51%
15	Bank of Nanjing	BNP Paribas	12.68%
16	Bank of Guangzhou	Bank of Nova Scotia	19.90%
17	Bank of Hangzhou	Commonwealth Bank of Australia Asian Development Bank	20.00% 3.95%
18	Bank of Chongqing	Dah Sing Bank	20.00%
19	China Bohai Bank	Standard Chartered Bank	19.99%
20	Bank of Qingdao	Intesa Sanpaolo Rothschilds Continuation Holdings AG	20.00% 3.87%
21	Nanchong City Commercial Bank	Deutsche Investitions-und Entwicklungsgesellschaft (DEG)	6.00%
22	Bank of Yingkou	CIMB	19.99%
23	Bank of Chengdu	Hong Leong Bank Berhad	19.99%

Table 7: Foreign investments in mainland Chinese banks (2)

SN	Chinese bank	Foreign investor	Stake size
24	Xiamen Bank	Fubon Bank (Hong Kong) Limited	19.99%
25	Shanghai Rural Commercial Bank	Australia and New Zealand Banking Group Limited	20.00%
26	Evergrowing Bank	United Overseas Bank Ltd.	14.26%
27	Guangdong Development Bank	Citigroup Inc. IBM Credit LLC	20.00% 3.69%
28	Hangzhou United Bank	Rabobank International Finance Corporation	9.00% 5.00%
29	Bank of Xi'an	Bank of Nova Scotia	18.10%
30	Bank of Ningbo	Overseas Chinese banking Corporation	14.00%
31	Qilu Bank	Commonwealth Bank of Australia	19.90%
32	Jilin bank	Hana Bank	18.00%
33	Yantai Bank	Hang Seng Bank Ltd. Wing Lung Bank Ltd.	20.00% 4.99%
34	Tianjin Binhai Rural Commercial Bank	International Finance Corporation	10.63%
35	Nan Tung Bank	Morgan Stanley	100.00%

Source: Publicly available information

Table 8: Chinese investments in foreign financial institutions

SN	Chinese bank	Foreign target	Stake size	Acquisition price (USD million)
1	Industrial and Commercial Bank of China Limited	ICBC Asia Limited ¹ ICBC Indonesia Limited ² ICBC Canada Limited ³ ICBC Macau Limited ⁴ ICEA Finance Holdings Limited IEC Investment Ltd. Standard Bank Group Ltd. ACL Bank Bank of East Asia (U.S.A)	100% 97.5% 70% 89.33% 75% 40% 20.06% 97.24% 80%	n/a 64.40 n/a n/a n/a n/a 5,460 n/a 141
2	China Construction Bank Corporation	China Construction Bank (Asia) Corporation Limited ⁵ CCB (Asia) Finance ⁶	100% 100%	n/a 70
3	Bank of China Limited	BOC Aviation Pte.Ltd. ⁷	100%	965
4	China Development Bank	Barclays Bank Pak-China Investment Company Ltd.	3.1% 50%	3,000 n/a
5	China Merchants Bank	Wing Lung Bank Ltd. Hong Kong Life Insurance Limited	100% 16.67%	4,698.45 9.03

Source: Publicly available information

1. Renamed ICBC (Asia) from Union Bank of Hong Kong.
2. Renamed ICBC Indonesia from PT Halim Bank Indonesia
3. Renamed ICBC Canada from Bank of East Asia (Canada)
4. Following ICBC's acquisition of Seng Hang Bank, it was merged with ICBC's Macau branch and renamed ICBC Macau Company.
5. After acquiring Bank of America (Asia), China Construction Bank renamed the entity China Construction Bank (Asia).
6. Renamed CCB (Asia) Finance from AIG Finance (Hong Kong)
7. After acquiring Singapore Aircraft Leasing, Bank of China renamed the entity BOC Aviation Leasing

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