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BANKING

# Mainland China Banking Survey 2013

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# Preface

KPMG is delighted to release its seventh annual Mainland China Banking Survey. 2013 has been a challenging year in the sector and with the recently announced government reforms following the 3rd plenum the future looks to remain so.

We have included an assessment of current issues in China's banking industry seeking to provide an in-depth examination of the operating environment and development status of commercial banks as well as the risks and challenges the industry faces in the near future.

We have collated and summarised the publically released financial figures and regulatory indicators of 200 commercial banks in China, for the end of 2012 as well as published data for listed institutions up to the 3rd quarter 2013. The data not only constitutes the basis for our analysis, but we hope will also serve as a convenient and useful reference for our readers.

Through our publication, we seek to share our experience and inspire ideas and insights to serve as a reference for banks and the market as they take on the numerous risks and challenges in the rapidly developing environment.









# Introduction

Despite concerns over shadow banking in China, the banking sector has remained broadly stable in 2013. Although income growth is slowing, it is converging into more normal trend growth rates. Looking back, the fast profit growth in 2010-12 was a period of super-normal growth led by the rapid balance sheet expansions in 2009-11 and net interest margins ("NIM") widening in 2011-12. In 2012-13, non performing loans ("NPLs") and overdue loans balances have risen slightly, driven by the deceleration of the economy. The increase in NPLs was more noticeable in selected industries and SMEs. Overall, the sector's NPL ratio remained low at 0.97 percent<sup>1</sup> at the end of September 2013. Adequate provisioning has enabled banks to write-off bad debt in 2013. As a result, provision coverage to NPL fell by 9 percentage points in the first nine months of 2013, but even so remains at a healthy 287 percent in September 2013. Implementation of Basel III<sup>2</sup> since January 2013 has been smooth and as the next step, the major national banks are expected to migrate into internal rating based models, strengthening risk management and capital ratios.

We consider that the growth of non-traditional banking products should remain strong in the near future. The growth of non-traditional banking products is a vitally important step of China's financial liberalisation process, which has been reaffirmed by the Third Plenary Session of the CPC Central Committee. In addition to Trust products, range and depth of non-traditional banking products will continue to broaden and deepen. The development and growth in China's bond market is accelerating (notably with the recent rules on bank CD issues) and penetration of money market funds is beginning to grow in 2013. Future regulatory developments governing Wealth Management Products (WMPs) should follow the spirit of the No 8 Document<sup>3</sup> issued by the CBRC<sup>4</sup> in March 2013, which aims at improving transparency and controlling risks of the WMPs, rather than imposing a complete clamp down, appropriately ensuring the banks are managing the risks of these rapidly growing products .

Interest rate liberalisation, as defined as further relaxation of interest rate rules, will be in its final stages over the next few years. However, removal of the rate rules does not necessarily mean aggressive pricing competition amongst banks in China. Following the PBOC<sup>5</sup>'s decision to abolish lending rate floors in July 2013, banks are now free to set their own lending rates. The reality is that there has been little difference in pricing between banks. The only interest rate rule remains is deposit rate cap, which is set at 1.1x of the benchmark rates across different maturities. The PBOC is likely to raise the upper limits of deposit rates as the next move, before removing this last interest rate restriction. While such moves will be seen as key breakthrough of the reforms, it is unlikely to be a major de-stabilisation factor in the banking industry.



1 'Banking Operation Report', CBRC  
 2 Measure for commercial bank's capital (Trial)  
 3 China Bank's Regulating Commission  
 4 Issues related to regulating investment activities of the wealth management segment of commercial banks  
 5 People's bank of China



Amongst all financial institutions in China, more than 90 percent of financial assets are controlled by commercial banks. In this light, the rapid growth in non-traditional banking products should exert more competitive pressure on banks, helping to improve pricing mechanism and competitions in the industry.

**Table 1.1: Assets of Banking Industry**

<b>RMB 100 millions</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013Q3</b>
State owned commercial banks	318,358	400,890	458,815	536,336	600,401	647,556
National joint-stock commercial banks	88,131	117,850	148,617	183,794	235,271	261,718
City commercial banks	41,320	56,800	78,526	99,845	123,469	139, 557
Others	176,104	212,151	256,627	312,898	377,083	421,124
<b>Total</b>	<b>623,913</b>	<b>787,691</b>	<b>942,585</b>	<b>1,132,873</b>	<b>1,336,224</b>	<b>1,469,955</b>

Source: CBRC, Statistics

In comparison to their overseas counterparts, the four state-owned commercial banks exhibit strong capabilities and competitiveness compared to either in terms of asset scale, profitability and growth rates.

RMB 100 millions	30 Sep 2013 Total asset	Jan-Sep 2013 Revenue	Jan-Sep 2013 Net profit
ICBC	187,425	4,419	2,058
CCB	149,958	3,774	1,769
ABC	145,994	3,513	1,380
BOC	136,248	3,056	1,253
Wells Fargo	91,486	3,880	1,015
HSBC	167,432	3,671	912
Citigroup	116,782	3,602	701
Sumitomo Mitsui Banking Corporation <sup>6</sup>	93,371	1,808	576
Bank of America	130,747	4,147	491
Bank of Tokyo-Mitsubishi UFJ, Ltd. <sup>6</sup>	114,048	1,724	461
Barclays Bank	139,634	2,126	180
Deutsche Bank	148,371	2,104	170
Royal Bank of Scotland	112,260	1,541	11

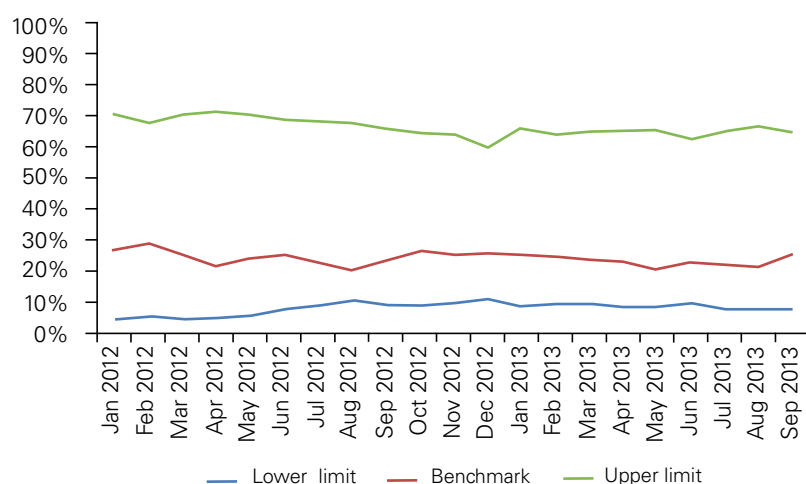
Source: The banks' 2013 third quarter report

However, slowing economic growth and increased interest rate liberalisation have led to the banking sector experiencing an increase in non-performing loans and a slowdown in profit growth in 2013.

The loans granted by commercial banks in 2012 (16.1 percent) increased by a rate 0.1 percent lower than in 2011 (16.2 percent); in the first half of 2013, the loan balance increased by a rate (15.89 percent) lower than in the same period of 2012.<sup>7</sup> Overall, the credit asset quality remained unchanged with a non-performing loan (NPL) rate of 0.95 percent, 0.01 percent lower than at the end of 2011. The NPL balance, however, no longer maintained the previous downward trend together with the NPL rate, and instead rose by RMB 64.7 billion; by the end of June 2013, the NPL rate increased to 0.96 percent, and the NPL balance rose by RMB 46.7 billion<sup>8</sup>.

Interest rate liberalisation underwent significant progress as the RMB deposit rates were capped at 1.1 times the benchmark rate in June 2012, while the lower limit of the floating range for lending rates was first reduced to 0.7 times the benchmark in 2012 and then cancelled from July 2013.

**Figure 1.1: Percentage of various interest rates of RMB loans granted by financial institutions<sup>9</sup>**



<sup>6</sup> The financial data for Sumitomo Mitsui Banking Corporation and Bank of Tokyo-Mitsubishi UFJ, Ltd. is for the year ended

<sup>7</sup> Commercial banks consist of state-owned commercial banks, joint-stock commercial banks, city commercial banks, rural commercial banks and foreign banks

<sup>8</sup> 'Banking Operation Report', CBRC

<sup>9</sup> 'China Monetary Policy Report', PBOC



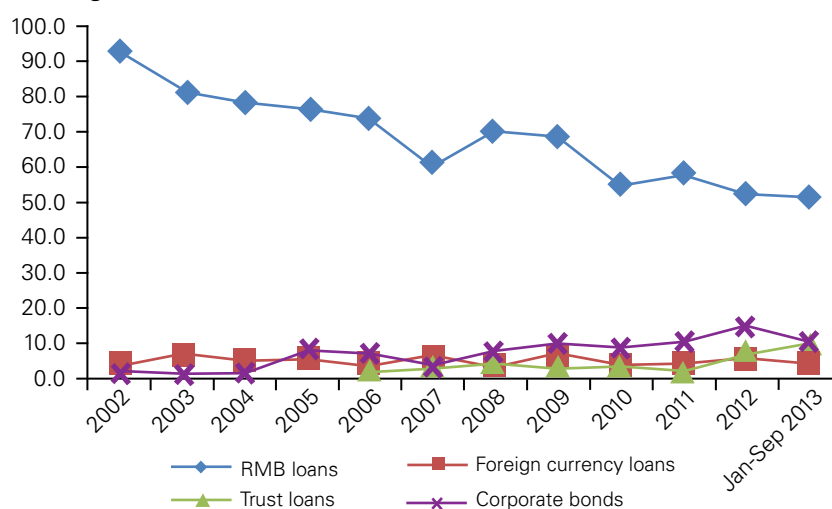
The general decline in the net interest spread and net interest margin was caused by a narrowing disparity between the lending and deposit rates. Commercial banks maintained their net profit growth, but lower than in 2011<sup>10</sup> due to the narrowing interest margin.

With the rapid development of the domestic interbank bond market and the expansion of non-bank financial institutions such as trust companies, enterprises tend to now have more diversified channels of financing. Although bank loans are still enterprises' first priority, their percentage in total social financing dropped significantly compared to the percentage 10 years ago. The percentages of trust loans and corporate bonds, as the emerging financing channels, increased substantially.

It is worth noting that as a direct financing channel, corporate bonds have made a great step forward over the past decade, with their percentage of total financing leaping from 1.8 percent in 2002 to 14.3 percent in 2012 (see Figure 1.2) reflecting a general trend of 'financial disintermediation' in the economy.

Moreover, raising funds via banks' wealth management products is also becoming an increasingly popular means for financing. According to statistics, 31,673 products were introduced by 120 banks in 2012, indicating a year on year increase of 31.16 percent,<sup>11</sup> of which there were 28,239 individual wealth management products with a total value of RMB 24.71 trillion. The issuance volume and scale hit a record high, increasing by 25.84 percent and 45.44 percent respectively year on year.<sup>12</sup>

**Figure 1.2: Percentages of major financing channels compared to social financing volume since 2002**



Source: PBOC, 'Statistics of Social Financing Volume'

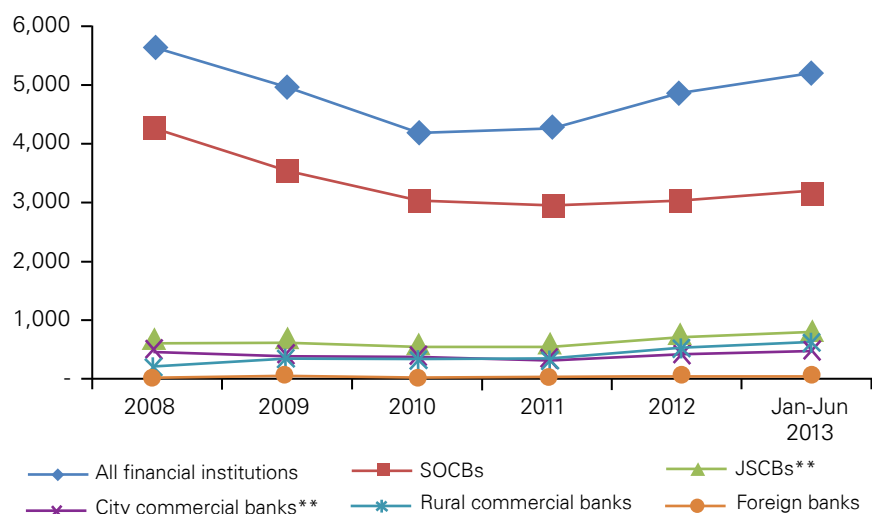
Economic trends also have had an impact on enterprises' profitability and solvency, which also affects the overall in the rise of NPLs. As shown in Figures 1.3 and 1.4, the NPL balances of various financial institutions have been increasing since 2012. There was an observable upward trend in the NPL ratio of joint-stock commercial banks (JSCBs), city commercial banks and foreign banks, despite the decrease in the NPL ratio of all financial institutions and state-owned commercial banks (SOCBs).

<sup>10</sup> 'China Monetary Policy Report', PBOC

<sup>11</sup> 'Annual Report on the Wealth Management Market 2012' (《2012年银行理财市场年报》), Wind Info

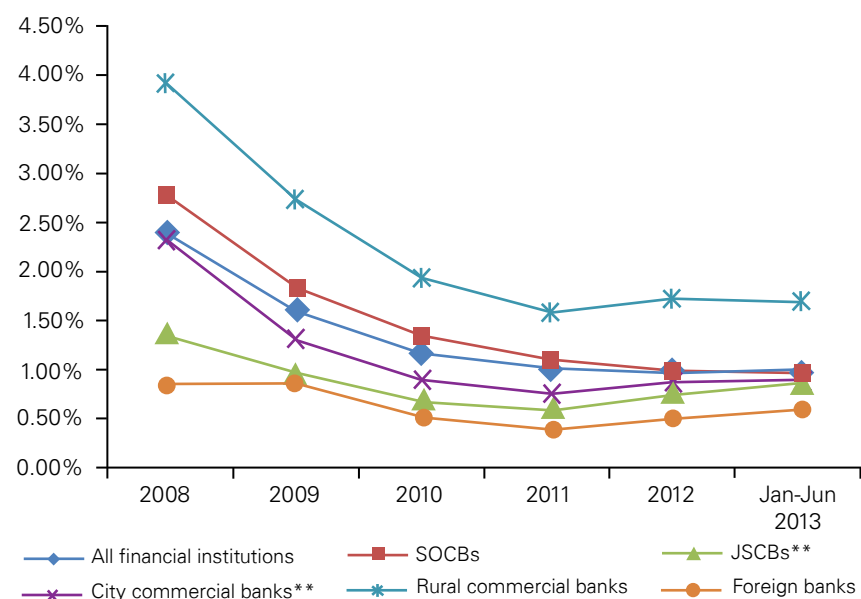
<sup>12</sup> Chinese Securities Journal, 30 January 2013, <http://bank.hexun.com/2013-01-30/150728665.html>

Figure 1.3: NPL balance of financial institutions (in RMB 100 million)



Source: 'Major Regulatory Indicators of Commercial Banking Institutions', CBRC

Figure 1.4: NPL ratio of financial institutions (in percentage)



Source: 'Major Regulatory Indicators of Commercial Banking Institutions', CBRC



## The financial reform blueprint in 12th National Five-Year Plan

In September 2012, the government released the 12th Five-Year Plan for the Development and Reform of the Financial Industry ("the Plan"). Regarding the banking sector, the Plan makes it clear that China will further the reforms to promote interest rate liberalisation and the exchange rate regime; as well as to create a robust system of deposit insurance and financial institutions' market exit mechanism.

### Pilot zones for financial reforms

To implement the Plan, China established pilot zones for financial reforms in Qianhai, Wenzhou, Lishui and Yiwu. The financial reform in Qianhai has three focuses – cross-border lending cooperation; support to Hong Kong as the RMB offshore centre; and a large-scale market for financial products. The pilot financial reform zone in Wenzhou focuses on the creation of a diversified financial system by escalating financial support to small and micro businesses; and encouraging regulated development of private-owned financial service sector. The financial reform in Lishui explores innovative structures for rural financial organisations to improve financial infrastructure in rural areas. The financial reform in Yiwu focuses on creating an RMB settlement centre for regional currency exchange and cross-border trading and particularly on promoting RMB as the currency for settlement and investment in Asia, Africa and Latin America.

China (Shanghai) Pilot Free Trade Zone ("Shanghai FTZ") was officially launched on 29 September 2013. According to the Framework Plan for the China (Shanghai) Pilot Free Trade Zone, the Shanghai FTZ aims to expedite the functional transformation of the government; open up investment sectors; promote the transformation of the trade development approach; deepen the innovation and opening up of financial services; and improve regulatory support systems. The Shanghai FTZ will roll out financial reforms in four areas in due course: first, capital account liberalisation; second, cross-border use of the RMB; third, interest rate liberalisation; and finally, the reform of the foreign exchange administrative system.

### Objectives of financial reforms

The Plan for the first time put forward two quantitative indicators: 1) the financial services industry shall account for approximately 5 percent of GDP; and 2) corporate direct financing shall account for over 15 percent of the social financing volume. The Plan also introduces three aspects – the development of the over-the-counter (OTC) market, bond market and derivatives market; the deregulation of the asset management industry to boost the development of institutional investors; and the improvement of the market mechanism by reforming the issuance and exit systems and combating insider transactions.

### The "Ten National Financial Guidelines"

In July 2013, the State Council issued Guidance on Economic Structural Adjustment and Transition and Upgrading with Support from the Financial Sector (the Ten National Financial Guidelines). These guidelines encourage banking sector transformation so as to improve the banking industry's capital efficiency. One of the initiatives that may have break through effect is the proposed establishment of private banks using private capital.

# Interest rate liberalisation

Looking at past international experience, the liberalisation of interest rates usually lead to: intensified competition among financial institutions, increased market volatility, rise in interest rates and a narrowed interest margin for the overall banking sector.

After the liberalisation of interest rates, banks may no longer be able to monopolise access to low-cost deposits, and competition across the entire market may push up the deposit interest rate to the market level while the banks are relatively slow in adjusting the asset structure, therefore the interest spread in banking sector tend to shrink in short term. However, the long-term interest margin is still determined by the national economic environment, monetary policies and the business strategies of commercial banks. From long term perspective, as personal consumption loans and credit to SMEs, which both have higher loan interest rates, will probably contribute to the overall increase of interest margin. For banks, reallocating the majority of credit assets to personal loans and credit to SMEs may eventually drive the rising of interest margin in the long run.

A shrinking interest margin after the liberalisation of interest rates may lead to further intensified competition in loans and deposits. Therefore, the market will set a higher standard on banks' financial innovation, pricing capability and risk management skill set. We have seen China's commercial banks are taking following actions to deal with the market challenges:

- Strengthen product pricing capability and develop a robust internal pricing model for deposits and loans;
- Expand intermediary services, enhance financial innovation and cross-selling, increase fee based income;
- Improve customer segmentation and enhance customer relationship management system to analyse customer behaviour more systematically for differentiated customer management
- Expand RMB financial derivative business, enter into interest rate risk hedge arrangements;
- Innovative services to small and medium enterprises (SMEs) may become an important tool for stabilising commercial banks' net interest margin;
- Build strong market research and trading teams, develop inter-bank market trading business as qualified market makers.







## Formation of the market benchmark rate

The Plan has formally placed interest rate liberalisation on the agenda, with the benchmark rate system (SHIBOR) for the monetary market being of particular importance. For commercial banks, the benchmark rate has become increasingly popular and important for market-orientated products and internal funds transfer pricing.

SHIBOR has gradually developed into a key indicative interest rate in China's financial market since it was first introduced by the People's Bank of China (PBOC) in 2007. However, SHIBOR is yet to be recognised as a benchmark rate as its effect on other market interest rates is still limited, such as its long term interest rate is not market-oriented. Therefore, its significance as the key benchmark rates still need to be enhanced.

Possible measures for a sound benchmark rate system include linking SHIBOR to statutory deposit and loan interest rates, encouraging financial institutions to adopt SHIBOR as their benchmark for internal transfer pricing, lowering the threshold to the RMB derivative market to encourage more participants in developing and trading innovative products.

## Deposit insurance

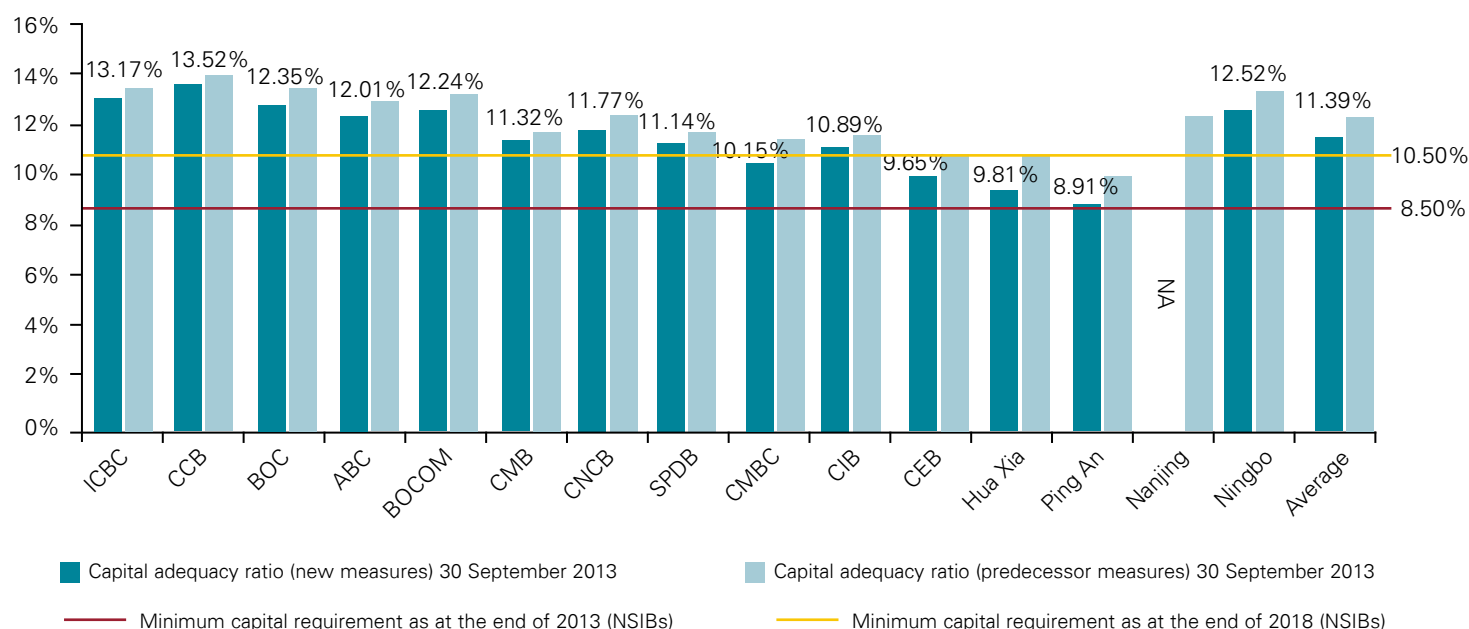
China is making progress towards a deposit insurance system. Since a deposit insurance system was first mentioned and set as a priority in State Council's annual financial industry conference in 2012, the urgency to implement a deposit insurance system has been emphasized many times in government and regulator's announcements. PBOC makes it clear in the China Financial Stability Report 2013 that deposit insurance implementation guidelines will be formulated in the same year.

# Implementation of New Capital Rules

The China banking sector adopted the New Capital Rules on 1 January 2013, which marked a new milestone for the regulation of the banking sector in China. The New Capital Rules impose higher minimum capital requirements, stricter criteria for qualified capital and wider risk coverage for commercial banks.

## Effects of the New Capital Rules

Figure 3.1: Capital adequacy ratios calculated by listed banks under the predecessor and new measures



Source: The Banks' 2013 3rd quarter report





#### The New Capital Measures impose more vigorous minimum CARs

	NSIBs			SIBs		
	Core 1st tier	1st tier	CAR	Core 1st tier	1st tier	CAR
By the end of 2013	5.5%	6.5%	8.5%	6.5%	7.5%	9.5%
By the end of 2018	7.5%	8.5%	10.5%	8.5%	9.5%	11.5%

SIB stands for "Systematically Important Bank"

As shown in 2013 third quarter report, the CARs calculated by selected listed banks using the New Capital Rules were relatively lower than those calculated using the predecessor rules while these banks can meet the regulatory requirements on minimum CAR. The decrease is mainly attributed to the change of items qualified as capital under the New Capital Rules, the adjustment and refinement of the measurement of credit risk-weighted assets, and the inclusion of operational risk-weighted assets in the risk-weighted assets for the first time.

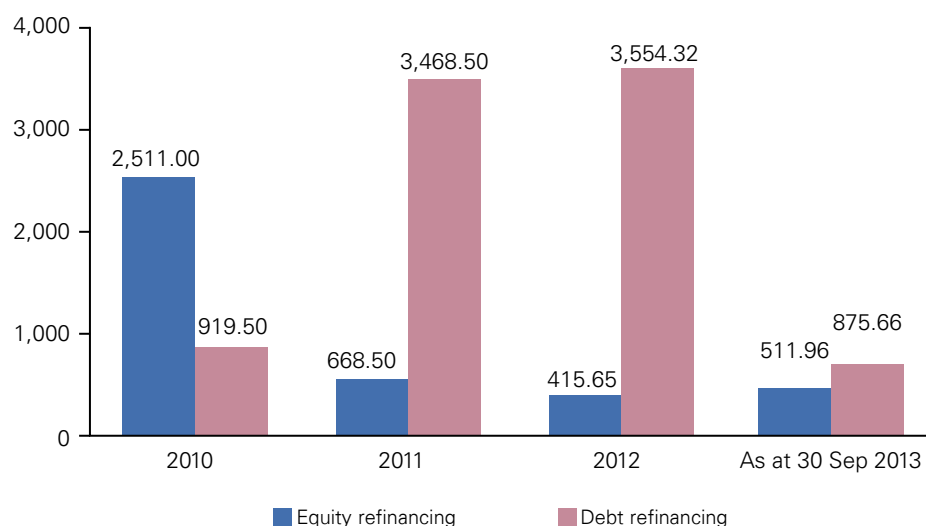
China's commercial banks may still face heavy pressure in terms of capital replenishment in the future because of the slower organic capital growth under the rapid growth of bank assets, and slowing profitability. A number of banks are considering replenishing capital through the issuance of innovative capital instruments, though the higher capital costs and the limited market acceptance may be a problem. Banks are seeking measures to control the volume of risk-weighted assets by transforming their business models and methods, such as asset securitisation.

Chinese commercial banks are in fact also exploring the possibility of boosting the CAR through the use of the advanced capital measurement approach. The Big Five state-owned commercial banks have applied to the CBRC to use the advanced measurement approach to calculate their CARs, and other commercial banks are also implementing capital measurement programs under the guidance provided by regulators.

## Bank refinancing

Equity financing in China's banking sector reached its peak in 2010, and significantly ebbed away thereafter.

**Figure 3.2: The scale of equity and debt refinancing in China's banking sector (RMB 100 million)**



Source: Wind Info

Since 2011, debt issuance has become an important financing channel for commercial banks as its volume has far exceeded that of equity refinancing. As at 30 September 2013, commercial banks' debts, convertible debts and substandard debts were RMB 95 billion, RMB 20 billion and RMB 1.7 billion respectively, of which there was a significant fall in the volume of substandard debts as substandard debts without a write-down clause cannot be qualified as Tier 2 capital instruments, and therefore cannot be included in the Tier 2 capital measurement. Banks are now working vigorously to prepare for the issuance of Tier 2 capital instruments subject to write-down.

From the resolutions passed by listed banks, Tier 2 capital instruments subject to write-down have become commercial banks' first choice for capital instrument innovation. By 31 May 2013, seven banks had specifically announced the volume of qualified capital instruments subject to write-down that they intended to issue over the following three years.

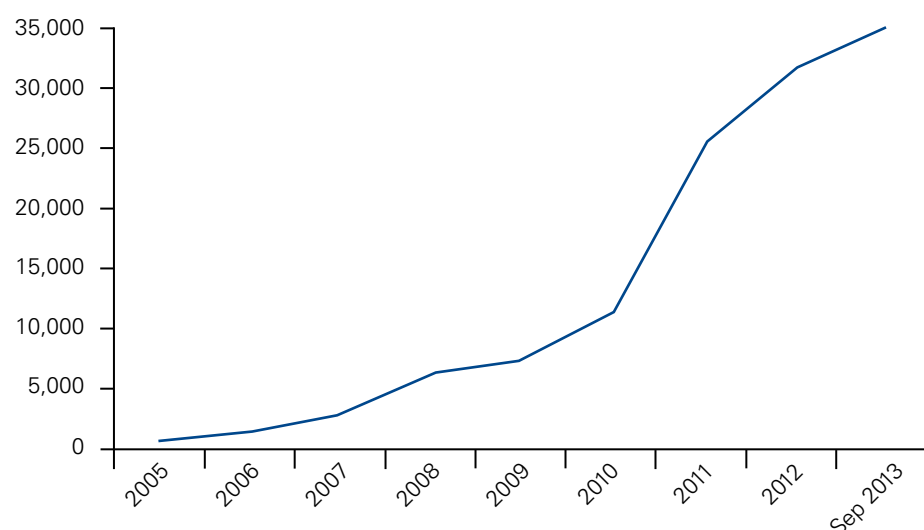




# Wealth management products

As of 2004, commercial banks have been permitted to conduct RMB wealth management business in China. Since then, banks' wealth management products (WMPs) have maintained fast growth. Banks' WMPs have dominated China's wealth management market, and their emergence, progress and expansion are closely linked to the unique financial landscape in China. On the one hand, economic growth has increased the income of entities and the general public, and they are therefore eager to seek ways to preserve and expand their wealth. Because of low interest rates for bank deposits and a lack of investment opportunities, WMPs have become a medium for China's interest rate liberalisation as a key investment tool for wealth management. At the same time, the market demand for financing has continued to grow, whereas total bank credit is under stringent regulatory monitoring within a bank-dominated indirect financing framework. Given this, the introduction of WMPs has diversified the market access to financing and increased the percentage of direct financing.

**Figure 4.1: Issuance volume of banks' WMPs**



Source: Wind Info







Amid the rapid expansion of banks' WMPs, the CBRC has aimed to facilitate a sound regulated growth of the market by adjusting its regulations. In particular, the CBRC has set out its most stringent regulatory measures through a circular entitled Issues Related to Regulating Investment Activities of the Wealth Management Segment of Commercial Banks (Circular No. 8) issued in March 2013, which requires separate management, separate accounts and bookkeeping, as well as set a percentage limit for non-standardised credit assets in total underlying assets. It is expected that Circular No. 8 will have significant implications for domestic banks' WMPs, and guide the transformation of the market.

The release of Circular No. 8 implies that the CBRC will not only strengthen the regulation of bank-trust type WMPs, but also expand the scope of regulation to cover non-standardised credit assets. These regulatory measures will further restrict the use of wealth management funds. In the short run, commercial banks will increase investment in standardised credit assets such as bonds to adjust asset structures in compliance with the quantitative requirements under Circular No. 8. In the long run, Circular No. 8 will inevitably force banks to transform their wealth management business, prompting another round of product innovation, and then mitigate the risk of a sharp decline in income from their intermediary business.

# Improved information technology

In today's increasingly competitive market, the banking sector is shifting from being product-orientated to client-orientated, which demands a robust IT platform. Therefore, technology innovation has become a key component in banks' service delivery process.

## Fast growth of Internet-based finance

The integration of financial and technological innovation has redefined the scope of financiers' roles. In the pre-internet era, the financial industry was an obviously monopolised industry, with high barriers to entering the market. However, internet-based, low-cost financial innovations and applications have reduced the advantages traditional financial institutions held in terms of their size and network, and may even give new players a head start in the new financial services sector. We have seen internet companies, third-party payment providers and telecom companies are all entering financial services sector with their advantages in either technology or customer base.

Competition aside, there is still room for cooperation between banks and these companies because the non-bank players still rely upon banks for the ultimate settlement and basic financial services. Although these companies have not yet composed a vital threat to banks' major traditional business, banks have fully realized the competition is prominent, and have invested heavily in internet finance.

## Payment market driven by innovation

The payment industry has been identified as one of the key areas for development in China and China has adopted a series of measures to support its development. Chinese people want the convenience provided by mobile communication technology, and are often early adopters open to all innovations. All these factors are driving fast growth in payment industry. Aside from revenue growth brought by the development of payment industry, the vast volume of customer transaction information is another key factor drawing the attention of various parties to invest in payment business. Control of customer information means a better understanding of customer need, providing better opportunities for cross selling. Currently, third-party payment providers and telecom companies are aggressively expanding their payment business. The top four payment providers account for approximately 80 percent of the total







domestic payment market. The top telecom companies have strong competitive advantage in the mobile payment market with their billion person customer base. These players all target market share in the payment market traditionally monopolised by banks, and they are aggressively collating information from the banks' customers. Confronted by these threats, commercial banks are making effort to invest more in building advanced payment platforms. We believe that as consumers rely more and more on internet and mobile payment technology, the competition between banks and other new players will be more intense in future.

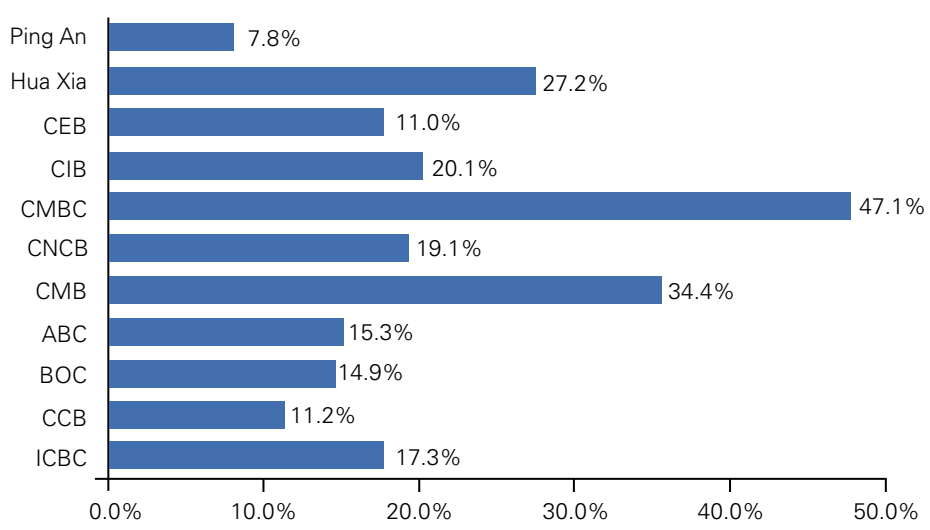
### Customer-oriented data analytics

China's banking sector realised that enhanced data analytics can help improve customer relationship management and risk management and thus build the bank's core competitiveness. Effective use of data analyses and data mining techniques with the strong support of massive computing and storage has become a common goal shared by banks over the last few years. At present, China's banks are actively exploring application of data analytics in retail banking and credit risk monitoring. For example, the banks can obtain a quick understanding of customers' asset allocation and transaction behaviour through analyzing customers' transaction information to identify those high net worth customers. In addition, with the use of data mining tools, banks may have access to valuable information on consumers' spending habits and behavioural patterns based on tremendous volumes of credit card transactions. Such information can be useful to banks for adopting concise positioning strategies for new products promotion. The banks can also perform cross-validation of data correlations through data mining to identify unusual customer transactions or changes in customers' financial status, so that to foresee customer's credit deterioration and thus manage credit risk better.

# Supporting small and micro loans and rural finance

In the past few years, an increasing number of financial institutions are providing support to small and micro-enterprises by focusing on providing them with loan services, and this is an important strategy for banks' sustainable development.

**Figure 6.1: Percentage of new small/micro loans of all new loans in 2012**



Source: The banks' 2012 annual report

2012 was a difficult year for many small and micro-enterprises, as they saw a number of business failures or trapped in financial difficulty. While small and micro loans are experiencing fast development, financial institutions are also focusing on risk and cost control. Under such circumstances, many banks have made adjustments to their risk control and the development direction of small and micro loans to keep up with the times, including increased screening of non-performing loans, the establishment of specialised branches based on risks related to the whole industrial chain, and the formation of urban commercial cooperatives to help small and micro-enterprises collectively mitigate risks.

## Support to small and micro-enterprises

The State Council and the CBRC have issued a number of circulars or guidance to encourage banks to actively engage in microfinance services. However, research from a number of institutions has shown that small and micro businesses still find it hard to obtain loans from banks. Nevertheless, more than 60 percent of the small and micro business owners still prefer bank loans as their first choice of financing,<sup>13</sup> which means that there is still huge potential for banks' microfinance business.



<sup>13</sup> 'Report on Small and Micro Business Financing: Chinese Experience and Asian Paths 2013' project team, 'Report on Small and Micro Business Financing: Chinese Experience and Asian Paths 2013', Boao Forum for Asia, 6 April 2013





The financing needs of small and micro-enterprises are characterised by their small amounts and short-term nature. Small and micro-enterprises' immediate need for money, their lower bargaining power and their lack of price sensitivity may represent a profit growth opportunity for banks. Different banks have been addressing the small and microfinance business in various ways. Some leading joint stock commercial banks have been exploring innovative financing services that meet the needs of small and micro-enterprises, and it has provided a business model that other peer banks can draw on.

### 'One district, two chains model': business areas finance and supply chain finance

Given the importance and potential growth of the small and microfinance markets, financial institutions are actively developing marketing strategies for small and micro loans and reinforcing the management of operational efficiency. A number of joint-stock banks have developed a 'one district, two chains model' to develop small and microfinance markets, and have had positive results.

'One district' refers to one of the three concentrated business areas – commodity trading, supermarket stores or merchants in commercial districts. 'Two chains' refers to the upstream and downstream of the supply chain related to the core business. The model should not only help banks extend credit in batches with reduced costs, but can also help them gain an in-depth understanding of the market and effectively manage risks.

A number of banks have adopted a 'credit factory' operating model in their business process for loans provided to small and micro-enterprises. The model has enabled standardised, centralised and electronic processes that help simplify the loan process for small and micro-enterprises, reduce loan costs and improve loan offering efficiency. This model has been better at meeting the needs of small and micro business customers.



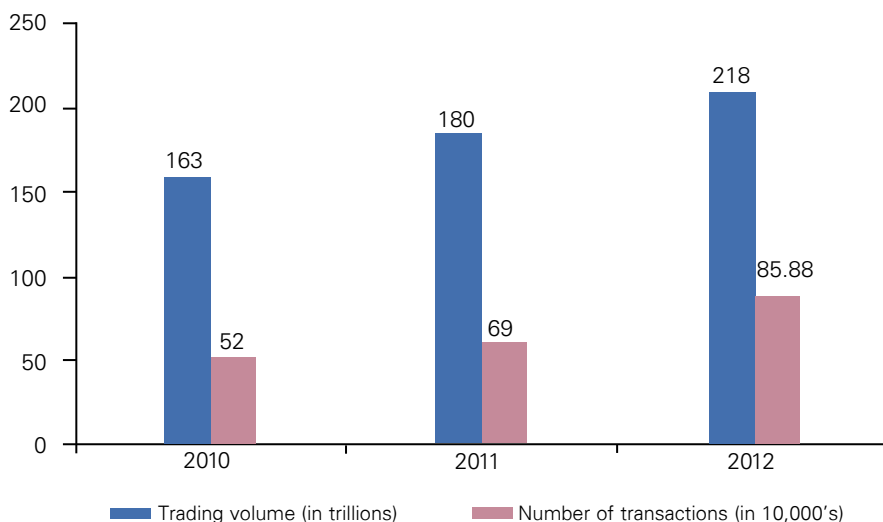
# Development of inter-bank market

## Market snapshot

From 2012 to 2013, China’s interbank markets, including the interbank foreign exchange, bond, currency, exchange rate and interest rates derivatives markets, were running with increased complexity and more diversified and market based products.

In the bond market, the China Bond Index rose then fell, and the yield curve dipped before climbing again in 2012. Credit bonds saw rapid development, with total issuance of RMB 3.79 trillion in the interbank bond market, far exceeding the government bonds of RMB 1.61 trillion. In terms of bond issuers, urban construction investment bonds<sup>14</sup> have seen accelerated growth. In 2012, urban construction investment bonds issued in the interbank bond market (including only medium-term notes and corporate bonds) reached RMB 636.8 billion, an increase of 148 percent year on year. As at the end of 2012, the balance of urban construction investment bonds issued in the interbank market was RMB 1,436.6 billion, representing an increase of 75 percent.<sup>15</sup>

Figure 7.1: Bond trading volume increases – 2010–2012 (in RMB)



Source: www.chinabond.com.cn

The RMB exchange rate experienced various fluctuations at different stages, and different types of transactions in the RMB exchange market showed various trends. As figure 7.2 shows, the spot foreign exchange market saw its trading volume drop



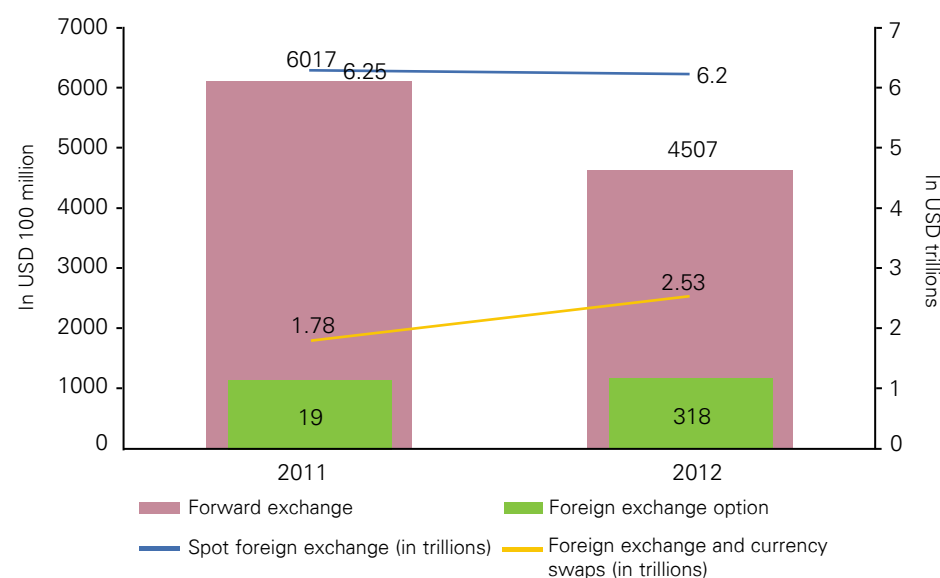
<sup>14</sup> Since there are no official statistics for urban construction investment bonds, we use definitions and judgement in the Bond Market Annual Report developed by the China Government Securities Depository Trust & Clearing Co. Ltd (CSDCC).

<sup>15</sup> Source: 'Bond Market Annual Report 2012 and 2011', CSDCC



slightly due to the economic slowdown and higher volatility in market prices. The forward foreign exchange market saw its trading volume fall significantly due to changes in position management policy. On the other hand, foreign exchange swaps, currency swaps and currency options trading showed an upward trend. The foreign exchange options trading introduced in 2011 has become increasingly active, with its volume increasing to USD 31.8 billion in 2012, an increase of 16 times. In addition, the foreign exchange market infrastructure has improved in the past two years. The introduction of foreign exchange forwards and swaps improved settlement efficiency, and a market-making mechanism was introduced in the interbank foreign exchange market to enhance the liquidity.

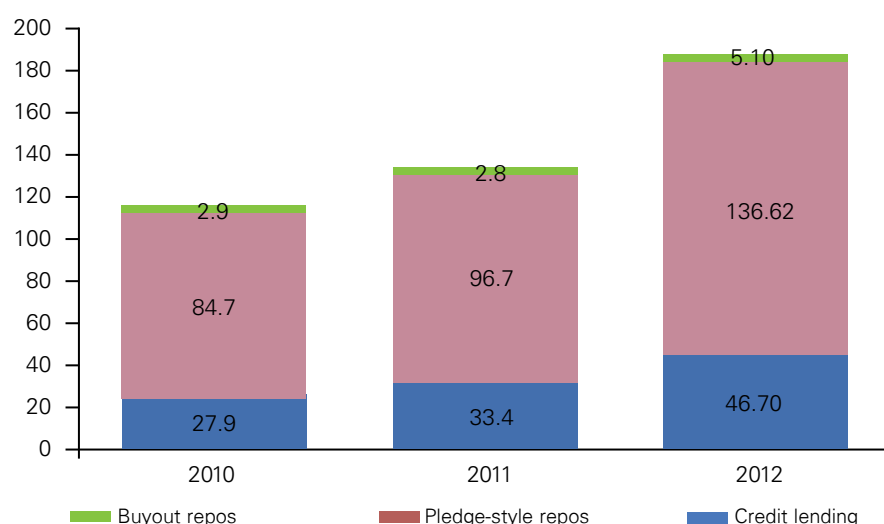
**Figure 7.2: Changes in trading volume in the foreign exchange market (in USD 100 million)**



Source: 2012 Annual Report of the State Administration of Foreign Exchange

The money market interest rates fell significantly compared to the beginning of 2012 and remained at a lower level. The trading volume in the money market has been rising steadily in recent years. As shown in Figure 7.3, transactions such as credit lending, pledge-style repos and buyout repos increased from 2010 to 2012. The increased number of SHIBOR quotation group members<sup>16</sup> also improved the accuracy of the rate. The market has become more open as more foreign members including international financial institutions, foreign insurance institutions and RMB qualified foreign institutional investors have been allowed to participate in the interbank bond market.

Figure 7.3: Analysis of trading volume of the money market 2012 (in RMB trillions)



Source: China Foreign Exchange Trade System, Interbank Market Report

In addition, enhanced financial product marketisation is also driven by improved infrastructure for derivatives transactions. For example, the introduction of interest rate swaps, electronic trading confirmations and write-off business have greatly reduced operational risks and improved transaction efficiency. The introduction of the fixing curve and closing curve for these five categories – overnight, seven-day SHIBOR, one-month SHIBOR, seven-day repo rate and one-year time deposit – has increased the variety of interest rate swaps and valuation methods.

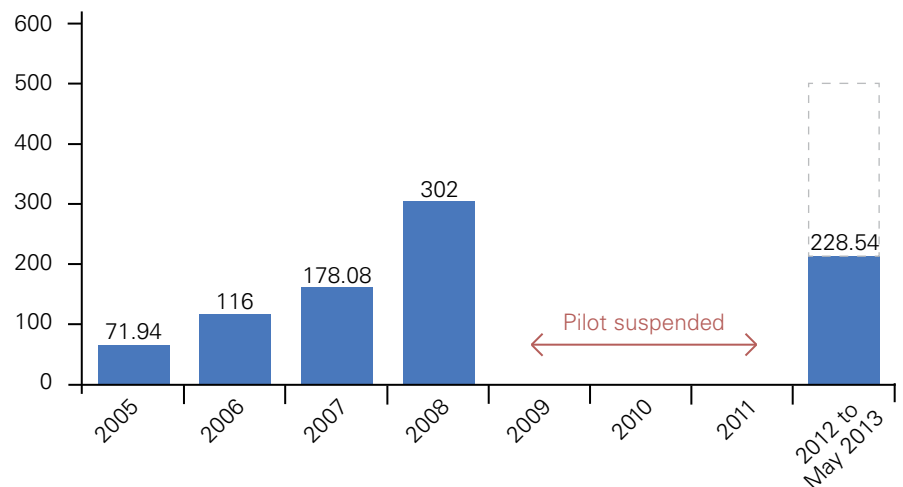
## Asset Securitisation

In June 2012, the government granted permission to credit asset securitisation, which had been suspended for four years. According to the State Council's announcement, the quota for pilot deals was RMB 50 billion. By May 2013, after the restarting of the pilot scheme, banks and non-banking financial institutions had issued six credit asset securitisation products in the interbank bond market. The total amount was approximately RMB 22.854 billion, including RMB 3.592 billion issued in the first quarter of 2013<sup>17</sup>.

<sup>16</sup> According to the 'Interbank Market Report 2012' from China Foreign Exchange Trade System, the number of SHIBOR quotation group members increased from 16 to 18.

<sup>17</sup> <http://finance.sina.com.cn/money/bond/20130705/143616030391.shtml>



Figure 7.4: Size of credit asset securitisation offering (in RMB 100 million<sup>18</sup>)

The resumption of asset securitisation has provided financial institutions with new tools to increase liquidity, reduce financing costs, improve asset structure, manage credit risk and increase return on net assets. It has also provided investors with new investment channels and a new opportunity to receive stable gains on a wider variety of credit assets to meet their needs for diversification.

Compared with international experience on securitisation, we expect the asset securitisation in China to show the following trends:

- **Diversification of underlying assets:** It is expected that in addition to traditional homogenous credit assets, securitised underlying assets may further expand into bonds and derivatives.
- **Differentiation of product types:** Product offerings may become more flexible in terms of duration, coupons and principal repayment speed to meet different investment needs.
- **Diversified participating institutions:** As rules relax, non-banking financial institutions and even some public companies, have been participating in asset securitisation, making issuers more diversified.
- **Enhanced risk management:** Differentiation of product types and diversification of underlying assets will inevitably require a higher level of management skills to identify, measure and manage risk.

<sup>18</sup> <http://bank.hexun.com/2012-02-25/138647745.html>

# International operations

Banks tend to go global to follow their customers, seek profit opportunities or to mitigate risks. Going global involves banks expanding their operations beyond the borders of their country, changing their business focus from their domestic currency to a foreign currency, or expanding their customer base from local to overseas.

In recent years, China's overseas investment has seen a surge thanks to its economic development and the adoption of its 'going global' strategy. Chinese enterprises, including Chinese banks, are gathering pace in their 'going global' strategy, with major Chinese banks having set up branches overseas. By the end of 2012, the four major state-owned commercial banks had established more than a thousand overseas entities in many countries and regions, with total overseas assets close to USD 800 billion.

## Chinese banks' development in Hong Kong

Hong Kong has long been Chinese banks' first destination to go global. In addition to BOC and BOCOM which have a longer history of operations in Hong Kong, ICBC, CCB and ABC were approved to establish their branches in Hong Kong in 1995. Since 2000, ICBC and other Chinese banks have acquired local banks in Hong Kong: in 2000, ICBC acquired 240 million shares in Union Bank of Hong Kong for HKD 7.52 per share, accounting for 53.24 percent of its total shares; in 2006, CCB acquired all shares in Bank of America (Asia); in 2009, China Merchants Bank acquired all shares in Wing Lung Bank in Hong Kong; on 30 March 2012, CMBC's first overseas branch was successfully opened in Hong Kong;<sup>19</sup> on 27 February 2013, CEB's Hong Kong branch was officially opened; and in late March 2013, BOCOM opened its asset management centre in Hong Kong, making it the first Chinese bank to set up a management centre overseas.<sup>20</sup>

In recent years, Chinese banks' Hong Kong branches have represented an increasing market share in Hong Kong's banking sector, and their growth has been faster than the average of local banks.



<sup>19</sup> The above are selected major M&As by Chinese banks in Hong Kong in chronological order

<sup>20</sup> Chinese banks to seek growth by expanding overseas as domestic business slows down significantly, 6 May 2013, <http://www.cfi.net.cn/p20130506010627.html>





## Chinese banks' development overseas

**Table 8.1: Overview of the overseas expansion of the four largest state-owned banks (as at the end of June 2013)**

ICBC	388 overseas institutions	Brazil branches opened.
CCB	Ten tier-one overseas branches, and five wholly-owned overseas subsidiaries	Subsidiary banks in Russia and Dubai and Taipei branch opened in succession, and branches in Luxembourg, San Francisco and Toronto were waiting for formal approvals of local regulatory authorities.
BOC	623 overseas institutions	Lisbon branch and Ulaanbaatar representative office opened, and five tier-two institutions in Russia, Germany, Italy, Canada and Malaysia were established.
ABC	Six overseas branches, four overseas representative offices, and three overseas subsidiaries	Dubai branch and Tokyo branch opened, and the application for the establishment of Hanoi branch was approved by the CBRC.

Source: The banks' 2013 interim report

As Chinese enterprises further expand overseas, Chinese banks' overseas expansion is likely to go from being trade-based to investment-based. They may also increase their market coverage with more M&As instead of setting up overseas branches, and may provide more services to local markets instead of focusing on local Chinese enterprises.

## Motivation for Chinese banks to 'go global'

Firstly, China has further consolidated its position as a trading power, which provides a stronger foundation for Chinese banks to develop their international business. Secondly, Chinese enterprises' pace of 'going out' is picking up further and they are in great need of cross-border financial services. Thirdly, RMB cross-border settlement and capital account liberalisation have progressed, creating favourable policies and a good environment for Chinese banks to go global. Accelerated RMB internationalisation creates better conditions for Chinese banks to go global and can help them expand their business scope and build larger assets in overseas markets. Last but not least, Chinese banks hope to mitigate risks and explore new profit growth opportunities by expanding overseas. As China's economy matures, interest rates will likely be liberalised and competition will probably become stiffer. As a result, Chinese banks' local profits will be reduced and they will need to seek new profit sources overseas.

## Suggestions for Chinese banks to 'go global'

While "go global", Chinese banks should develop a clear strategic objective, address problems appropriately, and mitigate any possible risks during the internationalisation process. According to international best practice, the banks may take following measures:

- Establish a specialised function overseeing overseas business with a top-notch management team
- Use a matrix approach to combine management by entities and by business lines, also to adopt localised management strategies
- Use M&A to expand overseas business as it can help lower costs, diversify risks and localise operations more effectively.
- Develop offshore business for their overseas branches to serve quality non-resident customers.
- Speed up product innovation and provide tailored services to enhance brand building
- Provide consistent services across the globe by building an IT platform with globally consistent technologies.
- Study the laws and regulations in overseas markets in order to mitigate legal and compliance risks

## Foreign banks' development in China

Against the backdrop of the global economy and structural transformation of the domestic economy in 2012, mainland China saw a slowdown in economic growth. This had an impact on foreign banks in mainland China as their growth slacked in 2012 after a contraction of the lending amount and profitability following years of rapid growth.

In 2012, most foreign banks in mainland China saw slower growth or even had a decline in net profit. The average growth rate in net profit slumped from 122 percent in 2011 to 1 percent in 2012. Small and medium foreign banks, which saw high growth in their net profit in 2011, were among the banks most heavily hit as more than half saw their net profit decline in 2012 and some even had their net profit fall to the 2010 level.





## Stable income structure despite slowing growth or a decline in net interest income

Over the past two years, net interest income has accounted for an average of 73–77 percent of total income for major foreign banks. With the heavy reliance on net interest income and further liberalisation of interest rates, the competition between foreign banks and domestic banks is likely to intensify. Despite the downward trend in major foreign banks' net interest income in 2012, they can still take advantage of the interest rate liberalisation by learning about product development and service innovation from their parent banks overseas, as well as by leveraging their local networks and knowledge.

## Increasing cost pressure

The average cost income ratio across major foreign banks increased from 57.68 percent in 2011 to 61.96 percent in 2012. Staff costs made up the major component of total costs.

The cost income ratio of foreign banks is relatively higher than that of their domestic counterparts as the majority of foreign banks are still in their early stage of development, so they do not have economies of scale. In 2012, the revenue growth of foreign banks generally slowed down and the cost pressure increased because of the rising staff costs and other operating costs.

## Operating scale

In 2012, the total assets of foreign banks continued to grow, though banks demonstrated different trends in development. Nearly half of the foreign banks, including HSBC, Bank of East Asia (BEA) and Citibank, still maintained double-digit growth in total assets, while 30 percent of them sustained a year on year decrease of total assets due to a downsize of their loan and interbank businesses.

In 2012, foreign banks showed two opposing trends in the development of their deposit base. Half of the foreign banks maintained double-digit growth in their deposit base, while the other half had a year on year decrease to various extents.



# Financial reform blueprint of the Third Plenary Session of the 18th CPC Central Committee

The Third Plenary Session of the 18th Communist Party of China (CPC) Central Committee was held in Beijing from 9 to 12 November 2013, at which the Decision on Major Issues Concerning Comprehensively Deepening Reforms ("the Decision") was passed. The Decision sets out a series of important measures for deepening financial reform, which will guide the planning of a new round of financial reform initiatives. The Decision will have a far-reaching impact on the future development of the banking industry in China as it expedites the transformation and enhancement of the Chinese financial structure. The Decision focuses on the financial reforms summarised below:

## Establish a multilevel financial market system and improve the structure of financial products

According to the Decision, China will "improve the financial market system. It will further open up the financial industry in domestic and international markets; and it will allow the use of qualified private capital to set up financial institutions such as small and medium-sized banks, under the condition that there are strengthened regulations. China will push ahead with the reform of policy-based financial institutions; improve a multilevel capital market system; promote reforms towards a registration-based stock issuing system and equity financing; develop and regulate the bond market; and increase the proportion of direct financing. China will also enhance the compensation mechanisms in the insurance industry, establish catastrophe insurance systems, develop inclusive finance, and encourage financial innovation by diversifying market levels and products."





### Deepen the financial pricing mechanism reform – interest rate and exchange rate liberalisation

The liberalisation of the interest rate and exchange rate is one of the key topics on the financial reform agenda. As set out in the Decision, China will “liberalise the formation mechanism of the RMB exchange rate; expedite the liberalisation of the interest rate; and improve the national debt yield curves as an indicator of the relationship between market supply and demand. It will promote the two-way opening up of the capital market; enhance the convertibility of cross-border capital and financial trading in an orderly manner; establish prudent macro-level management frameworks for foreign debt and capital flow management systems; and expedite the convertibility of RMB capital accounts.”

### Further financial regulatory and system reforms

The Decision also sets out regulatory and system reforms: “China will implement financial regulatory reforms and stability standards; improve coordination between regulators; and define the financial regulation and risk management duties of central and local authorities. It will also establish a deposit insurance system; liberalise financial institutions’ withdrawal from the market; strengthen the construction of financial infrastructure; and ensure the stable and efficient operation of the financial market in a safe environment.”



# Summary

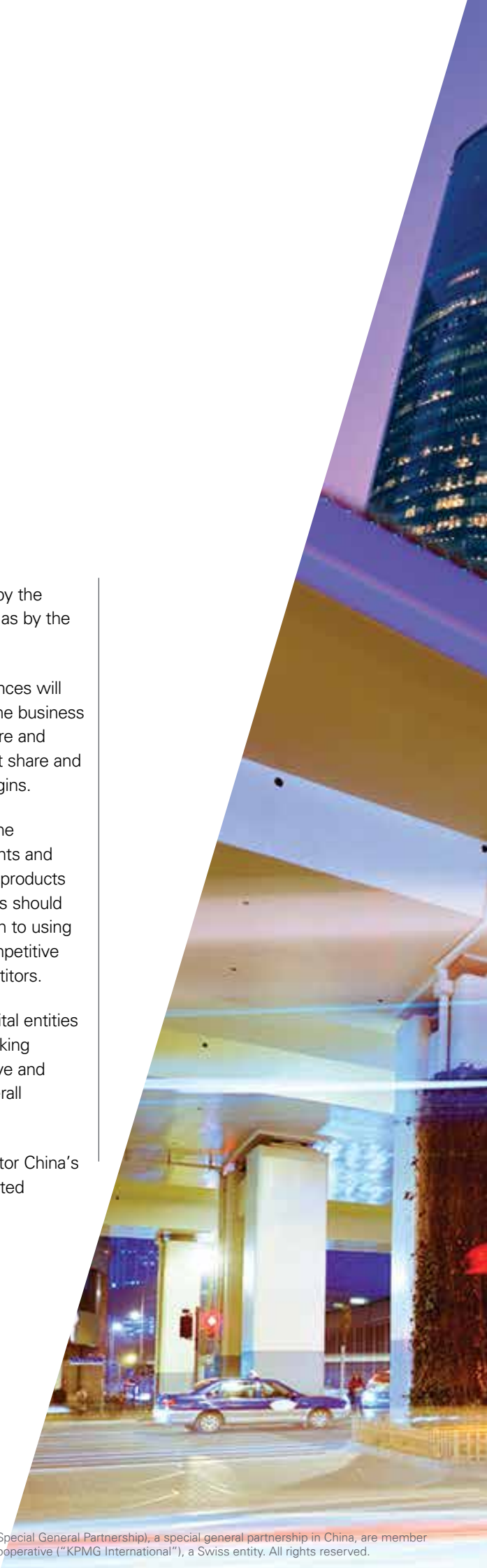
Looking ahead, China's banking industry is likely to be significantly altered by the continued opening up and reform of the financial services industry, as well as by the following major trends:

First, interest rate marketisation and the loosening of financial services licences will probably drive the change in asset management and significantly change the business foundations of traditional commercial banks. The market will then offer more and more innovative financial products with better returns, attacking the market share and profits that traditional commercial banks used to earn through interest margins.

Second, internet and mobile computing are bringing dramatic changes to the delivery of traditional banking products such as deposits, lending, settlements and investments. These changes are likely to overhaul the traditional channels, products and services developed by commercial banks. Therefore, commercial banks should change their business mindset swiftly and adopt a more proactive approach to using innovative technologies. Otherwise, it is very likely that in the ensuing competitive environment, these banks will quickly be overtaken by faster acting competitors.

Last but not least, China's decision to grant banking licences to private capital entities can invigorate its banking sector. The traditional state capital controlled banking industry will have to welcome new competitors who may be more proactive and efficient. These new joiners can further improve the banking industry's overall performance through more volatile competition.

As witness to all these developments, KPMG will continue to closely monitor China's banking sector and deliver the latest exciting news and trends to all interested readers.







## Financial summary (1-1)

In RMB million unless otherwise stated

		Scale									
		Total assets		Gross loans and advances to customers		Deposits from customers		Net assets attributable to shareholders of the Bank			
No.	Name of bank	As at 30 Sep 2013	2012	As at 30 Sep 2013	2012	As at 30 Sep 2013	2012	As at 30 Sep 2013	2012		
1	Industrial and Commercial Bank of China Limited	18,742,548	17,542,217	9,644,520	8,803,692	14,692,718	13,642,910	1,231,739	1,124,997		
2	China Construction Bank Corporation	14,995,769	13,972,828	8,377,210	7,512,312	12,116,073	11,343,079	1,041,367	941,732		
3	Agricultural Bank of China Limited	14,599,419	13,244,342	7,107,873	6,433,399	11,802,544	10,862,935	827,175	749,815		
4	Bank of China Limited	13,624,793	12,680,615	7,535,374	6,864,696	10,045,534	9,173,995	889,259	824,677		
5	Bank of Communications Co., Ltd.	5,768,040	5,273,379	3,217,767	2,947,299	4,070,216	3,728,412	408,665	379,918		
6	China Merchants Bank Co., Ltd.	3,885,372	3,408,219	2,173,206	1,904,463	2,804,691	2,532,444	257,127	200,434		
7	Industrial Bank Co., Ltd.	3,633,650	3,250,975	1,341,829	1,229,165	2,111,248	1,813,266	194,477	169,577		
8	Shanghai Pudong Development Bank Co., Ltd.	3,593,943	3,145,707	1,726,581	1,544,553	2,455,094	2,134,365	195,729	177,497		
9	China CITIC Bank Corporation Limited	3,401,408	2,959,939	1,882,968	1,662,901	2,632,476	2,255,141	219,824	198,356		
10	China Minsheng Banking Co., Ltd.	3,313,219	3,212,001	1,533,918	1,384,610	2,180,686	1,926,194	189,858	163,077		
11	China Everbright Bank Corporation Limited	2,474,344	2,279,295	1,139,398	1,023,187	1,622,107	1,426,941	132,136	114,178		
12	Ping An Bank Co., Ltd.	1,855,619	1,606,537	832,638	720,780	1,252,366	1,021,108	94,913	84,799		
13	Hua Xia Bank Co., Limited	1,551,809	1,488,860	797,858	720,168	1,157,109	1,036,000	81,966	74,694		
14	Bank of Beijing Co., Ltd.	1,207,534	1,119,969	564,500	496,720	815,137	713,772	77,827	71,617		
15	Chongqing Rural Commercial Bank Co., Ltd.	496,555	433,823	198,798	173,448	346,978	294,511	35,080	31,921		
16	Bank of Ningbo Co., Ltd.	452,450	373,537	164,064	145,618	250,662	207,577	25,025	22,117		
17	Bank of Nanjing Co., Ltd.	426,100	343,792	142,055	125,269	260,037	213,656	26,383	24,618		



Operating results												
	Operating income		Net interest income		Net profit		Net profit attributable to shareholders of the Bank		Net assets per share attributable to shareholders of the Bank (In RMB Yuan)		Basic earnings per share (In RMB Yuan)	
	Nine months ended 30 Sep 2013	2012	Nine months ended 30 Sep 2013	2012	Nine months ended 30 Sep 2013	2012	Nine months ended 30 Sep 2013	2012	As at 30 Sep 2013	2012	Nine months ended 30 Sep 2013	2012
	441,917	536,945	327,636	417,828	205,771	238,691	205,533	238,532	3.51	3.22	0.59	0.68
	377,390	460,746	286,510	353,202	176,867	193,602	176,482	193,179	n/a	3.77	0.71	0.77
	351,341	421,964	275,624	341,879	138,037	145,131	137,988	145,094	2.55	2.31	0.42	0.45
	305,609	366,091	208,205	256,964	125,315	145,522	120,210	139,432	3.19	2.95	0.43	0.50
	124,222	147,337	97,635	120,126	48,840	58,476	48,706	58,373	5.50	5.12	0.66	0.88
	97,531	113,367	72,572	88,374	39,491	45,277	39,498	45,273	10.20	9.29	1.83	2.10
	80,304	87,619	63,111	72,193	33,325	34,927	33,102	34,718	10.21	13.35	1.74	3.22
	72,477	82,952	61,138	73,362	30,006	34,311	29,818	34,186	10.49	9.52	1.60	1.83
	76,572	89,435	62,804	75,486	31,239	31,385	30,860	31,032	4.70	4.24	0.66	0.66
	85,975	103,111	60,589	77,153	34,109	38,308	33,314	37,563	6.69	5.75	1.18	1.34
	48,768	59,916	38,538	50,263	21,700	23,620	21,664	23,591	3.27	2.82	0.54	0.58
	37,345	39,749	29,056	33,035	11,696	13,511	11,696	13,403	11.58	16.55	1.43	2.62
	33,365	39,777	28,849	35,344	11,127	12,796	11,130	12,796	9.20	10.90	1.25	1.87
	23,172	27,817	19,536	24,623	11,022	11,684	11,014	11,675	n/a	8.14	1.25	1.38
	12,047	13,653	11,583	13,092	4,764	5,378	4,748	5,361	3.77	3.43	0.51	0.58
	9,277	10,342	8,280	9,216	3,944	4,068	3,944	4,068	8.68	7.67	1.37	1.41
	7,718	9,114	6,714	7,696	3,446	4,045	3,419	4,013	8.89	8.29	1.15	1.35

## Financial summary (1-2)

		Profitability								
		Return on equity (ROE) (Note)		Net interest spread		Net interest margin		Cost-to-income ratio		
No.	Name of bank	Nine months ended 30 Sep 2013	2012	Nine months ended 30 Sep 2013	2012	Nine months ended 30 Sep 2013	2012	Nine months ended 30 Sep 2013	2012	
1	Industrial and Commercial Bank of China Limited	23.00%	23.02%	n/a	2.49%	n/a	2.66%	25.37%	28.56%	
2	China Construction Bank Corporation	23.38%	21.98%	2.54%	2.58%	2.71%	2.75%	25.53%	29.57%	
3	Agricultural Bank of China Limited	23.09%	20.74%	2.60%	2.67%	2.75%	2.81%	32.78%	36.76%	
4	Bank of China Limited	18.66%	18.10%	n/a	2.02%	2.22%	2.15%	29.14%	31.81%	
5	Bank of Communications Co., Ltd.	16.30%	18.43%	2.36%	2.43%	2.53%	2.59%	27.72%	29.71%	
6	China Merchants Bank Co., Ltd.	24.59%	24.78%	2.66%	2.87%	2.83%	3.03%	31.38%	35.98%	
7	Industrial Bank Co., Ltd.	18.15%	26.65%	n/a	n/a	n/a	2.64%	23.85%	26.73%	
8	Shanghai Pudong Development Bank Co., Ltd.	15.93%	20.95%	n/a	2.39%	n/a	2.58%	27.75%	28.71%	
9	China CITIC Bank Corporation Limited	19.20%	16.70%	n/a	2.61%	2.60%	2.81%	28.94%	31.51%	
10	China Minsheng Banking Co., Ltd.	24.75%	25.24%	n/a	2.75%	2.38%	2.94%	30.65%	34.01%	
11	China Everbright Bank Corporation Limited	23.43%	22.54%	n/a	2.34%	n/a	2.54%	28.34%	29.97%	
12	Ping An Bank Co., Ltd.	16.93%	16.78%	2.07%	2.19%	2.23%	2.37%	39.57%	39.41%	
13	Hua Xia Bank Co., Limited	14.05%	18.50%	n/a	2.52%	n/a	2.71%	39.11%	39.95%	
14	Bank of Beijing Co., Ltd.	14.74%	18.30%	n/a	n/a	n/a	n/a	21.98%	25.78%	
15	Chongqing Rural Commercial Bank Co., Ltd.	n/a	n/a	n/a	3.26%	3.40%	3.50%	35.38%	37.70%	
16	Bank of Ningbo Co., Ltd.	16.59%	19.97%	n/a	3.23%	n/a	3.48%	31.85%	34.13%	
17	Bank of Nanjing Co., Ltd.	13.31%	17.35%	2.08%	2.25%	2.28%	2.49%	29.72%	29.86%	

Assets quality					Capital adequacy				Other regulatory indicators	
NPL ratio			Allowance to gross loans		Capital adequacy ratio		Core capital adequacy ratio		Loan-to-deposit ratio	
	As at 30 Sep 2013	2012	As at 30 Sep 2013	2012	As at 30 Sep 2013	2012	As at 30 Sep 2013	2012	As at 30 Sep 2013	2012
	0.91%	0.85%	2.44%	2.50%	13.36%	13.66%	10.64%	10.62%	65.20%	64.10%
	0.98%	0.99%	2.63%	2.69%	14.15%	14.32%	11.38%	11.32%	69.14%	66.23%
	1.24%	1.33%	4.31%	4.35%	12.90%	12.61%	10.08%	9.67%	60.22%	59.22%
	0.96%	0.95%	2.24%	2.25%	13.29%	13.63%	10.44%	10.54%	72.23%	71.99%
	1.01%	0.92%	2.20%	2.30%	13.25%	14.07%	10.78%	11.24%	73.86%	72.71%
	0.79%	0.61%	2.21%	2.16%	11.49%	12.14%	9.24%	8.49%	77.48%	71.37%
	0.63%	0.43%	2.38%	2.00%	11.84%	12.06%	9.21%	9.29%	63.56%	66.50%
	0.69%	0.58%	2.40%	2.31%	11.74%	12.45%	8.51%	8.97%	70.31%	72.21%
	0.90%	0.74%	2.09%	2.12%	12.67%	13.44%	9.48%	9.89%	n/a	73.59%
	0.78%	0.76%	2.28%	2.39%	11.61%	10.75%	8.32%	8.13%	n/a	71.93%
	0.82%	0.74%	2.09%	2.53%	10.44%	10.99%	7.89%	8.00%	n/a	71.52%
	0.96%	0.95%	1.79%	1.74%	9.93%	11.37%	8.09%	8.59%	66.53%	70.64%
	0.92%	0.88%	2.79%	2.82%	11.27%	10.85%	8.70%	8.18%	68.95%	69.51%
	0.61%	0.59%	2.53%	2.50%	n/a	12.90%	n/a	10.90%	n/a	68.19%
	0.70%	0.98%	3.41%	3.42%	13.18%	12.93%	12.37%	12.02%	57.29%	58.93%
	0.84%	0.76%	2.12%	2.10%	13.40%	15.65%	10.09%	11.49%	60.40%	67.74%
	0.92%	0.83%	2.62%	2.64%	12.20%	14.98%	9.81%	12.13%	54.63%	58.63%



## Financial summary (2-1)

In RMB million unless otherwise stated

		Scale								
		Total assets		Gross loans and advances to customers		Deposits from customers		Net assets attributable to shareholders of the Bank		
No.	Name of bank	2012	2011	2012	2011	2012	2011	2012	2011	
1	Industrial and Commercial Bank of China Limited	17,542,217	15,476,868	8,803,692	7,788,897	13,642,910	12,261,219	1,124,997	956,742	
2	China Construction Bank Corporation	13,972,828	12,281,834	7,512,312	6,496,411	11,343,079	9,987,450	941,732	811,141	
3	Agricultural Bank of China Limited	13,244,342	11,677,577	6,433,399	5,639,928	10,862,935	9,622,026	749,815	649,601	
4	Bank of China Limited	12,680,615	11,829,789	6,864,696	6,342,814	9,173,995	8,817,961	824,677	723,914	
5	Bank of Communications Co., Ltd.	5,273,379	4,611,177	2,947,299	2,561,750	3,728,412	3,283,232	379,918	271,802	
6	China Merchants Bank Co., Ltd.	3,408,219	2,794,971	1,904,463	1,641,075	2,532,444	2,220,060	200,434	164,997	
7	Industrial Bank Co., Ltd.	3,250,975	2,408,798	1,229,165	983,254	1,813,266	1,345,279	169,577	115,209	
8	China Minsheng Banking Co., Ltd.	3,212,007	2,229,064	1,384,610	1,205,221	1,926,194	1,644,738	163,077	129,597	
9	Shanghai Pudong Development Bank Co., Ltd.	3,145,701	2,684,694	1,544,553	1,331,436	2,134,365	1,851,055	177,497	148,890	
10	China CITIC Bank Corporation Limited	2,959,939	2,765,881	1,662,901	1,434,037	2,255,141	1,968,051	198,356	174,496	
11	China Everbright Bank Corporation Limited	2,279,295	1,733,346	1,023,187	889,825	1,426,941	1,225,278	114,178	96,035	
12	Ping An Bank Co., Ltd.	1,606,537	1,258,177	720,780	620,642	1,021,108	850,845	84,799	73,311	
13	Hua Xia Bank Co., Limited	1,488,860	1,244,141	720,168	611,463	1,036,000	896,024	74,694	63,901	
14	Bank of Beijing Co., Ltd.	1,119,969	956,499	496,720	405,610	713,772	614,241	71,617	50,383	
15	Chongqing Rural Commercial Bank Co., Ltd.	433,823	344,820	173,448	144,097	294,511	246,141	31,921	27,856	
16	Bank of Ningbo Co., Ltd.	373,537	260,498	145,618	122,745	207,577	176,737	22,117	18,714	
17	Bank of Nanjing Co., Ltd.	343,792	281,792	125,269	102,805	213,656	166,424	24,618	21,644	
18	China Development Bank Corporation	7,520,329	6,252,256	6,417,578	5,525,872	608,364	446,640	496,408	443,527	
19	Agricultural Development Bank of China	2,293,079	1,953,467	2,185,077	1,875,550	386,200	367,524	49,796	35,513	
20	The Export-Import Bank of China	1,558,933	1,199,055	1,342,908	1,079,852	70,266	57,706	20,038	16,117	
21	China Guangfa Bank Co., Ltd.	1,168,150	918,982	615,750	540,163	856,166	742,538	63,528	52,706	
22	Bank of Shanghai Co., Ltd.	816,904	655,800	390,540	334,599	545,032	466,764	41,954	35,129	
23	Bank of Jiangsu Co., Ltd.	650,238	514,146	352,215	290,825	531,863	434,278	34,140	27,812	
24	China Bohai Bank Co., Ltd.	472,102	312,488	141,479	112,547	213,421	162,043	19,812	16,509	
25	Beijing Rural Commercial Bank Co., Ltd.	424,358	377,316	202,618	169,385	355,056	336,071	18,853	16,240	
26	China Zheshang Bank Co., Ltd.	393,839	301,858	182,306	148,985	266,888	214,682	22,709	20,686	
27	Shanghai Rural Commercial Bank Co., Ltd.	361,968	309,927	195,425	167,255	295,018	247,548	28,742	24,993	
28	Guangzhou Rural Commercial Bank Co., Ltd.	347,455	273,737	138,253	121,417	265,511	212,517	23,328	20,740	
29	Bank of Hangzhou Co., Ltd.	324,984	243,937	152,139	126,846	220,689	182,045	17,457	14,379	
30	Huishang Bank Corporation Limited	324,224	256,982	163,795	137,413	239,543	203,580	20,481	17,084	
31	Shengjing Bank Co., Ltd.	313,204	221,170	114,131	98,372	207,987	171,474	14,378	11,482	
32	Bank of Tianjin Co., Ltd.	302,346	235,360	122,431	95,819	201,316	164,725	16,698	14,263	
33	HSBC (China) Ltd	298,508	269,015	132,129	111,369	182,309	156,546	24,841	19,478	
34	Harbin Bank Co., Ltd.	270,090	203,622	87,264	65,439	186,642	145,962	16,765	11,386	
35	Bank of Dalian Co., Ltd.	256,800	187,893	101,400	86,113	174,938	137,304	10,778	9,052	
36	Bank of Chengdu Co., Ltd.	240,299	181,394	94,252	80,636	164,192	134,799	12,881	10,929	
37	Bank of Jilin Co., Ltd.	220,757	186,428	111,504	95,123	160,111	138,424	13,845	12,143	
38	Tianjin Rural Commercial Bank Co., Ltd.	214,752	150,686	89,462	77,650	142,160	122,140	11,717	9,728	
39	Baoshang Bank Co., Ltd.	207,618	175,124	58,580	48,441	122,974	110,394	17,494	15,380	
40	BEA (China) Ltd	206,966	174,403	104,032	95,982	154,138	139,480	14,719	13,383	
41	Longjiang Bank Co., Ltd.	186,055	153,019	35,481	25,646	114,095	93,373	9,049	6,270	
42	Kunlun Bank Co., Ltd.	184,815	130,295	41,363	20,995	104,830	74,224	14,514	12,773	
43	Standard Chartered (China) Ltd.	168,812	173,152	87,125	94,495	111,716	124,973	15,894	14,387	
44	Bank of Changsha Co., Ltd.	162,596	123,769	48,862	41,171	113,103	87,215	7,346	5,677	
45	Hankou Bank Co., Ltd.	162,382	137,943	59,192	47,800	108,101	91,728	11,903	8,077	
46	Bank of Chongqing Co., Ltd.	156,148	127,337	76,634	64,022	114,043	89,307	8,247	6,451	
47	Guangdong Shunde Rural Commercial Bank Co., Ltd.	155,156	137,502	82,300	71,616	119,982	106,851	12,980	10,974	
48	Citibank China Co., Ltd.	152,334	127,389	63,452	56,673	103,566	87,096	10,544	9,147	
49	Bank of Dongguan Co., Ltd.	139,977	122,623	58,140	48,001	96,637	80,276	9,208	7,578	
50	Huarong Xiangjiang Bank Co., Ltd.	132,507	103,517	37,361	28,814	69,840	53,635	6,620	5,760	
51	Bank of Suzhou Co., Ltd.	128,420	83,474	42,999	32,306	70,662	52,906	14,760	13,692	
52	Bank of Suzhou Co., Ltd.	128,420	83,474	42,999	32,306	70,662	52,906	14,760	13,692	
53	Bank of Jinzhou Co., Ltd.	123,258	106,470	61,781	50,656	82,741	81,494	11,251	9,686	
54	Bank of Hebei Co., Ltd.	122,116	106,705	49,666	39,071	90,452	73,789	8,350	4,428	
55	Bank of Xi'an Co., Ltd.	122,049	102,353	52,700	44,613	89,448	76,434	6,774	5,245	
56	Guangxi Beibu Gulf Bank Co., Ltd.	121,716	111,161	35,824	23,447	56,077	45,685	7,303	4,697	
57	Wuhan Rural Commercial Bank Co., Ltd.	112,503	88,674	62,777	53,103	95,170	77,865	7,284	5,939	
58	GUANGDONG NANYUE BANK CO., Ltd.	108,889	82,875	33,612	24,755	63,434	51,307	7,281	4,681	
59	Nanchong City Commercial Bank Co., Ltd.	108,746	75,755	27,044	15,899	63,820	44,912	4,836	3,673	
60	Bank of Nanchang Co., Ltd.	106,142	88,078	41,090	33,999	76,190	72,252	7,730	5,822	

Operating results												
	Operating income		Net interest income		Net profit		Net profit attributable to shareholders of the Bank		Net assets per share attributable to shareholders of the Bank (In RMB Yuan)		Basic earnings per share (In RMB Yuan)	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	536,945	475,214	417,828	362,764	238,691	208,445	238,532	208,265	3.22	2.74	0.68	0.60
	460,746	397,090	353,202	304,572	193,602	169,439	193,179	169,258	3.77	3.24	0.77	0.68
	421,964	377,731	341,879	307,199	145,131	121,956	145,094	121,927	2.31	2.00	0.45	0.38
	366,091	328,166	256,964	228,064	145,522	130,502	139,432	124,276	2.95	2.59	0.50	0.45
	147,337	126,956	120,126	103,493	58,476	50,817	58,373	50,735	5.12	4.39	0.88	0.82
	113,367	96,157	88,374	76,307	45,277	36,127	45,273	36,129	9.29	7.65	2.10	1.67
	87,619	59,870	72,193	50,734	34,927	25,597	34,718	25,505	13.35	10.68	3.22	2.36
	103,111	82,368	77,153	64,821	38,308	28,443	37,563	27,920	5.75	4.85	1.34	1.05
	82,952	67,918	73,362	61,441	34,311	27,355	34,186	27,286	9.52	7.98	1.83	1.46
	89,435	76,948	75,486	65,106	31,385	30,844	31,032	30,819	4.24	3.73	0.66	0.71
	59,916	46,072	50,263	39,440	23,620	18,085	23,591	18,068	2.82	2.38	0.58	0.45
	39,749	29,643	33,035	25,290	13,511	10,390	13,403	10,279	16.55	14.31	2.62	2.47
	39,777	33,544	35,344	30,293	12,796	9,221	12,796	9,222	10.90	9.33	1.87	1.48
	27,817	20,728	24,623	18,772	11,684	8,946	11,675	8,947	8.14	8.09	1.38	1.20
	13,653	11,118	13,092	10,505	5,378	4,248	5,361	4,246	3.43	3.00	0.58	0.46
	10,342	7,966	9,216	6,833	4,068	3,254	4,068	3,254	7.67	6.49	1.41	1.13
	9,114	7,463	7,696	6,512	4,045	3,235	4,013	3,212	8.29	7.29	1.35	1.08
	175,213	117,425	154,410	116,455	63,094	45,607	62,888	45,469	1.62	1.45	0.21	0.15
	71,799	57,447	70,737	56,581	14,292	6,779	14,292	6,779	2.49	1.78	0.71	0.34
	19,818	10,654	13,054	10,435	3,793	3,135	3,776	3,124	4.01	3.22	n/a	n/a
	31,105	28,173	24,596	23,709	11,220	9,586	11,220	9,586	4.12	3.42	0.73	0.62
	17,290	14,162	15,661	13,227	7,517	5,807	7,509	5,806	9.91	8.30	1.77	1.37
	19,806	16,524	17,602	14,880	7,036	5,834	7,036	5,834	3.75	3.06	0.77	0.64
	9,460	6,419	7,546	5,626	3,339	1,838	3,339	1,838	1.43	1.19	0.24	0.15
	11,063	10,197	7,601	7,371	3,246	2,240	3,242	2,237	1.97	1.70	0.34	0.23
	10,422	8,453	9,230	7,679	4,026	2,850	4,026	2,850	2.27	2.07	0.40	0.28
	10,871	9,027	9,842	8,089	3,656	3,202	3,724	3,187	5.75	5.00	0.74	0.64
	10,134	8,056	8,854	6,842	4,088	2,900	4,059	2,901	2.86	2.54	0.50	0.36
	9,788	7,513	8,842	6,726	3,558	2,691	3,552	2,691	10.44	8.60	2.13	1.61
	9,232	7,696	6,343	5,203	4,306	3,493	4,306	3,493	2.51	2.09	0.53	0.43
	6,917	5,423	6,785	5,344	3,498	2,605	3,486	2,605	3.89	3.11	0.94	0.77
	6,497	4,990	6,075	4,637	2,637	2,121	2,634	2,119	4.06	3.91	0.64	0.58
	8,990	8,135	6,616	5,689	3,824	3,424	3,824	3,424	2.00	1.80	n/a	n/a
	7,638	5,385	6,658	4,814	2,871	1,725	2,864	1,723	2.22	1.84	0.40	0.34
	6,206	5,258	5,559	4,682	1,750	1,723	1,750	1,723	2.63	2.21	0.43	0.42
	5,621	4,965	5,395	4,730	2,542	2,404	2,542	2,404	3.96	3.36	0.78	0.74
	7,393	6,402	6,225	6,027	2,160	1,537	2,105	1,524	1.96	1.72	0.30	0.22
	6,085	4,893	3,214	3,502	1,392	1,168	1,380	1,173	1.67	1.38	0.20	0.17
	6,764	5,466	6,177	5,016	2,205	2,029	2,173	2,026	4.47	3.93	0.56	0.52
	4,571	4,616	3,863	4,006	1,286	1,314	1,286	1,314	1.84	1.67	0.16	0.16
	4,787	3,293	4,584	3,121	1,708	1,119	1,698	1,110	2.08	1.69	0.45	0.36
	3,887	2,334	2,956	2,012	1,945	1,234	1,944	1,234	2.16	1.90	0.29	0.21
	6,768	5,540	4,846	4,346	1,581	883	1,581	883	1.48	1.34	0.15	0.08
	4,208	3,277	3,790	2,948	1,946	1,420	1,913	1,407	3.65	3.14	0.96	0.70
	4,350	3,533	3,383	2,818	1,858	1,508	1,859	1,509	2.90	2.30	0.53	0.44
	4,637	3,558	4,145	3,321	1,926	1,489	1,926	1,489	4.08	3.19	0.95	0.74
	5,071	4,292	4,663	4,033	2,379	2,062	2,369	2,059	5.83	5.91	1.06	1.11
	4,630	4,387	2,690	2,689	1,373	1,261	1,373	1,261	2.66	2.30	0.35	0.32
	4,646	3,353	4,028	2,953	1,927	1,325	1,925	1,325	4.65	3.83	0.97	0.81
	2,932	2,087	1,698	1,392	1,127	706	1,127	706	1.34	1.41	0.23	0.17
	3,455	2,428	3,192	2,349	1,383	1,133	1,356	1,119	4.92	4.56	0.46	0.38
	3,455	2,428	3,192	2,349	1,383	1,133	1,356	1,119	4.92	4.56	0.46	0.38
	3,461	3,252	3,253	3,176	1,156	1,074	1,152	1,074	2.88	2.57	0.30	0.28
	3,256	2,663	2,999	2,428	1,213	999	1,211	998	2.62	2.23	0.45	0.50
	4,980	3,765	n/a	n/a	1,456	1,107	1,456	1,107	2.26	1.75	0.49	0.37
	3,614	2,037	3,275	1,845	1,121	786	1,114	784	2.92	2.35	0.45	0.39
	4,254	3,480	3,417	2,903	1,640	1,112	1,639	1,639	2.36	1.92	0.55	0.37
	2,494	2,143	1,330	1,182	883	585	883	585	1.59	1.27	0.19	0.21
	2,681	2,009	2,225	1,453	1,398	1,058	1,371	1,043	4.83	3.67	1.37	1.25
	4,129	3,310	2,854	2,408	1,485	1,232	1,470	1,226	2.93	2.44	0.62	0.51

## Financial summary (2-1)

In RMB million unless otherwise stated

		Scale								
		Total assets		Gross loans and advances to customers		Deposits from customers		Net assets attributable to shareholders of the Bank		
No.	Name of bank	2012	2011	2012	2011	2012	2011	2012	2011	
61	BANK OF GUIYANG CO., Ltd.	105,719	82,066	47,128	38,079	88,241	71,524	6,692	5,293	
62	Fudian Bank Co., Ltd.	105,332	83,011	50,163	42,430	71,874	61,667	6,152	5,526	
63	Jinshang Bank Co., Ltd.	104,559	77,850	32,836	27,368	74,476	56,733	6,249	5,335	
64	Bank of Zhengzhou Co., Ltd.	103,734	70,899	50,161	37,407	74,654	54,976	7,671	6,210	
65	China Resources Bank of Zhuhai Co., Ltd.	102,998	46,331	21,519	8,784	50,708	26,917	7,277	6,783	
66	Bank of Qingdao Co., Ltd.	101,658	77,026	45,723	34,290	75,040	60,244	7,437	6,958	
67	DBS Bank (China) Ltd.	97,989	83,246	47,358	40,054	67,811	57,904	7,913	5,287	
68	Bank of Lanzhou Co., Ltd.	94,640	74,117	49,975	38,640	74,823	57,944	4,442	3,892	
69	Xiamen Bank Co., Ltd.	91,121	70,081	17,375	13,604	52,022	45,186	4,383	3,044	
70	Hangzhou United Rural Commercial Bank Co., Ltd.	90,976	89,805	53,210	50,424	73,408	68,238	9,113	7,896	
71	Zhejiang Chouzhou Commercial Bank Co., Ltd.	86,497	62,062	41,663	31,916	56,593	46,367	7,050	5,786	
72	Sumitomo Mitsui Bank(China) Limited	84,163	78,045	31,456	29,158	55,358	56,444	10,267	9,556	
73	Nanhai Rural Credit Cooperatives of Foshan	83,812	71,948	48,834	42,946	74,083	63,284	6,773	5,884	
74	Qilu Bank Co., Ltd.	83,680	77,279	47,057	43,444	71,331	66,113	5,306	4,379	
75	Bank of Wenzhou Co., Ltd.	83,333	65,652	44,971	36,453	63,003	52,980	5,472	4,444	
76	Bank of Luoyang Co., Ltd.	81,974	62,199	37,948	29,429	55,045	45,364	6,176	3,597	
77	Bank of Jiujiang Co., Ltd.	81,218	61,870	27,177	24,119	65,367	48,873	7,366	5,817	
78	Hang Seng Bank (China) Ltd.	80,504	76,385	41,770	36,039	31,551	31,942	5,584	5,023	
79	Mizuho Bank (China), Ltd	76,861	79,211	37,482	36,960	57,831	61,224	8,178	7,767	
80	Zhejiang Xiaoshan Rural Cooperative Bank	76,064	66,296	46,807	42,779	66,094	59,765	6,308	5,349	
81	Xiaoshan Rural Cooperative Bank	76,064	66,296	46,807	42,779	66,094	59,765	6,308	5,349	
82	Jiangsu Changshu Rural Commercial Bank Co., Ltd.	74,151	71,648	36,417	31,606	58,921	51,373	5,633	4,802	
83	Nanyang Commercial Bank (China), Ltd	73,425	67,367	35,809	30,695	50,870	43,781	7,797	5,222	
84	Jiangsu Jiangyin Rural Commercial Bank Co., Ltd.	73,373	56,296	39,432	35,743	53,272	47,648	4,933	4,223	
85	Wuxi Rural Commercial Bank Co., Ltd	72,973	59,941	38,315	33,178	55,343	46,943	5,084	4,372	
86	Weihai City Commercial Bank	72,058	56,276	35,076	29,454	53,656	45,632	4,451	3,103	
87	Jiangsu Zhangjiagang Rural Commercial Bank CO., Ltd	71,484	70,246	31,402	27,402	44,236	43,482	5,017	4,459	
88	Guilin Bank Co.,Ltd	71,063	42,731	19,554	14,425	46,464	30,928	3,483	2,608	
89	Fujian Haixia Bank Co., Ltd.	70,271	61,790	34,788	28,784	51,941	47,823	5,618	5,034	
90	Taizhou City Commercial Bank Corporation Limited	70,199	57,192	43,914	35,409	57,913	47,421	6,205	4,718	
91	Bank of Ningxia Co., Ltd.	67,736	55,984	36,169	30,453	54,274	45,455	5,820	4,841	
92	Ningbo Yinzhou Rural Cooperative Bank	66,696	56,820	36,328	32,021	48,545	43,825	5,419	4,143	
93	Chongqing Three Gorges Bank Co.,Ltd.	65,861	60,422	17,784	13,820	43,031	31,387	3,843	3,167	
94	Bank of Ganzhou Co., Ltd.	64,252	48,166	15,723	12,932	49,702	38,561	3,759	3,097	
95	Bank of Yingkou Co., Ltd.	63,343	53,660	28,343	23,564	52,727	45,323	5,096	4,411	
96	Panzhuhua City Commercial Bank Co., Ltd.	61,183	44,439	17,704	14,580	36,434	31,362	3,012	2,428	
97	Bank of Inner Mongolia Co., Ltd.	61,078	46,938	20,793	16,115	49,117	34,641	7,480	6,882	
98	Bank of Liuzhou Co., Ltd	60,643	51,773	16,846	13,398	40,797	30,422	4,042	3,463	
99	Bank of Liaoyang Co.,Ltd.	60,500	44,883	28,665	23,550	54,085	39,862	4,428	3,565	
100	Zhejiang Tailong Commercial Bank Co., Ltd.	58,722	47,814	35,094	28,105	44,823	38,688	3,776	3,154	
101	Deutsche Bank (China) Co.,Ltd.	57,894	52,479	16,387	15,090	25,659	19,846	5,784	5,525	
102	Bank of Anshan Co., Ltd	57,357	48,344	32,841	28,326	50,693	42,161	4,854	4,451	
103	Jiangsu Wujiang Rural Commercial Bank Co., Ltd.	57,177	54,003	30,183	26,057	46,904	40,020	4,820	4,337	
104	Zhejiang Mintai Commercial Bank Co., Ltd.	57,004	41,748	32,042	22,586	43,810	31,190	4,580	2,994	
105	Bank of Weifang Co., Ltd.	53,023	46,200	31,597	27,132	45,710	38,192	4,312	3,650	
106	Bank of Rizhao Co., Ltd.	50,876	39,489	28,190	22,586	41,324	32,832	3,772	2,984	
107	Bank of Handan Co., Ltd	50,809	31,689	15,006	11,332	35,193	25,949	2,687	2,133	
108	OCBC Bank (China) Ltd	50,474	52,320	15,815	16,644	22,883	25,730	4,233	3,980	
109	Bank of Fuxin Co., Ltd.	50,263	36,165	20,098	14,871	41,521	32,602	4,259	2,183	
110	Qishang Bank Co., Ltd	48,398	41,885	28,952	25,888	40,838	35,676	3,815	3,162	
111	Bank of Deyang Co., Ltd	46,452	37,279	18,153	15,377	30,326	27,012	2,503	1,851	
112	Zhangjiakou City Commercial Bank Co., Ltd.	46,021	35,833	19,320	15,330	34,439	27,779	2,858	2,281	
113	Bank of Shaoxing Co., Ltd.	45,360	39,051	26,823	25,069	36,846	34,101	3,138	2,853	
114	Jiangsu Kunshan Rural Commercial Bank Co., Ltd.	45,109	39,798	25,129	22,070	39,151	33,761	3,192	2,114	
115	First Sino Bank	44,702	40,577	27,386	23,646	40,932	35,048	2,838	2,460	
116	Laishang Bank Co., Ltd	42,744	34,814	20,552	15,525	29,604	22,240	4,731	4,371	
117	Cixi Rural Cooperative Bank	41,920	36,313	24,713	22,101	34,644	30,825	4,420	3,908	
118	Yellow River Rural Commercial Bank Co., Ltd.	38,781	18,879	n/a	n/a	14,569	10,512	3,026	2,630	
119	Ordos Commercial Bank Co., Ltd.	37,153	32,464	14,006	13,770	28,578	27,843	3,112	2,227	
120	Bank of Qinghai Co.,Ltd.	36,592	30,204	18,200	13,104	28,284	25,149	3,729	3,202	



Operating results												
	Operating income		Net interest income		Net profit		Net profit attributable to shareholders of the Bank		Net assets per share attributable to shareholders of the Bank (In RMB Yuan)		Basic earnings per share (In RMB Yuan)	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	3,469	2,701	3,379	2,549	1,620	1,156	1,625	1,158	3.72	2.94	0.90	0.67
	2,843	2,282	2,727	2,182	970	740	965	736	2.00	1.80	0.31	0.29
	2,923	2,110	2,643	1,949	1,010	611	1,013	611	1.91	1.63	0.31	0.19
	3,304	2,230	3,190	2,152	1,460	948	1,460	948	1.95	0.24	0.37	0.66
	1,789	969	1,616	896	484	302	484	302	1.29	1.20	0.09	0.05
	2,870	2,485	2,607	2,300	920	738	920	738	2.91	2.72	0.36	0.37
	1,977	1,914	1,892	2,207	306	527	306	527	1.26	1.32	n/a	n/a
	2,878	2,013	2,776	1,893	899	650	899	650	1.91	1.67	0.39	0.28
	1,434	1,288	1,311	1,278	467	378	467	378	3.19	2.84	n/a	n/a
	3,361	3,090	3,175	2,971	1,328	1,226	1,328	1,226	6.95	6.62	1.06	1.08
	3,169	2,263	2,785	1,996	972	755	974	755	5.30	4.82	0.80	0.68
	1,883	1,599	1,124	1,166	687	567	687	567	1.47	1.37	0.10	0.08
	3,059	2,419	2,359	1,770	1,203	645	1,203	645	2.52	2.36	n/a	n/a
	2,462	2,119	2,285	1,995	860	788	861	789	2.24	1.85	0.36	0.33
	2,284	2,275	2,160	2,187	548	645	548	645	3.17	2.95	0.36	0.43
	2,780	2,038	2,670	1,900	1,401	963	1,345	949	2.81	2.14	0.68	0.56
	3,758	2,541	3,526	2,279	1,670	1,195	1,665	1,194	4.86	3.84	1.11	0.79
	1,550	1,471	947	882	267	400	267	400	1.16	1.12	n/a	n/a
	1,771	1,238	1,199	877	421	233	421	233	1.26	1.19	0.06	0.04
	2,724	2,371	2,328	1,989	1,076	1,010	1,076	1,010	7.38	6.26	1.26	1.18
	2,724	2,371	2,328	1,989	1,076	1,010	1,076	1,010	7.39	6.26	1.26	1.18
	2,335	1,987	2,190	1,865	887	798	873	790	3.71	3.16	0.57	0.52
	1,233	983	863	890	183	154	183	154	1.20	1.27	n/a	n/a
	2,365	1,925	2,267	1,840	1,004	900	985	884	4.35	3.73	0.87	0.78
	1,992	1,717	1,862	1,641	865	720	865	727	2.98	3.52	0.52	0.48
	1,943	1,526	1,091	1,188	649	500	649	500	1.58	1.42	0.25	0.24
	2,091	1,846	1,888	1,695	1,015	923	990	909	3.08	4.11	0.61	0.56
	1,926	1,242	1,112	891	692	462	676	457	3.28	2.46	0.60	0.47
	2,298	1,930	2,217	1,887	801	753	801	753	1.89	2.21	0.31	0.33
	3,607	3,099	3,239	2,764	1,532	1,350	1,488	1,331	3.45	2.62	0.83	0.74
	2,863	2,405	2,755	2,321	1,145	880	1,145	880	3.52	2.92	0.69	0.53
	2,592	2,248	n/a	n/a	1,258	975	1,258	975	4.57	7.36	0.61	1.73
	1,668	1,195	1,368	1,079	754	533	754	533	1.91	1.57	0.37	0.27
	1,908	1,293	824	724	856	646	848	641	3.06	2.53	0.69	0.52
	2,187	2,023	n/a	n/a	879	972	879	972	3.12	4.05	N/A	N/A
	2,003	1,344	1,545	1,211	741	548	741	548	3.57	2.88	0.88	0.78
	2,572	1,832	1,841	1,450	849	598	847	603	2.49	2.29	0.28	0.20
	1,873	1,075	1,782	877	643	403	643	403	3.55	3.04	0.57	0.46
	1,737	1,386	1,300	1,233	643	519	629	510	2.04	2.05	0.29	0.29
	2,654	2,643	2,309	2,343	624	772	622	772	3.15	2.63	0.52	0.64
	1,524	1,759	1,018	778	260	483	260	483	1.31	1.25	0.06	0.11
	1,944	1,690	1,615	1,444	650	580	650	580	1.94	1.78	0.26	0.23
	2,106	1,710	1,972	1,643	871	768	n/a	n/a	n/a	n/a	0.86	0.76
	2,511	1,576	2,107	1,408	554	423	544	415	3.10	2.29	0.39	0.34
	2,034	1,760	1,713	1,472	740	638	731	632	2.13	2.09	0.37	0.37
	2,260	1,699	2,005	1,536	991	812	991	812	3.77	2.98	0.99	0.81
	1,453	1,222	1,073	1,012	657	474	655	474	2.34	1.87	0.57	0.41
	986	996	1,020	1,108	260	341	260	341	1.21	1.14	n/a	n/a
	1,452	930	1,114	841	468	283	468	283	2.09	1.63	0.37	0.29
	1,977	1,813	1,902	1,717	790	700	789	700	2.93	2.43	0.61	0.54
	1,481	1,112	1,402	1,076	630	572	630	572	2.65	3.58	n/a	n/a
	1,856	1,614	1,505	1,330	866	697	859	691	2.86	2.28	0.86	0.69
	1,303	1,115	1,218	1,072	430	531	424	531	3.19	2.90	0.43	0.54
	1,506	1,400	1,420	1,329	612	478	603	472	2.56	2.75	0.58	0.60
	1,039	916	731	648	388	312	388	312	2.58	2.24	n/a	n/a
	1,752	1,408	1,533	1,200	695	623	640	600	4.93	4.52	0.64	0.82
	2,552	2,067	1,257	1,130	661	593	661	593	4.40	3.89	0.66	0.59
	1,220	943	975	747	536	395	536	395	3.03	2.63	0.54	0.40
	2,537	2,121	2,114	1,849	939	537	890	533	5.10	3.65	1.46	n/a
	2,360	1,466	990	420	713	406	713	406	2.00	1.72	0.38	0.22

## Financial summary (2-1)

In RMB million unless otherwise stated

		Scale							
		Total assets		Gross loans and advances to customers		Deposits from customers		Net assets attributable to shareholders of the Bank	
No.	Name of bank	2012	2011	2012	2011	2012	2011	2012	2011
121	Bank of Cangzhou Co., Ltd.	34,713	27,933	18,306	14,164	30,308	24,600	2,383	2,193
122	United Overseas Bank (China) Limited	34,583	35,269	15,216	13,697	23,945	21,106	3,776	3,558
123	BANK OF JINHUA CO.,LTD	34,433	28,496	21,096	17,989	29,559	24,299	2,107	1,787
124	Mianyang City Commercial Bank Co., Ltd.	34,207	23,384	13,894	12,258	22,171	18,370	1,527	1,154
125	JPMorgan Chase Bank (China) Company Limited	33,247	29,784	13,676	10,898	18,422	16,148	7,230	4,655
126	Bank of Jiaxing Co., Ltd.	33,218	28,772	20,184	17,165	27,937	24,205	2,595	2,296
127	Hefei Science&Technical Rural Commercial Bank Co., Ltd.	32,191	26,946	18,019	15,017	24,303	20,573	3,758	1,541
128	Jincheng Bank Co., Ltd	32,155	23,271	11,182	9,197	22,748	17,228	2,481	1,452
129	BNP Paribas (China) Co., Ltd.	31,748	40,145	7,926	9,752	12,616	13,715	5,802	5,536
130	Guangdong Huaxing Bank Co., Ltd	31,692	16,600	8,241	3,682	12,534	7,215	5,106	5,115
131	Quanzhou City Commercial Bank Co., Ltd.	31,598	19,605	12,111	10,123	20,694	16,083	2,420	2,225
132	Bank of Shangrao Co., Ltd.	31,312	21,902	10,933	8,723	21,728	14,868	3,436	2,044
133	Leshan City Commercial Bank Co.,Ltd.	31,124	22,372	11,948	9,560	22,359	15,260	1,970	1,553
134	Dongying Bank Co., Ltd.	30,746	25,745	17,816	15,431	26,631	21,960	3,167	2,248
135	Australia and New Zealand Bank (China) Co., Ltd	29,798	29,206	11,429	11,873	16,583	17,819	4,889	2,814
136	Bank of Dangdong Co., Ltd.	29,705	22,925	12,539	10,081	25,336	19,730	2,137	1,740
137	Jilin Jiutai Rural Commercial Bank Co.,Ltd.	28,537	16,000	n/a	n/a	22,634	13,924	2,672	1,526
138	Bank of Fushun Co., Ltd.	28,340	20,412	11,821	9,806	20,626	16,336	2,453	2,439
139	Jiangsu Haian Rural Commercial Bank Co., Ltd	27,651	21,631	16,400	13,767	22,468	18,681	2,118	1,837
140	Bank of Huzhou Co., Ltd.	26,080	22,822	15,297	14,143	21,294	18,804	2,239	1,812
141	Jiangsu Taicang Rural Commercial Bank Co., Ltd.	25,660	18,448	13,707	11,844	20,003	16,690	2,020	1,251
142	Bank of Chengde Co., Ltd.	25,120	21,213	12,137	9,037	21,842	17,833	1,942	1,432
143	Bank of Shizuishan Co., Ltd.	24,879	18,092	8,969	7,004	17,370	14,366	1,782	1,338
144	Bank of Jining Co., Ltd.	24,633	17,875	14,933	10,729	20,166	15,152	2,519	2,326
145	Wing Hang Bank(China) Ltd.	24,339	29,772	13,405	14,381	18,889	22,050	2,196	2,110
146	Hana Bank (China) Co., Ltd.	20,321	15,889	9,660	7,922	15,933	11,223	2,363	2,260
147	Commercial Bank Co., Ltd.of Kaifeng	20,065	15,352	9,523	7,406	14,115	10,467	1,426	1,230
148	Zhejiang Wenling Rural Cooperative Bank	19,675	17,484	12,752	11,313	17,054	15,152	2,208	1,920
149	Jiangmen Ronghe Rural Commercial Bank Co., Ltd.	19,582	15,991	11,300	9,742	15,600	13,304	2,626	2,395
150	Xinyu Rural Commercial Bank Co.,Ltd	17,829	14,599	10,328	8,601	15,129	12,325	1,342	1,131
151	Societe Generale (China) Co., Ltd.	17,649	22,385	7,231	7,471	11,316	14,652	3,687	3,693
152	Woori Bank (China) Limited	17,555	15,763	9,028	7,410	13,295	11,679	2,424	2,398
153	Jiangsu Jiangyan Rural Commercial Bank Co., Ltd	17,074	15,078	1,008	861	13,869	12,235	1,445	1,297
154	Bank of Xinxiang Co., Ltd.	17,023	13,960	9,191	8,478	14,156	11,359	1,586	1,183
155	Jiangsu Jiangdu Rural Commercial Bank Co.,Ltd	16,971	14,207	10,890	9,210	14,876	12,498	896	734
156	The Royal Bank of Scotland (China) Co., Ltd.	16,684	23,043	4,814	4,696	6,551	8,589	4,783	4,796
157	Qujing City Commercial Bank Co., Ltd.	15,996	12,577	4,073	3,425	13,919	11,514	784	622
158	Jiaozuo City Commercial Bank Co., Ltd.	15,035	13,679	8,202	7,498	12,582	10,837	1,493	754
159	Jiangsu Dafeng Rural Commercial Bank Co., Ltd	14,799	12,841	9,045	7,695	11,610	10,288	1,129	1,099
160	Bank of Shangqiu Co., Ltd	14,622	11,199	6,411	4,700	12,840	10,008	1,389	882
161	Luqiao Rural Cooperative Bank	14,573	12,828	9,376	8,296	12,724	11,116	1,522	1,274
162	Liangshan Prefecture Commercial Bank Co.,Ltd.	14,292	10,723	6,428	5,138	12,106	9,080	986	771
163	Bank of Xuchang Co., Ltd.	14,261	11,734	7,477	6,175	11,598	9,674	1,353	1,090
164	Shaoxing Hengxin Rural Cooperative Bank	13,835	12,632	n/a	n/a	n/a	n/a	n/a	n/a
165	Bangkok Bank (China) Company Limited.	13,674	15,731	4,635	6,202	7,973	9,063	4,217	4,080
166	Jiangsu Pizhou Rural Commercial Bank Co.,Ltd	13,031	11,362	7,233	5,802	10,028	8,241	1,535	1,391
167	Shinhan Bank (China) Limited	12,835	10,393	6,677	4,670	10,053	7,813	2,165	2,130
168	Bank of Zhumadian Co., Ltd	12,048	9,619	6,846	5,044	10,418	7,725	1,124	986
169	CITIC Bank International (China) Limited	11,873	11,866	3,969	3,592	5,532	6,864	1,253	1,161
170	Bank Of Xinyang	11,793	8,560	6,684	5,059	9,317	6,954	1,103	923
171	Fujian Putian Rural Commercial Bank Co., Ltd.	11,598	9,030	5,841	4,647	10,343	8,082	919	680
172	Luzhou Commercial Bank Co., Ltd	11,164	8,340	5,106	4,114	9,069	6,975	765	559
173	Bank of Anyang Co., Ltd	10,944	8,279	4,852	4,201	7,591	6,391	822	548
174	Bank of Sanmenxia Co., Ltd	10,882	7,954	5,780	4,323	8,729	6,294	666	582
175	Zigong City Commercial Bank Co., Ltd.	10,575	7,423	5,127	4,110	9,492	6,573	746	634
176	Korea Exchange Bank (China) Co., Ltd.	10,565	8,836	5,158	3,706	7,346	5,151	2,332	2,308
177	Industrial Bank of Korea(China) Limited	9,857	8,308	3,928	3,269	6,302	5,210	2,058	1,996
178	Jiangsu Suining Rural Cooperative Bank	9,797	8,516	6,153	4,980	8,475	7,316	967	552
179	Anhui Tongcheng Rural Commercial Bank Co., Ltd	9,772	7,528	5,906	4,618	8,366	6,412	793	664
180	Guangdong Jiexi Rural Commercial Bank Co., Ltd	8,961	5,591	5,052	3,204	7,094	4,736	687	206

Operating results												
	Operating income		Net interest income		Net profit		Net profit attributable to shareholders of the Bank		Net assets per share attributable to shareholders of the Bank (In RMB Yuan)		Basic earnings per share (In RMB Yuan)	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	1,208	1,093	1,268	1,136	373	416	373	416	2.40	2.21	0.38	0.47
	871	635	626	462	215	95	215	95	1.26	1.19	0.07	0.03
	1,048	955	902	798	394	301	394	301	2.88	2.44	0.54	0.41
	964	825	750	639	435	369	435	369	3.63	2.74	1.03	1.08
	740	891	644	651	105	297	105	297	1.11	1.16	n/a	n/a
	1,160	997	1,104	966	392	345	392	345	2.56	2.26	0.39	0.38
	911	706	653	491	326	260	326	260	2.21	1.87	0.19	0.32
	1,263	729	1,120	689	442	285	426	282	2.91	2.63	n/a	n/a
	862	1,276	863	992	303	553	303	553	1.19	1.14	0.06	0.11
	574	119	542	117	51	8	51	8	1.02	1.02	0.01	0.00
	896	681	817	670	331	248	331	248	1.72	1.58	0.24	0.18
	1,206	769	684	533	557	312	545	308	2.30	1.88	N/A	N/A
	1,069	760	760	585	444	188	436	186	1.78	1.47	0.40	0.27
	1,220	1,113	1,191	1,075	564	429	564	429	3.79	3.84	0.68	0.71
	805	744	448	400	78	104	78	104	1.09	1.13	n/a	n/a
	999	713	549	394	442	237	442	237	1.81	1.51	0.37	0.21
	1,978	1,125	971	633	373	248	373	248	1.80	1.75	n/a	n/a
	1,066	645	798	563	454	269	454	269	1.20	1.20	0.22	0.13
	966	905	831	828	369	324	369	324	2.71	2.30	0.53	0.46
	1,093	892	923	748	380	348	355	336	3.68	3.31	0.58	0.61
	901	717	874	694	306	243	305	241	2.80	2.17	0.45	0.42
	1,060	821	899	682	511	421	511	421	1.50	2.11	0.60	0.62
	1,053	885	784	721	494	364	494	364	2.97	2.23	0.82	0.61
	1,513	1,007	1,449	955	364	297	362	297	2.95	2.69	0.42	0.34
	639	707	507	670	90	226	90	226	1.46	1.41	0.06	0.15
	431	453	396	438	102	177	102	177	1.18	1.13	0.05	0.09
	593	381	536	324	196	133	196	133	1.96	2.54	0.27	0.27
	1,055	913	978	862	364	334	334	364	4.06	3.40	n/a	n/a
	690	589	n/a	n/a	288	248	288	248	2.39	2.40	0.26	0.25
	1,310	954	663	522	254	190	254	190	1.79	1.51	0.52	0.36
	660	710	398	499	11	63	11	63	0.92	0.92	0.00	0.02
	386	520	336	405	32	61	32	61	1.01	1.00	0.01	0.03
	782	672	700	608	205	120	205	120	2.89	2.59	0.41	0.24
	703	689	616	620	229	214	229	214	1.57	1.58	0.31	0.51
	734	608	584	502	192	114	192	114	2.56	2.10	0.55	0.33
	535	708	400	507	2	127	2	127	n/a	n/a	n/a	n/a
	751	570	714	540	163	109	163	109	2.61	2.59	n/a	n/a
	502	524	324	375	138	82	138	82	1.14	1.17	n/a	n/a
	484	442	373	342	75	204	75	204	3.76	3.66	0.25	0.68
	628	367	535	339	252	111	252	111	1.63	1.69	0.41	0.27
	785	701	745	679	280	250	280	250	4.41	4.15	n/a	n/a
	n/a	n/a	n/a	n/a	257	159	257	159	2.58	2.02	0.67	0.42
	617	511	542	447	262	214	262	214	1.35	2.17	0.26	0.67
	899	701	n/a	n/a	172	154	n/a	n/a	2.37	2.27	n/a	n/a
	366	242	353	336	138	68	138	68	1.05	1.02	0.03	0.02
	992	747	n/a	n/a	203	188	203	188	3.07	2.78	0.41	0.38
	316	273	276	276	34	41	34	41	1.08	1.07	0.02	0.02
	670	521	586	469	240	175	236	175	1.71	1.50	0.36	0.27
	256	220	245	228	96	74	96	74	1.25	1.16	0.10	0.07
	809	496	889	623	228	114	223	112	2.20	1.85	0.45	0.26
	637	454	622	444	203	110	203	110	1.67	1.36	0.37	0.22
	542	385	378	278	210	90	210	90	1.69	1.23	0.46	0.20
	321	266	244	225	124	85	124	85	1.60	1.51	0.24	0.25
	397	280	394	268	145	106	145	106	2.21	1.76	0.08	0.06
	327	281	315	260	126	116	125	116	2.09	1.77	0.35	0.32
	269	274	228	254	23	96	23	96	1.06	1.05	0.01	0.04
	260	289	214	207	68	105	68	105	1.03	1.00	n/a	n/a
	689	608	633	556	198	214	198	214	3.22	3.94	n/a	n/a
	494	359	451	337	186	93	172	86	1.58	1.32	0.34	0.17
	345	235	338	232	152	94	152	94	2.98	2.53	0.27	0.35



## Financial summary (2-1)

In RMB million unless otherwise stated

		Scale							
		Total assets		Gross loans and advances to customers		Deposits from customers		Net assets attributable to shareholders of the Bank	
No.	Name of bank	2012	2011	2012	2011	2012	2011	2012	2011
181	Guangdong Jieyang Rural Commercial Bank Co.,Ltd	8,465	6,663	5,185	4,080	7,079	5,702	1,036	662
182	Zhejiang Taizhou Jiaojang Rural Cooperative Bank	7,919	7,117	5,034	4,538	6,989	6,293	755	673
183	Dazhou City Commercial Bank Co., Ltd	7,389	4,351	3,335	2,663	5,205	3,857	1,354	2,757
184	Guizhou Xingyi Rural Commercial Bank	7,182	5,433	4,403	3,495	6,085	4,820	616	370
185	Jingdezhen City Commercial Bank Co., Ltd	7,140	5,279	3,347	2,028	5,600	4,228	904	642
186	Jiangsu Gaochun Rural Commercial Bank Co.,Ltd	6,835	6,075	3,922	3,611	5,816	5,113	911	861
187	Tongling Rural Commercial Bank Co., Ltd	6,218	4,663	3,441	2,783	5,345	3,857	738	703
188	Zhejiang Tiantai Rural Cooperative Bank	5,989	4,862	3,657	2,986	5,413	4,390	442	354
189	Yingkou Coastal Bank Co., Ltd	5,423	4,376	2,456	1,756	3,391	2,473	1,939	1,837
190	Tongling Wanjiang Rural Commercial Bank Co.,Ltd	5,067	3,868	2,872	2,309	4,289	3,137	668	607
191	Anhui Qingyang Rural Commercial Bank Co., Ltd	3,785	3,062	2,243	1,782	3,318	2,737	253	223
192	Hunan Yizhang Rural Commercial Bank Co.,Ltd	3,620	3,121	1,882	1,572	3,212	2,751	327	298
193	Anhui Jingxian Rural Commercial Bank Co., Ltd	3,275	2,711	2,140	1,732	2,950	2,338	209	200
194	Anhui Taihu Rural Commercial Bank Co., Ltd	3,198	2,473	2,013	1,643	2,846	2,229	180	163
195	Anhui Wangjiang Rural Commercial Bank Co.,Ltd	3,084	n/a	1,895	n/a	2,734	n/a	184	n/a
196	Anhui Yuexi Rural Cooperative Bank	2,950	2,156	1,786	1,294	2,690	1,973	129	124
197	Anhui Shitai Rural Commercial Bank Co.,Ltd	1,664	1,319	917	757	1,368	1,135	103	86
198	Anhui Jingde Rural Commercial Bank Co., Ltd	1,340	996	804	640	1,131	864	110	109
199	Rural Commercial Bank of Nan'an Fujian	n/a	1,417	9,030	7,931	1,438	1,155	1,997	1,732
200	Anhui Qianshan Rural Commercial Bank Co., Ltd	n/a	n/a	2,392	1,896	3,691	2,908	n/a	n/a

Operating results												
	Operating income		Net interest income		Net profit		Net profit attributable to shareholders of the Bank		Net assets per share attributable to shareholders of the Bank (In RMB Yuan)		Basic earnings per share (In RMB Yuan)	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	504	390	489	382	169	84	163	92	2.04	1.92	0.39	0.28
	417	368	410	363	111	113	111	113	3.36	3.37	n/a	n/a
	254	194	251	191	61	39	61	39	1.35	1.20	0.06	0.17
	434	324	313	226	89	68	89	68	1.54	1.52	n/a	n/a
	745	498	n/a	n/a	310	192	310	192	2.44	1.73	0.84	0.52
	453	378	314	259	89	81	89	81	2.28	2.15	0.22	0.20
	n/a	n/a	n/a	n/a	86	68	86	68	1.44	1.37	0.17	0.13
	n/a	344	n/a	243	79	71	79	71	3.01	2.38	n/a	0.54
	245	142	178	141	102	47	102	47	1.29	1.22	0.07	0.03
	223	172	n/a	n/a	88	60	88	60	1.48	1.35	0.20	0.13
	158	131	140	112	42	41	42	41	2.35	2.08	0.39	0.39
	176	158	158	150	54	40	54	40	1.63	1.49	0.27	0.20
	153	124	104	76	34	12	34	12	1.33	1.27	n/a	n/a
	134	126	134	126	25	16	25	16	1.53	1.69	0.08	0.08
	121	n/a	120	n/a	16	n/a	16	n/a	1.56	n/a	n/a	n/a
	163	117	158	117	12	11	12	11	1.59	1.54	0.07	0.07
	104	n/a	71	57	17	7	17	7	1.60	1.34	0.26	0.20
	84	58	n/a	n/a	15	10	15	10	n/a	n/a	n/a	n/a
	n/a	872	810	653	263	212	263	212	n/a	n/a	n/a	0.28
	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 (2-2)

Financial summary (2-2)		Profitability								
		Return on equity (ROE) (Note)		Net interest spread		Net interst margin		Cost-to-income ratio		
No.	Name of bank	2012	2011	2012	2011	2012	2011	2012	2011	
1	Industrial and Commercial Bank of China Limited	23.02%	23.44%	2.49%	2.49%	2.66%	2.61%	28.56%	29.38%	
2	China Construction Bank Corporation	21.98%	22.51%	2.58%	2.57%	2.75%	2.70%	29.57%	29.87%	
3	Agricultural Bank of China Limited	20.74%	20.46%	2.67%	2.73%	2.81%	2.85%	36.76%	35.89%	
4	Bank of China Limited	18.10%	18.27%	2.02%	2.02%	2.15%	2.12%	31.81%	32.58%	
5	Bank of Communications Co., Ltd.	18.43%	20.49%	2.43%	2.50%	2.59%	2.61%	29.71%	30.13%	
6	China Merchants Bank Co., Ltd.	24.78%	24.17%	2.87%	2.94%	3.03%	3.06%	35.98%	36.19%	
7	Industrial Bank Co., Ltd.	26.65%	24.67%	n/a	n/a	2.64%	2.49%	26.73%	31.95%	
8	China Minsheng Banking Co., Ltd.	25.24%	23.95%	2.75%	2.96%	2.94%	3.14%	34.01%	35.61%	
9	Shanghai Pudong Development Bank Co., Ltd.	20.95%	20.07%	2.39%	2.42%	2.58%	2.60%	28.71%	28.79%	
10	China CITIC Bank Corporation Limited	16.70%	21.07%	2.61%	2.85%	2.81%	3.00%	31.51%	29.86%	
11	China Everbright Bank Corporation Limited	22.54%	20.44%	2.34%	2.30%	2.54%	2.49%	29.97%	31.95%	
12	Ping An Bank Co., Ltd.	16.78%	20.32%	2.19%	2.39%	2.37%	2.56%	39.41%	39.99%	
13	Hua Xia Bank Co., Limited	18.50%	17.44%	2.52%	2.63%	2.71%	2.81%	39.95%	41.89%	
14	Bank of Beijing Co., Ltd.	18.30%	19.30%	n/a	n/a	n/a	n/a	25.78%	26.35%	
15	Chongqing Rural Commercial Bank Co., Ltd.	16.69%	15.17%	3.26%	3.13%	3.50%	3.36%	37.70%	36.64%	
16	Bank of Ningbo Co., Ltd.	19.97%	18.81%	3.23%	3.12%	3.48%	3.23%	34.13%	36.38%	
17	Bank of Nanjing Co., Ltd.	17.35%	15.87%	2.25%	2.42%	2.49%	2.66%	29.86%	30.97%	
18	China Development Bank Corporation	12.67%	10.25%	n/a	n/a	n/a	n/a	7.47%	8.61%	
19	Agricultural Development Bank of China	28.70%	19.09%	n/a	n/a	n/a	n/a	18.95%	20.64%	
20	The Export-Import Bank of China	18.84%	19.38%	n/a	n/a	n/a	n/a	8.86%	14.02%	
21	China Guangfa Bank Co., Ltd.	17.66%	18.19%	n/a	n/a	n/a	n/a	40.83%	39.94%	
22	Bank of Shanghai Co., Ltd.	17.90%	16.53%	n/a	n/a	n/a	n/a	33.30%	38.03%	
23	Bank of Jiangsu Co., Ltd.	20.61%	20.98%	n/a	n/a	n/a	n/a	33.41%	34.04%	
24	China Bohai Bank Co., Ltd.	16.85%	11.13%	n/a	n/a	n/a	n/a	38.58%	44.64%	
25	Beijing Rural Commercial Bank Co., Ltd.	17.20%	13.77%	n/a	n/a	n/a	n/a	43.89%	44.69%	
26	China Zheshang Bank Co., Ltd.	17.73%	13.78%	n/a	n/a	n/a	n/a	31.04%	36.81%	
27	Shanghai Rural Commercial Bank Co., Ltd.	12.96%	12.75%	n/a	n/a	n/a	n/a	39.39%	38.70%	
28	Guangzhou Rural Commercial Bank Co.,Ltd.	17.40%	13.99%	n/a	n/a	n/a	n/a	31.76%	32.18%	
29	Bank of Hangzhou Co., Ltd.	20.35%	18.71%	n/a	n/a	n/a	n/a	32.56%	34.58%	
30	Huishang Bank Corporation Limited	21.02%	20.45%	n/a	n/a	n/a	n/a	26.60%	27.09%	
31	Shengjing Bank Co., Ltd.	24.25%	22.69%	n/a	n/a	n/a	n/a	20.98%	24.05%	
32	Bank of Tianjin Co., Ltd.	15.77%	14.86%	n/a	n/a	n/a	n/a	28.02%	33.33%	
33	HSBC (China) Ltd	15.39%	17.58%	n/a	n/a	n/a	n/a	44.15%	46.08%	
34	Harbin Bank Co., Ltd.	17.08%	15.13%	n/a	n/a	n/a	n/a	34.70%	37.14%	
35	Bank of Dalian Co., Ltd.	16.24%	19.03%	n/a	n/a	n/a	n/a	37.51%	37.13%	
36	Bank of Chengdu Co., Ltd.	19.73%	22.00%	n/a	n/a	n/a	n/a	29.80%	30.98%	
37	Bank of Jilin Co., Ltd	15.20%	12.55%	n/a	n/a	n/a	n/a	36.93%	36.33%	
38	Tianjin Rural Commercial Bank Co., Ltd.	11.78%	12.06%	n/a	n/a	n/a	n/a	35.39%	36.04%	
39	Baoshang Bank Co., Ltd.	12.42%	13.17%	n/a	n/a	n/a	n/a	42.44%	40.16%	
40	BEA (China) Ltd	8.74%	9.82%	n/a	n/a	n/a	n/a	50.21%	46.98%	
41	Longjiang Bank Co., Ltd	18.76%	17.70%	n/a	n/a	n/a	n/a	39.38%	43.67%	
42	Kunlun Bank Co., Ltd.	13.39%	9.66%	n/a	n/a	n/a	n/a	21.30%	22.85%	
43	Standard Chartered (China) Ltd.	9.95%	6.14%	n/a	n/a	n/a	n/a	58.56%	67.14%	
44	Bank of Changsha Co., Ltd.	26.04%	24.78%	n/a	n/a	n/a	n/a	32.76%	33.71%	
45	Hankou Bank Co.,Ltd.	15.62%	18.68%	n/a	n/a	n/a	n/a	28.19%	32.25%	
46	Bank of Chongqing Co., Ltd.	23.35%	23.08%	n/a	n/a	n/a	n/a	34.02%	34.12%	
47	Guangdong Shunde Rural Commercial Bank Co., Ltd	18.25%	18.76%	n/a	n/a	n/a	n/a	31.31%	31.18%	
48	Citibank China Co., Ltd.	13.02%	13.79%	n/a	n/a	n/a	n/a	55.06%	50.95%	
49	Bank of Dongguan Co., Ltd.	20.91%	17.48%	n/a	n/a	n/a	n/a	30.10%	34.62%	
50	Huarong Xiangjiang Bank Co., Ltd	17.02%	12.26%	n/a	n/a	n/a	n/a	41.72%	51.22%	
51	Bank of Suzhou Co., Ltd.	9.19%	8.17%	n/a	n/a	n/a	n/a	35.98%	33.21%	
52	Bank of Suzhou Co., Ltd.	9.19%	8.17%	n/a	n/a	n/a	n/a	35.98%	33.21%	
53	Bank of Jinzhou Co., Ltd.	10.24%	11.09%	n/a	n/a	n/a	n/a	41.21%	41.31%	
54	Bank of Hebei Co., Ltd.	14.50%	22.54%	n/a	n/a	n/a	n/a	38.91%	39.52%	
55	Bank of Xi'an Co.,Ltd	21.49%	21.11%	n/a	n/a	n/a	n/a	27.69%	28.04%	
56	Guangxi Beibu Gulf Bank Co., Ltd	15.25%	16.69%	n/a	n/a	n/a	n/a	30.01%	35.24%	
57	Wuhan Rural Commercial Bank Co., Ltd	22.50%	27.60%	n/a	n/a	n/a	n/a	29.28%	30.61%	
58	GUANGDONG NANYUE BANK CO.,Ltd	12.13%	12.50%	n/a	n/a	n/a	n/a	39.75%	40.91%	
59	Nanchong City Commercial Bank Co., Ltd.	28.35%	28.40%	n/a	n/a	n/a	n/a	23.08%	22.00%	
60	Bank of Nanchang Co., Ltd.	19.02%	21.06%	n/a	n/a	n/a	n/a	27.85%	29.24%	



Assets quality					Capital adequacy				Other regulatory indicators	
NPL ratio			Allowance to gross loans		Capital adequacy ratio		Core capital adequacy ratio		Loan-to-deposit ratio	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	0.85%	0.94%	2.50%	2.50%	13.66%	13.17%	10.62%	10.07%	64.10%	63.50%
	0.99%	1.09%	2.69%	2.64%	14.32%	13.68%	11.32%	10.97%	66.23%	65.05%
	1.33%	1.55%	4.35%	4.08%	12.61%	11.94%	9.67%	9.50%	59.22%	58.61%
	0.95%	1.00%	2.25%	2.20%	13.63%	12.98%	10.54%	10.08%	71.99%	68.77%
	0.92%	0.86%	2.30%	2.20%	14.07%	12.44%	11.24%	9.27%	72.71%	71.94%
	0.61%	0.56%	2.16%	2.24%	12.14%	11.53%	8.49%	8.22%	71.37%	71.80%
	0.43%	0.38%	2.00%	1.46%	12.06%	11.04%	9.29%	8.20%	66.50%	71.46%
	0.76%	0.63%	2.39%	2.23%	10.75%	10.86%	8.13%	7.87%	71.93%	72.85%
	0.58%	0.44%	2.31%	2.19%	12.45%	12.70%	8.97%	9.20%	71.94%	71.48%
	0.74%	0.60%	2.12%	1.62%	13.44%	12.27%	9.89%	9.91%	73.59%	72.97%
	0.74%	0.64%	2.53%	2.36%	10.99%	10.57%	8.00%	7.89%	71.52%	71.67%
	0.95%	0.53%	1.74%	1.70%	11.37%	11.51%	8.59%	8.46%	70.64%	72.88%
	0.88%	0.92%	2.82%	2.82%	10.85%	11.68%	8.18%	8.72%	69.51%	66.72%
	0.59%	0.53%	2.50%	2.35%	12.90%	12.06%	10.90%	9.59%	68.19%	64.41%
	0.98%	1.44%	3.42%	3.83%	12.93%	14.90%	12.02%	13.71%	58.93%	58.64%
	0.76%	0.68%	2.10%	1.63%	15.65%	15.36%	11.49%	12.17%	67.74%	66.62%
	0.83%	0.78%	2.64%	2.53%	14.98%	14.96%	12.13%	11.76%	58.63%	61.77%
	0.30%	0.40%	2.82%	2.22%	10.92%	10.78%	6.86%	7.35%	n/a	n/a
	0.99%	1.46%	3.10%	2.40%	n/a	n/a	n/a	n/a	n/a	n/a
	0.75%	0.64%	11.91%	15.33%	n/a	n/a	n/a	n/a	n/a	n/a
	1.48%	1.34%	2.52%	3.10%	11.27%	11.10%	8.37%	8.05%	71.67%	71.64%
	0.84%	0.98%	2.39%	2.71%	13.17%	11.43%	9.23%	8.47%	71.85%	71.76%
	1.01%	0.96%	2.67%	2.54%	12.16%	12.82%	8.45%	8.73%	66.22%	66.97%
	0.14%	0.14%	1.85%	1.70%	11.68%	11.77%	9.63%	9.52%	65.19%	67.74%
	2.40%	3.49%	4.72%	5.44%	15.12%	14.87%	9.29%	9.52%	57.04%	50.39%
	0.46%	0.24%	1.96%	1.72%	12.51%	13.94%	9.84%	10.87%	68.14%	69.31%
	1.26%	1.17%	2.83%	2.97%	17.07%	16.12%	13.96%	13.36%	66.11%	67.23%
	n/a	n/a	2.47%	2.07%	n/a	n/a	n/a	n/a	n/a	n/a
	0.97%	0.59%	2.50%	2.12%	12.46%	12.21%	9.52%	9.16%	66.24%	69.71%
	0.58%	0.48%	2.35%	2.54%	13.54%	14.68%	10.30%	10.87%	68.38%	67.50%
	0.54%	0.63%	1.63%	1.64%	11.65%	12.88%	9.30%	9.86%	51.61%	54.80%
	0.72%	0.93%	3.29%	3.26%	13.05%	11.33%	10.39%	10.24%	60.25%	55.66%
	n/a	n/a	0.20%	0.18%	16.70%	14.00%	16.70%	13.90%	n/a	n/a
	0.64%	0.65%	2.25%	2.24%	13.13%	13.70%	12.10%	12.47%	46.75%	45.17%
	0.90%	0.98%	2.48%	2.86%	11.23%	11.57%	8.25%	8.19%	57.96%	62.72%
	0.62%	0.62%	2.60%	2.68%	14.52%	15.19%	11.62%	11.84%	57.47%	59.91%
	n/a	n/a	3.48%	3.07%	n/a	n/a	n/a	n/a	n/a	n/a
	2.05%	2.50%	3.45%	4.12%	11.31%	10.93%	9.78%	9.01%	62.93%	63.36%
	0.87%	0.43%	2.15%	1.44%	16.84%	14.65%	15.52%	13.66%	n/a	n/a
	0.25%	0.09%	0.66%	0.64%	12.58%	13.27%	12.57%	13.26%	67.75%	69.15%
	0.77%	0.85%	2.50%	2.00%	14.18%	12.21%	13.77%	11.85%	31.12%	27.50%
	1.80%	0.03%	2.38%	1.91%	13.72%	19.18%	13.72%	19.18%	n/a	n/a
	0.52%	0.36%	0.78%	0.55%	14.80%	12.80%	14.50%	12.70%	68.80%	69.40%
	0.72%	0.76%	2.64%	2.66%	12.91%	13.02%	10.93%	10.49%	n/a	n/a
	0.96%	0.87%	2.42%	2.07%	13.53%	10.99%	11.20%	10.16%	n/a	n/a
	0.33%	0.35%	1.80%	1.87%	12.63%	11.96%	9.39%	9.26%	67.20%	71.69%
	0.41%	0.48%	2.69%	2.62%	16.38%	16.41%	14.80%	14.66%	68.59%	67.02%
	n/a	n/a	0.79%	0.90%	16.99%	16.63%	14.09%	13.79%	n/a	n/a
	0.80%	0.80%	2.70%	2.55%	13.43%	13.74%	10.79%	10.87%	60.20%	59.83%
	0.14%	0.00%	1.04%	0.00%	11.75%	11.54%	9.36%	10.99%	53.50%	53.13%
	0.85%	n/a	2.57%	n/a	17.53%	n/a	16.77%	n/a	n/a	n/a
	0.85%	0.59%	2.57%	2.57%	17.53%	24.86%	16.77%	24.26%	n/a	n/a
	0.84%	0.91%	2.24%	2.17%	14.66%	14.01%	13.42%	12.17%	69.08%	62.88%
	0.62%	0.80%	2.64%	2.48%	12.95%	12.27%	10.92%	9.16%	55.12%	53.18%
	0.76%	0.98%	2.66%	2.72%	13.82%	14.12%	12.68%	12.97%	58.92%	58.37%
	0.58%	0.52%	2.53%	1.97%	13.16%	14.01%	10.78%	11.03%	63.88%	51.31%
	1.47%	1.52%	4.22%	3.98%	13.58%	11.62%	9.07%	8.97%	65.99%	68.27%
	1.48%	1.08%	2.23%	2.31%	12.57%	10.58%	12.04%	10.08%	52.77%	47.61%
	0.32%	0.42%	2.04%	2.48%	13.34%	16.65%	n/a	n/a	42.38%	35.40%
	1.56%	1.28%	n/a	n/a	15.94%	13.63%	n/a	n/a	53.79%	47.34%

## Financial summary (2-2)

Financial summary (2-2)		Profitability								
		Return on equity (ROE) (Note)		Net interest spread		Net interst margin		Cost-to-income ratio		
No.	Name of bank	2012	2011	2012	2011	2012	2011	2012	2011	
61	BANK OF GUIYANG CO., Ltd.	24.28%	21.88%	n/a	n/a	n/a	n/a	29.76%	32.11%	
62	Fudian Bank Co., Ltd.	15.69%	13.32%	n/a	n/a	n/a	n/a	41.24%	44.19%	
63	Jinshang Bank Co., Ltd.	16.21%	11.45%	n/a	n/a	n/a	n/a	33.88%	40.60%	
64	Bank of Zhengzhou Co., Ltd.	19.03%	15.27%	n/a	n/a	n/a	n/a	28.50%	31.28%	
65	China Resources Bank of Zhuhai Co., Ltd.	6.65%	4.45%	n/a	n/a	n/a	n/a	49.08%	47.14%	
66	Bank of Qingdao Co., Ltd.	12.37%	10.61%	n/a	n/a	n/a	n/a	41.81%	40.18%	
67	DBS Bank (China) Ltd.	3.87%	9.97%	n/a	n/a	n/a	n/a	80.00%	63.00%	
68	Bank of Lanzhou Co., Ltd.	20.24%	16.70%	n/a	n/a	n/a	n/a	35.59%	36.45%	
69	Xiamen Bank Co., Ltd.	10.65%	12.42%	n/a	n/a	n/a	n/a	35.92%	41.39%	
70	Hangzhou United Rural Commercial Bank Co., Ltd.	14.57%	15.53%	n/a	n/a	n/a	n/a	26.57%	27.63%	
71	Zhejiang Chouzhou Commercial Bank Co., Ltd.	13.82%	13.05%	n/a	n/a	n/a	n/a	32.50%	33.01%	
72	Sumitomo Mitsui Bank(China) Limited	6.69%	5.93%	n/a	n/a	n/a	n/a	45.22%	50.16%	
73	Nanhai Rural Credit Cooperatives of Foshan	17.76%	10.96%	n/a	n/a	n/a	n/a	34.85%	38.30%	
74	Qilu Bank Co., Ltd.	16.23%	18.02%	n/a	n/a	n/a	n/a	37.55%	43.85%	
75	Bank of Wenzhou Co., Ltd.	10.01%	14.51%	n/a	n/a	n/a	n/a	44.91%	41.26%	
76	Bank of Luoyang Co., Ltd.	21.78%	26.38%	n/a	n/a	n/a	n/a	17.75%	20.83%	
77	Bank of Jiujiang Co., Ltd.	22.60%	20.53%	n/a	n/a	n/a	n/a	17.14%	20.29%	
78	Hang Seng Bank (China) Ltd.	4.78%	7.96%	n/a	n/a	n/a	n/a	70.13%	65.96%	
79	Mizuho Bank (China), Ltd	5.15%	3.00%	n/a	n/a	n/a	n/a	52.42%	64.16%	
80	Zhejiagn Xiaoshan Rural Cooperative Bank	17.06%	18.88%	n/a	n/a	n/a	n/a	24.84%	24.74%	
81	Xiaoshan Rural Cooperative Bank	17.06%	18.88%	n/a	n/a	n/a	n/a	24.84%	24.74%	
82	Jiangsu Changshu Rural Commercial Bank Co., Ltd.	15.50%	16.45%	n/a	n/a	n/a	n/a	33.30%	31.55%	
83	Nanyang Commercial Bank (China), Ltd	2.35%	2.95%	n/a	n/a	n/a	n/a	58.22%	61.85%	
84	Jiangsu Jiangyin Rural Commercial Bank Co., Ltd.	19.97%	20.93%	n/a	n/a	n/a	n/a	24.84%	22.63%	
85	Wuxi Rural Commerical Bank Co., Ltd	17.01%	16.63%	n/a	n/a	n/a	n/a	n/a	n/a	
86	Weihai City Commercial Bank	14.58%	16.11%	n/a	n/a	n/a	n/a	32.64%	33.83%	
87	Jiangsu Zhangjiagang Rural Commercial Bank CO., Ltd	19.73%	20.39%	n/a	n/a	n/a	n/a	26.54%	27.50%	
88	Guilin Bank Co.,Ltd	19.41%	17.52%	n/a	n/a	n/a	n/a	36.36%	35.41%	
89	Fujian Haixia Bank Co., Ltd.	14.26%	14.96%	n/a	n/a	n/a	n/a	34.51%	38.97%	
90	Taizhou City Commercial Bank Corporation Limited	23.98%	28.21%	n/a	n/a	n/a	n/a	27.40%	24.42%	
91	Bank of Ningxia Co., Ltd.	19.67%	18.18%	n/a	n/a	n/a	n/a	33.88%	32.25%	
92	Ningbo Yinzhou Rural Cooperative Bank	23.21%	23.53%	n/a	n/a	n/a	n/a	23.50%	23.76%	
93	Chongqing Three Gorges Bank Co.,Ltd.	19.62%	16.83%	n/a	n/a	n/a	n/a	30.94%	34.46%	
94	Bank of Ganzhou Co., Ltd.	22.56%	20.70%	n/a	n/a	n/a	n/a	26.83%	27.53%	
95	Bank of Yingkou Co., Ltd.	17.25%	22.04%	n/a	n/a	n/a	n/a	33.40%	31.19%	
96	Panzhuhua City Commercial Bank Co., Ltd.	24.60%	22.57%	n/a	n/a	n/a	n/a	18.58%	19.72%	
97	Bank of Inner Mongolia Co., Ltd.	11.32%	8.76%	n/a	n/a	n/a	n/a	39.41%	40.43%	
98	Bank of Liuzhou Co., Ltd	15.91%	11.64%	n/a	n/a	n/a	n/a	39.16%	41.52%	
99	Bank of Liaoyang Co.,Ltd.	14.21%	14.31%	n/a	n/a	n/a	n/a	32.39%	28.12%	
100	Zhejiang Tailong Commercial Bank Co., Ltd.	16.47%	24.48%	n/a	n/a	n/a	n/a	52.22%	44.34%	
101	Deutsche Bank (China) Co.,Ltd.	4.50%	8.74%	n/a	n/a	n/a	n/a	71.13%	58.33%	
102	Bank of Anshan Co., Ltd	13.39%	13.03%	n/a	n/a	n/a	n/a	28.74%	28.48%	
103	Jiangsu Wujiang Rural Commercial Bank Co., Ltd.	n/a	n/a	n/a	n/a	n/a	n/a	31.03%	33.76%	
104	Zhejiang Mintai Commercial Bank Co., Ltd.	11.88%	13.86%	n/a	n/a	n/a	n/a	43.70%	43.01%	
105	Bank of Weifang Co., Ltd.	16.95%	17.32%	n/a	n/a	n/a	n/a	34.97%	34.61%	
106	Bank of Rizhao Co., Ltd.	26.27%	27.21%	n/a	n/a	n/a	n/a	20.27%	21.01%	
107	Bank of Handan Co., Ltd	24.38%	22.22%	n/a	n/a	n/a	n/a	31.19%	29.93%	
108	OCBC Bank (China) Ltd	6.14%	8.57%	n/a	n/a	n/a	n/a	55.13%	43.02%	
109	Bank of Fuxin Co., Ltd.	10.99%	12.96%	n/a	n/a	n/a	n/a	32.80%	35.13%	
110	Qishang Bank Co., Ltd	20.68%	22.14%	n/a	n/a	n/a	n/a	29.84%	27.47%	
111	Bank of Deyang Co., Ltd	25.17%	30.90%	n/a	n/a	n/a	n/a	21.68%	22.05%	
112	Zhangjiakou City Commercial Bank Co., Ltd.	30.06%	30.29%	n/a	n/a	n/a	n/a	31.90%	32.48%	
113	Bank of Shaoxing Co., Ltd.	13.51%	18.61%	n/a	n/a	n/a	n/a	33.62%	31.87%	
114	Jiangsu Kunshan Rural Commercial Bank Co., Ltd.	18.89%	22.33%	n/a	n/a	n/a	n/a	24.72%	25.79%	
115	First Sino Bank	13.67%	12.68%	n/a	n/a	n/a	n/a	29.45%	29.59%	
116	Laishang Bank Co., Ltd	13.53%	13.73%	n/a	n/a	n/a	n/a	32.55%	30.83%	
117	Cixi Rural Cooperative Bank	14.96%	15.19%	n/a	n/a	n/a	n/a	29.21%	29.87%	
118	Yellow River Rural Commercial Bank Co., Ltd.	17.71%	15.02%	n/a	n/a	n/a	n/a	25.46%	24.78%	
119	Ordos Commercial Bank Co., Ltd.	28.60%	23.93%	n/a	n/a	n/a	n/a	29.22%	26.80%	
120	Bank of Qinghai Co.,Ltd.	19.12%	12.68%	n/a	n/a	n/a	n/a	16.18%	18.79%	

Assets quality						Capital adequacy			Other regulatory indicators	
	NPL ratio		Allowance to gross loans		Capital adequacy ratio		Core capital adequacy ratio		Loan-to-deposit ratio	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	0.61%	0.73%	3.70%	4.13%	16.12%	13.42%	11.87%	11.00%	53.43%	53.32%
	0.96%	1.08%	3.19%	3.31%	13.27%	14.27%	11.15%	12.13%	66.42%	66.03%
	0.87%	1.06%	3.05%	3.55%	15.06%	17.82%	13.82%	16.31%	44.12%	48.40%
	0.48%	0.44%	2.01%	1.84%	15.26%	18.04%	12.79%	15.23%	67.19%	68.13%
	0.49%	0.02%	1.74%	1.26%	15.81%	26.09%	15.15%	25.75%	42.43%	32.63%
	0.76%	0.86%	2.68%	2.93%	13.70%	14.52%	12.89%	13.71%	59.57%	55.36%
	0.60%	0.60%	1.10%	1.00%	18.70%	13.60%	18.60%	13.60%	70.00%	69.00%
	0.85%	1.27%	2.01%	2.20%	12.02%	13.88%	8.90%	10.11%	66.79%	66.68%
	n/a	n/a	3.55%	3.62%	n/a	n/a	n/a	n/a	n/a	n/a
	2.43%	0.91%	4.92%	4.20%	13.95%	13.14%	12.49%	11.57%	72.49%	74.00%
	1.06%	0.63%	2.51%	1.85%	12.32%	13.70%	11.82%	12.93%	73.62%	68.83%
	n/a	n/a	1.14%	1.05%	24.23%	24.68%	24.23%	24.68%	56.40%	51.29%
	1.13%	1.47%	3.24%	3.04%	n/a	n/a	n/a	n/a	n/a	n/a
	1.15%	9.56%	3.51%	5.34%	13.07%	10.90%	11.20%	9.10%	65.97%	65.71 %
	1.35%	0.98%	2.10%	1.80%	11.62%	11.59%	9.24%	9.90%	70.25%	67.88%
	0.56%	0.54%	2.73%	2.61%	15.56%	12.27%	13.58%	10.28%	68.94%	64.87%
	0.89%	0.85%	2.90%	n/a	16.80%	15.97%	14.45%	15.54%	41.58%	49.35%
	n/a	n/a	0.62%	0.58%	14.70%	13.80%	14.50%	13.70%	n/a	n/a
	0.14%	0.06%	1.45%	1.19%	18.52%	19.05%	17.33%	17.92%	64.81%	60.37%
	1.79%	0.70%	3.67%	3.05%	12.73%	11.90%	11.76%	10.99%	70.63%	71.38%
	1.79%	0.70%	3.67%	3.05%	12.73%	11.90%	11.76%	10.99%	70.63%	71.38%
	0.99%	0.69%	3.56%	2.98%	14.74%	13.69%	13.05%	12.29%	61.22%	60.93%
	0.45%	0.28%	1.44%	1.04%	16.45%	16.08%	16.45%	16.07%	70.50%	69.38%
	1.20%	0.48%	3.12%	2.55%	15.37%	13.12%	13.04%	11.54%	n/a	n/a
	0.84%	0.92%	2.52%	2.49%	13.85%	13.63%	12.96%	12.27%	68.12%	70.68%
	0.57%	0.69%	2.88%	2.51%	13.69%	11.58%	10.41%	8.46%	65.37%	64.55%
	1.00%	0.69%	3.07%	2.50%	14.21%	13.31%	13.64%	12.80%	70.99%	63.02%
	0.53%	0.55%	2.05%	1.79%	12.67%	11.97%	11.71%	11.01%	42.08%	46.64%
	1.30%	0.86%	2.67%	2.10%	13.44%	13.93%	12.64%	13.09%	67.05%	60.30%
	0.38%	0.33%	1.99%	1.62%	14.35%	13.39%	12.08%	11.75%	73.43%	74.45%
	0.80%	0.86%	3.60%	3.96%	13.58%	13.38%	12.78%	12.53%	67.08%	67.00%
	0.81%	0.48%	3.18%	2.93%	14.03%	12.92%	12.17%	10.65%	72.16%	70.18%
	0.25%	0.33%	1.70%	1.44%	12.97%	13.13%	10.09%	12.58%	41.33%	44.04%
	0.62%	0.10%	2.87%	1.71%	13.71%	13.52%	11.12%	11.01%	n/a	n/a
	1.15%	0.49%	2.05%	1.97%	14.22%	13.01%	11.22%	10.02%	53.75%	51.99%
	0.09%	0.11%	4.32%	2.71%	14.75%	16.10%	11.40%	13.25%	48.58%	46.49%
	1.79%	1.12%	4.07%	4.27%	18.08%	19.75%	18.26%	19.88%	42.33%	46.52%
	0.60%	0.76%	2.85%	2.03%	12.82%	12.22%	12.10%	11.80%	41.29%	44.04%
	0.75%	0.77%	3.24%	n/a	13.66%	14.63%	11.54%	12.05%	53.00%	n/a
	0.80%	0.51%	2.08%	1.81%	11.45%	12.21%	8.31%	9.34%	71.68%	71.33%
	0.00%	0.00%	0.23%	0.21%	20.29%	24.02%	n/a	n/a	n/a	n/a
	n/a	n/a	3.95%	3.85%	n/a	n/a	n/a	n/a	n/a	n/a
	n/a	n/a	3.44%	2.77%	n/a	n/a	n/a	n/a	n/a	n/a
	1.19%	0.75%	2.12%	1.24%	13.34%	11.35%	11.62%	10.03%	72.55%	70.34%
	1.29%	0.88%	2.88%	2.74%	12.36%	12.32%	11.55%	11.48%	69.89%	71.04%
	0.98%	0.64%	3.78%	3.32%	13.01%	12.73%	9.85%	9.77%	68.22%	68.79%
	0.29%	0.41%	2.40%	2.41%	13.45%	13.73%	n/a	n/a	42.64%	43.67%
	0.45%	0.00%	0.79%	0.53%	22.00%	23.00%	22.00%	23.00%	68.00%	64.00%
	1.15%	1.30%	2.82%	3.30%	15.98%	12.44%	14.24%	10.18%	47.96%	43.78%
	1.43%	1.69%	3.73%	3.42%	12.84%	12.08%	11.07%	10.27%	n/a	n/a
	n/a	n/a	4.38%	3.99%	n/a	n/a	n/a	n/a	n/a	n/a
	0.26%	0.33%	4.20%	4.80%	16.61%	14.57%	12.63%	12.55%	56.10%	55.19%
	1.16%	0.63%	2.97%	2.86%	11.67%	12.22%	10.76%	11.23%	72.80%	73.51%
	2.94%	1.46%	6.18%	5.38%	15.65%	12.69%	12.00%	9.25%	63.53%	65.37%
	0.28%	0.15%	1.60%	1.36%	12.48%	14.26%	12.48%	14.26%	n/a	n/a
	0.50%	0.59%	2.71%	2.62%	19.13%	23.08%	18.82%	22.25%	69.30%	69.02%
	0.75%	0.58%	n/a	n/a	16.93%	16.18%	14.13%	14.04%	n/a	n/a
	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	1.28%	1.37%	6.61%	5.91%	13.52%	13.52%	12.96%	12.90%	49.01%	49.46%
	0.86%	1.34%	3.35%	3.24%	19.34%	23.07%	18.40%	22.03%	64.35%	52.11 %



## Financial summary (2-2)

		Profitability							
		Return on equity (ROE) (Note)		Net interest spread		Net interest margin		Cost-to-income ratio	
No.	Name of bank	2012	2011	2012	2011	2012	2011	2012	2011
121	Bank of Cangzhou Co., Ltd.	15.65%	18.97%	n/a	n/a	n/a	n/a	41.11%	37.48%
122	United Overseas Bank (China) Limited	5.69%	2.67%	n/a	n/a	n/a	n/a	64.70%	78.50%
123	BANK OF JINHUA CO.,LTD	18.70%	16.84%	n/a	n/a	n/a	n/a	36.60%	40.11%
124	Mianyang City Commercial Bank Co., Ltd.	28.49%	31.98%	n/a	n/a	n/a	n/a	26.46%	24.09%
125	JPMorgan Chase Bank (China) Company Limited	1.45%	6.38%	n/a	n/a	n/a	n/a	63.26%	44.27%
126	Bank of Jiaxing Co., Ltd.	15.11%	15.03%	n/a	n/a	n/a	n/a	34.01%	33.46%
127	Hefei Science&Technical Rural Commercial Bank Co., Ltd.	8.67%	16.87%	n/a	n/a	n/a	n/a	32.60%	34.34%
128	Jincheng Bank Co., Ltd	17.17%	19.42%	n/a	n/a	n/a	n/a	31.49%	29.00%
129	BNP Paribas (China) Co., Ltd.	5.22%	9.99%	n/a	n/a	n/a	n/a	45.09%	36.44%
130	Guangdong Huaxing Bank Co., Ltd	1.00%	0.16%	n/a	n/a	n/a	n/a	71.05%	57.18%
131	Quanzhou City Commercial Bank Co., Ltd.	13.68%	11.15%	n/a	n/a	n/a	n/a	35.64%	36.19%
132	Bank of Shangrao Co., Ltd.	15.86%	15.07%	n/a	n/a	n/a	n/a	28.34%	33.50%
133	Leshan City Commercial Bank Co.,Ltd.	22.13%	11.98%	n/a	n/a	n/a	n/a	31.14%	28.79%
134	Dongying Bank Co., Ltd.	17.81%	19.08%	n/a	n/a	n/a	n/a	26.83%	28.52%
135	Australia and New Zealand Bank (China) Co., Ltd	1.60%	3.70%	n/a	n/a	n/a	n/a	83.33%	76.86%
136	Bank of Dangdong Co., Ltd.	20.68%	13.62%	n/a	n/a	n/a	n/a	31.68%	34.49%
137	Jilin Jiutai Rural Commercial Bank Co.,Ltd.	13.96%	16.25%	n/a	n/a	n/a	n/a	29.90%	29.22%
138	Bank of Fushun Co., Ltd.	18.51%	11.03%	n/a	n/a	n/a	n/a	34.57%	39.44%
139	Jiangsu Haian Rural Commercial Bank Co., Ltd	17.42%	17.64%	n/a	n/a	n/a	n/a	25.47%	23.49%
140	Bank of Huzhou Co., Ltd.	15.86%	18.54%	n/a	n/a	n/a	n/a	31.64%	29.73%
141	Jiangsu Taicang Rural Commercial Bank Co., Ltd.	15.10%	19.26%	n/a	n/a	n/a	n/a	32.54%	33.03%
142	Bank of Chengde Co., Ltd.	26.31%	29.40%	n/a	n/a	n/a	n/a	24.51%	22.36%
143	Bank of Shizuishan Co., Ltd.	27.72%	27.20%	n/a	n/a	n/a	n/a	27.60%	22.48%
144	Bank of Jining Co., Ltd.	14.37%	12.77%	n/a	n/a	n/a	n/a	23.68%	23.34%
145	Wing Hang Bank(China) Ltd.	4.10%	10.71%	n/a	n/a	n/a	n/a	48.36%	40.45%
146	Hana Bank (China) Co., Ltd.	4.30%	7.82%	n/a	n/a	n/a	n/a	57.55%	41.83%
147	Commercial Bank Co., Ltd.of Kaifeng	13.74%	10.81%	n/a	n/a	n/a	n/a	32.99%	41.01%
148	Zhejiang Wenling Rural Cooperative Bank	15.13%	18.96%	n/a	n/a	n/a	n/a	32.81%	30.42%
149	Jiangmen Ronghe Rural Commercial Bank Co., Ltd.	10.97%	10.35%	n/a	n/a	n/a	n/a	n/a	n/a
150	Xinyu Rural Commercial Bank Co.,Ltd	18.93%	16.80%	n/a	n/a	n/a	n/a	30.00%	34.10%
151	Societe Generale (China) Co., Ltd.	0.30%	1.71%	n/a	n/a	n/a	n/a	92.85%	83.77%
152	Woori Bank (China) Limited	1.32%	2.54%	n/a	n/a	n/a	n/a	68.82%	44.31%
153	Jiangsu Jiangyan Rural Commercial Bank Co., Ltd	14.19%	9.25%	n/a	n/a	n/a	n/a	27.93%	27.82%
154	Bank of Xinxiang Co., Ltd.	14.44%	18.09%	n/a	n/a	n/a	n/a	27.64%	26.21%
155	Jiangsu Jiangdu Rural Commercial Bank Co.,Ltd	21.43%	15.53%	n/a	n/a	n/a	n/a	29.72%	32.58%
156	The Royal Bank of Scotland (China) Co., Ltd.	0.05%	2.66%	n/a	n/a	n/a	n/a	99.72%	102.01%
157	Qujing City Commercial Bank Co., Ltd.	20.79%	17.52%	n/a	n/a	n/a	n/a	45.81%	45.94%
158	Jiaozuo City Commercial Bank Co., Ltd.	9.24%	10.88%	n/a	n/a	n/a	n/a	36.06%	26.53%
159	Jiangsu Dafeng Rural Commercial Bank Co., Ltd	6.64%	18.56%	n/a	n/a	n/a	n/a	34.20%	30.11%
160	Bank of Shangqiu Co., Ltd	18.14%	12.59%	n/a	n/a	n/a	n/a	26.92%	37.22%
161	Luqiao Rural Cooperative Bank	18.40%	19.62%	n/a	n/a	n/a	n/a	29.59%	28.44%
162	Liangshan Prefecture Commercial Bank Co.,Ltd.	26.06%	20.62%	n/a	n/a	n/a	n/a	25.22%	29.50%
163	Bank of Xuchang Co., Ltd.	19.36%	19.63%	n/a	n/a	n/a	n/a	35.83%	35.81%
164	Shaoxing Hengxin Rural Cooperative Bank	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
165	Bangkok Bank (China) Company Limited.	3.27%	1.67%	n/a	n/a	n/a	n/a	42.25%	60.06%
166	Jiangsu Pizhou Rural Commercial Bank Co.,Ltd	13.22%	13.52%	n/a	n/a	n/a	n/a	27.48%	27.93%
167	Shinhan Bank (China) Limited	1.57%	1.92%	n/a	n/a	n/a	n/a	61.89%	70.04%
168	Bank of Zhumadian Co., Ltd	21.00%	17.75%	n/a	n/a	n/a	n/a	22.52%	27.24%
169	CITIC Bank International (China) Limited	7.66%	6.37%	n/a	n/a	n/a	n/a	39.45%	41.82%
170	Bank Of Xinyang	20.22%	12.13%	n/a	n/a	n/a	n/a	29.60%	37.87%
171	Fujian Putian Rural Commercial Bank Co., Ltd.	22.09%	16.18%	n/a	n/a	n/a	n/a	44.28%	44.91%
172	Luzhou Commercial Bank Co., Ltd	27.45%	16.10%	n/a	n/a	n/a	n/a	24.46%	27.01%
173	Bank of Anyang Co., Ltd	15.09%	15.51%	n/a	n/a	n/a	n/a	37.51%	37.18%
174	Bank of Sanmenxia Co., Ltd	21.77%	18.21%	n/a	n/a	n/a	n/a	35.97%	34.92%
175	Zigong City Commercial Bank Co., Ltd.	16.76%	18.30%	n/a	n/a	n/a	n/a	27.18%	27.08%
176	Korea Exchange Bank (China) Co., Ltd.	0.99%	4.16%	n/a	n/a	n/a	n/a	60.60%	55.45%
177	Industrial Bank of Korea(China) Limited	3.30%	5.26%	n/a	n/a	n/a	n/a	80.84%	48.44%
178	Jiangsu Suining Rural Cooperative Bank	20.48%	38.77%	n/a	n/a	n/a	n/a	22.13%	26.17%
179	Anhui Tongcheng Rural Commercial Bank Co., Ltd	21.68%	12.95%	n/a	n/a	n/a	n/a	34.66%	36.18%
180	Guangdong Jiexi Rural Commercial Bank Co., Ltd	22.13%	45.63%	n/a	n/a	n/a	n/a	36.90%	47.92%

Assets quality						Capital adequacy			Other regulatory indicators	
	NPL ratio		Allowance to gross loans		Capital adequacy ratio		Core capital adequacy ratio		Loan-to-deposit ratio	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	0.46%	0.56%	2.18%	2.01%	15.64%	15.46%	11.86%	n/a	61.39%	n/a
	0.70%	0.60%	1.97%	2.00%	23.50%	25.50%	22.30%	24.30%	64.30%	64.90%
	1.23%	0.99%	2.84%	2.89%	11.46%	12.22%	9.69%	9.72%	n/a	n/a
	0.64%	1.03%	3.34%	331.00%	13.49%	12.03%	11.17%	9.44%	n/a	n/a
	0.00%	0.00%	1.81%	1.44%	43.07%	35.91%	41.85%	34.90%	n/a	n/a
	1.78%	0.90%	3.08%	2.93%	12.99%	12.52%	10.39%	10.18%	n/a	n/a
	0.83%	0.63%	2.51%	2.12%	23.87%	11.77%	23.12%	11.11%	n/a	n/a
	0.67%	0.84%	3.53%	2.37%	17.06%	12.71%	15.97%	11.75%	49.16%	n/a
	n/a	n/a	2.14%	1.73%	28.23%	31.00%	27.85%	31.00%	n/a	n/a
	0.00%	0.00%	1.47%	1.00%	40.93%	59.61%	39.79%	58.56%	65.75%	51.03%
	0.82%	0.74%	2.96%	2.73%	12.17%	14.42%	10.91%	n/a	58.53%	62.94%
	0.55%	0.26%	1.77%	1.62%	18.35%	14.82%	n/a	n/a	50.32%	58.67%
	0.53%	0.68%	3.65%	4.21%	15.75%	14.54%	11.11%	12.06%	53.44%	62.65%
	0.51%	0.56%	2.55%	2.65%	14.76%	14.62%	12.93%	12.43%	67.02%	70.58%
	n/a	n/a	0.89%	0.64%	27.12%	15.48%	27.12%	15.47%	68.30%	66.20%
	0.64%	0.66%	2.74%	3.01%	13.67%	16.54%	12.48%	15.04%	49.49%	51.09%
	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	0.57%	0.58%	2.55%	2.96%	13.71%	17.53%	13.16%	16.90%	57.31%	60.03%
	0.96%	1.19%	3.68%	3.41%	12.22%	13.13%	11.63%	12.19%	72.99%	73.69%
	1.18%	0.57%	3.02%	2.50%	13.66%	12.15%	13.11%	11.61%	70.01%	73.29%
	2.72%	n/a	n/a	n/a	16.61%	13.72%	13.70%	n/a	n/a	n/a
	0.52%	0.70%	2.76%	2.87%	15.49%	17.02%	13.92%	14.75%	55.39%	47.74%
	0.60%	0.74%	3.44%	3.61%	13.97%	15.67%	13.70%	15.05%	51.62%	48.75%
	0.73%	0.74%	6.98%	5.02%	17.23%	19.56%	n/a	n/a	74.05%	70.81%
	n/a	n/a	2.28%	1.35%	20.00%	20.00%	20.00%	18.00%	n/a	n/a
	0.27%	0.43%	1.12%	1.23%	26.32%	29.17%	25.27%	28.18%	57.05%	64.81%
	0.46%	0.72%	1.81%	1.79%	12.84%	18.16%	12.04%	17.13%	67.47%	70.75%
	1.32%	1.57%	5.50%	5.97%	14.25%	13.45%	14.54%	13.89%	74.77%	74.66%
	1.71%	2.08%	2.74%	3.12%	20.52%	22.82%	20.35%	21.93%	n/a	n/a
	1.59%	1.40%	4.43%	3.83%	12.09%	n/a	n/a	n/a	n/a	n/a
	n/a	n/a	1.58%	1.14%	31.95%	24.62%	31.00%	23.80%	n/a	n/a
	0.73%	3.71%	n/a	n/a	36.32%	38.74%	34.79%	36.92%	n/a	n/a
	1.94%	1.99%	8.73%	8.71%	13.88%	14.38%	13.17%	13.35%	72.70%	70.34%
	1.11%	1.47%	6.84%	7.14%	16.39%	12.78%	15.50%	11.92%	64.92%	74.63%
	3.34%	3.70%	7.60%	7.30%	13.34%	12.92%	8.63%	8.33%	n/a	n/a
	n/a	n/a	1.05%	1.05%	35.20%	29.70%	n/a	n/a	61.20%	39.80%
	1.11%	1.85%	8.39%	6.32%	n/a	n/a	n/a	n/a	n/a	n/a
	0.91%	1.79%	1.83%	2.87%	16.85%	10.14%	15.97%	9.22%	65.19%	69.20%
	4.89%	1.63%	5.00%	4.16%	18.35%	16.41%	16.82%	14.99%	77.31%	74.80%
	0.94%	1.10%	2.82%	2.78%	18.05%	15.44%	17.37%	15.03%	49.96%	46.96%
	1.18%	1.20%	n/a	n/a	14.52%	13.61%	13.85%	12.94%	73.69%	74.64%
	0.31%	0.39%	2.56%	2.49%	14.45%	17.34%	12.56%	16.00%	53.10%	56.59%
	0.30%	0.44%	1.52%	1.64%	20.85%	20.84%	19.90%	19.72%	64.47%	63.83%
	2.97%	2.14%	5.55%	5.07%	11.73%	11.07%	n/a	n/a	n/a	n/a
	n/a	n/a	n/a	n/a	77.74%	76.97%	75.42%	74.70%	n/a	n/a
	1.83%	1.58%	7.93%	7.41%	20.93%	23.79%	17.89%	20.19%	72.13%	70.41%
	1.11%	0.51%	1.80%	1.67%	42.63%	54.62%	41.60%	53.45%	n/a	n/a
	0.49%	1.07%	6.84%	6.06%	17.84%	19.42%	13.44%	15.41%	63.12%	65.30%
	n/a	n/a	2.37%	1.95%	35.35%	37.28%	33.52%	35.44%	n/a	n/a
	0.94%	1.62%	6.00%	5.41%	19.73%	21.52%	18.63%	20.41%	71.73%	73.68%
	1.25%	1.27%	3.28%	4.18%	12.59%	12.47%	12.60%	11.03%	56.48%	57.51%
	0.11%	0.63%	3.66%	3.94%	n/a	n/a	n/a	n/a	n/a	n/a
	0.98%	0.83%	1.98%	2.02%	14.88%	15.02%	14.05%	13.95%	63.92%	65.74%
	0.97%	1.31%	3.54%	4.05%	17.33%	16.33%	14.50%	13.54%	66.22%	68.68%
	0.68%	0.86%	2.59%	2.25%	14.53%	17.13%	13.22%	16.18%	54.01%	61.11%
	n/a	n/a	1.37%	1.44%	n/a	n/a	n/a	n/a	n/a	n/a
	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	3.80%	1.89%	8.22%	7.34%	15.06%	13.33%	11.32%	8.60%	72.60%	68.07%
	0.84%	1.51%	3.88%	4.23%	14.78%	n/a	13.66%	n/a	n/a	n/a
	1.15%	2.42%	3.17%	4.41%	23.68%	17.83%	n/a	n/a	n/a	n/a

## Financial summary (2-2)

		Profitability								
		Return on equity (ROE) (Note)		Net interest spread		Net interest margin		Cost-to-income ratio		
No.	Name of bank	2012	2011	2012	2011	2012	2011	2012	2011	
181	Guangdong Jieyang Rural Commercial Bank Co.,Ltd	15.73%	13.90%	n/a	n/a	n/a	n/a	38.43%	43.02%	
182	Zhejiang Taizhou Jiaojiang Rural Cooperative Bank	14.70%	16.79%	n/a	n/a	n/a	n/a	32.33%	33.69%	
183	Dazhou City Commercial Bank Co., Ltd	4.51%	1.41%	n/a	n/a	n/a	n/a	40.22%	43.41%	
184	Guizhou Xingyi Rural Commercial Bank	14.45%	18.38%	n/a	n/a	n/a	n/a	49.63%	48.24%	
185	Jingdezhen City Commercial Bank Co., Ltd	34.29%	29.91%	n/a	n/a	n/a	n/a	12.38%	23.78%	
186	Jiangsu Gaochun Rural Commercial Bank Co.,Ltd	9.77%	9.41%	n/a	n/a	n/a	n/a	28.02%	28.67%	
187	Tongling Rural Commercial Bank Co., Ltd	11.65%	9.67%	n/a	n/a	n/a	n/a	n/a	n/a	
188	Zhejiang Tiantai Rural Cooperative Bank	17.97%	20.20%	n/a	n/a	n/a	n/a	n/a	n/a	
189	Yingkou Coastal Bank Co., Ltd	5.26%	2.56%	n/a	n/a	n/a	n/a	38.88%	45.79%	
190	Tongling Wanjiang Rural Commercial Bank Co.,Ltd	13.17%	9.88%	n/a	n/a	n/a	n/a	n/a	n/a	
191	Anhui Qingyang Rural Commercial Bank Co., Ltd	16.60%	18.39%	n/a	n/a	n/a	n/a	46.18%	44.88%	
192	Hunan Yizhang Rural Commercial Bank Co.,Ltd	16.51%	13.42%	n/a	n/a	n/a	n/a	41.72%	40.17%	
193	Anhui Jingxian Rural Commercial Bank Co., Ltd	16.29%	5.77%	n/a	n/a	n/a	n/a	43.74%	42.06%	
194	Anhui Taihu Rural Commercial Bank Co., Ltd	13.89%	9.82%	n/a	n/a	n/a	n/a	50.31%	45.42%	
195	Anhui Wangjiang Rural Commercial Bank Co.,Ltd	8.70%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
196	Anhui Yuexi Rural Cooperative Bank	9.30%	8.87%	n/a	n/a	n/a	n/a	43.04%	43.98%	
197	Anhui Shitai Rural Commercial Bank Co.,Ltd	16.50%	8.14%	n/a	n/a	n/a	n/a	n/a	n/a	
198	Anhui Jingde Rural Commercial Bank Co., Ltd	14.05%	8.83%	n/a	n/a	n/a	n/a	48.94%	50.14%	
199	Rural Commercial Bank of Nan'an Fujian	13.17%	12.24%	n/a	n/a	n/a	n/a	37.47%	36.76%	
200	Anhui Qianshan Rural Commercial Bank Co., Ltd	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	

Note: The ROE of listed banks represents the weighted average ROE disclosed in the banks' annual/quarterly reports; the ROE of non-listed banks represents the diluted ROE, which is calculated by dividing the net profit attributable to shareholders of the bank by the net assets attributable to shareholders of the bank at the year/period end.



Assets quality					Capital adequacy				Other regulatory indicators	
	NPL ratio		Allowance to gross loans		Capital adequacy ratio		Core capital adequacy ratio		Loan-to-deposit ratio	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	2.18%	2.93%	3.67%	4.36%	15.27%	14.09%	14.60%	13.91%	72.91%	74.65%
	2.87%	2.20%	n/a	n/a	13.61%	13.34%	12.22%	11.83%	n/a	n/a
	0.53%	0.73%	2.48%	2.20%	47.50%	12.78%	46.36%	11.64%	64.07%	69.04%
	2.86%	2.91%	n/a	n/a	13.08%	12.30%	11.53%	9.95%	72.36%	72.49%
	0.81%	0.87%	4.26%	3.75%	18.13%	17.98%	18.16%	18.03%	59.76%	47.95%
	1.67%	1.35%	8.71%	7.32%	21.51%	26.21%	16.11%	20.60%	67.43%	70.62%
	0.96%	1.28%	2.82%	n/a	15.38%	19.54%	16.17%	20.60%	64.38%	72.14%
	3.14%	2.81%	6.05%	5.39%	11.69%	11.34%	9.91%	9.41%	67.55%	68.02%
	0.00%	0.00%	1.23%	1.52%	54.74%	74.95%	53.94%	74.11%	72.40%	71.02%
	1.60%	1.13%	2.80%	2.94%	19.18%	25.50%	18.29%	23.96%	66.96%	73.60%
	2.85%	3.05%	4.43%	4.91%	13.38%	14.55%	11.33%	12.54%	67.59%	65.11%
	2.15%	2.19%	5.64%	5.20%	15.87%	19.03%	12.77%	15.90%	58.58%	57.16%
	3.85%	4.55%	5.95%	6.94%	15.72%	18.54%	11.04%	13.36%	n/a	n/a
	4.22%	4.47%	7.36%	7.66%	13.03%	13.49%	8.65%	9.33%	70.75%	73.70%
	3.34%	n/a	5.86%	n/a	10.69%	n/a	9.49%	n/a	n/a	n/a
	4.73%	4.98%	7.32%	5.68%	12.23%	12.35%	7.16%	9.03%	66.40%	65.58%
	2.51%	3.00%	4.59%	5.51%	14.61%	14.79%	11.56%	11.28%	67.08%	66.73%
	1.73%	2.26%	4.55%	5.06%	16.49%	22.68%	13.51%	19.42%	71.05%	74.09%
	1.18%	1.16%	5.45%	6.27%	17.51%	17.58%	17.83%	17.67%	62.84%	68.68%
	3.72%	4.24%	8.77%	9.67%	14.90%	16.72%	n/a	n/a	n/a	n/a

# Appendix

**Table 1: Steps to liberalise the interest rate from 1996 to 2013**

June 1996	The PBOC allowed the rate for interbank lending to be determined by the market.
June 1997	The interbank bond market was formally launched, while the rate for the repurchase and trading of bonds was liberalised.
March 1998	The rediscount interest rate and the discount interest rate regime was reformed and liberalised. The interest rate of policy banks' financial bond marketisation was liberalised in the same year.
October 1999	Government bonds were sold by tender to allow the interbank interest rate and the interest rates of bonds issued by the government and policy banks to be determined by the market.
September 2000	A foreign exchange interest rate management system was established to liberalise the interest rates of loans denominated in foreign currencies.
March 2002	The PBOC standardised policies for domestic and foreign financial institutions regarding foreign exchange interest rate management so that domestic and foreign financial institutions are treated equally regarding the foreign exchange interest rate. The scope and the floating range of interest rate reform in pilot rural credit cooperatives were expanded in the same year.
July 2003	The interest rates for small deposits denominated in pound sterling, Swiss francs and Canadian dollars were allowed to be determined by commercial banks. An upper limit was imposed on the interest rates for small deposits denominated in US dollars, Japanese yen, Hong Kong dollars and the euro in the same year.
January 2004	The upper limit of the floating range for loan interest rates charged by commercial banks and city credit cooperatives was expanded to 1.7 times the benchmark rate; the upper limit for rural credit cooperatives was expanded to twice the benchmark rate; while the lower limit for loan interest rates charged by financial institutions was maintained at 0.9 times the benchmark rate.
October 2004	The upper limit of the floating range for loan interest rates charged by commercial banks was liberalised, and that for city and rural credit cooperatives was expanded to 2.3 times the benchmark rate; while a lower limit of the floating range for deposit interest rates was imposed, achieving the milestone of controlling the minimum loan interest rates and maximum deposit interest rates.
September 2005	Commercial banks were allowed to determine the interest rates for six types of deposits, excluding time and demand deposits.
August 2006	The floating range of the commercial individual housing loan was expanded to 0.85 times the benchmark rate.
October 2008	The lower limit of the commercial individual housing loan was expanded to 0.7 times the benchmark rate.
November 2010	The lower limit of the commercial individual housing loan was adjusted from 0.7 times to 0.85 times the benchmark rate.
June 2012	The floating range was further expanded: the upper limit of the floating range for deposit interest rates to 1.1 times the benchmark interest rate, and the lower limit of the floating range for loan interest rates to 0.8 times the benchmark interest rate.
May 2013	PBOC makes it clear in the China Financial Stability Report 2013 that deposit insurance implementation guidelines will be formulated in the same year.
July 2013	Loan interest rates charged by financial institutions were fully liberalised. Firstly, the lower limit of 0.7 times the benchmark rate imposed on financial institutions was lifted; secondly, the limit on discount interest rates was lifted to change the practice of determining discount interest rate by rediscount interest rate plus percentage points; thirdly, no upper limit would be imposed on the loan interest rates charged by rural credit cooperatives; and fourthly, the floating range of individual housing loan interest rates remains unchanged, in strict compliance with the differentiated housing loan policy.
October 2013	On 25 October 2013, the PBOC announced the official launch of the Loan Prime Rate (LPR) centralised quotation and publishing mechanism. The LPR is the most preferential lending rate offered by a commercial bank to its prime clients, and is calculated using quotes provided by several panel banks. The first group of panel banks includes nine commercial banks, i.e. ICBC, ABC, BOC, CCB, BOCOM, China CITIC Bank, Shanghai Pudong Development Bank, Industrial Bank and CMB.

Table 2: Challenges and opportunities arising from interest rate liberalisation

Potential opportunities and challenges		
Service and product innovation	All-round financial service provider for corporate customers	<ul style="list-style-type: none"> <li>Corporate customers, especially the in-house treasury functions of large enterprises, are far more sensitive to interest rates than individual customers.</li> <li>Against the backdrop of interest rate liberalisation and financial disintermediation, the strategy for commercial banks to retain and develop corporate banking business is to transform from a unitary service provider of loans and deposits to an all-round service provider by delivering innovative financial services such as cash management, bond subscription, M&amp;A financing, etc.</li> <li>Corporate customers who use the payroll service are especially important for securing steady deposits from corporate and individual customers. Commercial banks should focus their marketing efforts on this type of customer.</li> </ul>
	Quality of personal financial services to be enhanced	<ul style="list-style-type: none"> <li>Individual customers tend to be more loyal than corporate customers in terms of which bank they use to place their deposits, and interest rates for their deposits are also lower, thus they may become the target of commercial banks' fierce competition.</li> <li>Commercial banks can stand out from the competition by doing things such as enhancing their brand and reputation, and increasing the convenience and security of online and mobile banking.</li> </ul>
	Demand for interest rate risk management products can lead to the rise of various RMB interest rate derivative businesses	<ul style="list-style-type: none"> <li>Corporate customers may have a bigger demand for interest rate hedge products following interest rate liberalisation. International experience shows that the interest rate derivative market may develop into the largest financial market. With the development of this market, income from relevant fees and transactions for commercial banks might also increase.</li> <li>Currently, RMB interest rate derivatives include forward interest rate swaps, forward bonds and interest rate agreements. Domestic banks still have to catch up with their international counterparts in terms of the variety of interest rate derivative products they offer.</li> </ul>
	Innovative services to small and medium enterprises (SMEs) may become an important tool for stabilising commercial banks' net interest margin (NIM)	<ul style="list-style-type: none"> <li>Credit to SMEs is one of the self-initiated improvement opportunities for commercial banks, especially when the effects of the financial crisis and the subsequent economic stimulus plans are subsiding. Banks may also adjust their asset structure through their credit to SMEs.</li> <li>Credit to SMEs may become a driving force behind more sophisticated interest rate pricing and capital saving for commercial banks.</li> </ul>
Change to business process	Formation of internal pricing model for deposits and loans	<ul style="list-style-type: none"> <li>Banks may designate teams which specialise in credit models to continuously update the internal rating model and formulate a regular double-checking process to assess the reasonableness of loan interest rate pricing.</li> <li>Deposit interest rates might be more closely linked with the money market and hence may fluctuate more in the future. Banks have to pay more attention to the promptness and accuracy of calculating and updating deposit interest rates. A monitoring indicator system has to be established to dynamically monitor the movement of deposit interest rates and volume, and to analyse the impact of change in pricing on business volume and profitability.</li> </ul>
	Formation of strong research and transaction teams to be qualified as market makers	<ul style="list-style-type: none"> <li>Banks may establish professional research teams to analyse the impact of future macroeconomic factors on the interest rate market, and construct a professional macroeconomic model for interest rates to accurately predict the interest rate trend as a reference for decision making.</li> <li>The increase in corporate customers' demand for interest rate risk management products also depends on how accurately they predict the trend of interest rate movement.</li> <li>Leading commercial banks can leverage their advantage in the customer base and their capital resources to guide their development of monetary and bond markets, and to help develop the market maker quoting service based on interest rate research results, so as to promote the business scale and profitability.</li> </ul>



Risk management	Interest rate risk hedge	<ul style="list-style-type: none"> <li>Banks may formulate a reasonable interest rate risk hedge strategy and a robust post-strategy examination system.</li> <li>They may improve the existing bond investment and treasury transaction system to serve as a convenient information platform for hedge strategy and post-strategy examination.</li> <li>Banks can establish a corresponding appraisal system to evaluate the personnel in charge of the implementation of hedge strategies.</li> </ul>
IT application	Formation of a sound management information system to improve the customer relationship	<ul style="list-style-type: none"> <li>Banks can improve the customer relationship management (CRM) system with detailed analyses of customer information.</li> <li>Banks can tailor a product mix and pricing according to the assessment of revenue generated from customers based on the CRM system.</li> <li>They can improve the data analytics of the CRM system to understand the possible demands of SMEs and the appropriate services to meet these demands.</li> </ul>

Table 3: Implementation rules of the New Capital Rules

Issuance date	Implementation rules	Summary and impact on commercial banks
December 2012	Circular on Issues related to Transition Arrangements for the Implementation of Measures to Manage Commercial Banks' Capital (Trial)	<p>The circular provides a clear and phased road map for minimum capital requirements during the transition (2013–2018). Non-systematically important banks (NSIBs) have to meet the minimum CAR of 8.5 percent by the end of 2013, and gradually meet the minimum capital adequacy ratio of 10.5 percent by the end of 2018. Systematically important banks (SIBs) have to meet a minimum CAR which is 1 percent more than that for NSIBs.</p> <p>During the transition, banks may face a gap resulting from the exclusion of unqualified capital instruments and the escalation of the minimum CAR.</p>
December 2012	Guidelines from the CBRC on Capital Instruments Innovation for Commercial Banks	<p>The guidelines provide the requirements for capital replenishment. These requirements include capital instrument innovation, issuance processes and triggers for new capital instruments, and the loss absorption mechanism. Commercial banks have to carefully study how to design and issue innovative capital instruments, and to promptly establish channels for capital replenishment to strengthen their ability to withstand risks.</p>
April 2013	CBRC Guidelines on the Implementation of Measures for Managing Commercial Banks' Capital (Trial)	<p>The guidelines emphasise commercial banks' input in terms of human, financial and IT resources for establishing a robust implementation system for the New Capital Rules.</p> <p>They mention the pilot issuance of the CBRC's major tool, Tier 2 capital instruments, subject to write-down in 2013, as well as the issuance of equity-related capital instruments in conjunction with other related government agencies.</p> <p>Commercial banks are urged to respond proactively to the impact of the New Capital Rules by increasing their resources commitment, enhancing their training, and strengthening their capital management, capital planning and risk resistance abilities.</p>
May 2013	Circular from the CBRC on Soliciting Public Comments on the Relevant Policies for the Implementation of Measures for Managing Commercial Banks' Capital (Trial)	<p>This provides further elaboration on the banks' application of the advanced measurement approach to ensure more prudent calculation of the banks' risk-weighted assets.</p> <p>It lists stricter and more detailed requirements on the hot topics of capital components disclosure to clearly reflect commercial banks' capital status to investors.</p> <p>There are new requirements on the measurement and disclosure of banks' counterparty credit risk, especially the focus risk management areas of main counterparty exposure and capital measurement rules.</p> <p>Commercial banks have to enhance their capital and risk management capability to meet the more sophisticated requirements on risk measurement, management and disclosure.</p>
October 2013	Circular from the CBRC on Soliciting Public Comments on the Administrative Measures for Commercial Banks' Liquidity Risk (Trial) (Exposure Draft)	<p>This introduces the liquidity coverage ratio announced by the Basel Committee in January 2013.</p> <p>It provides risk management and regulatory requirements targeted at temporarily strained liquidity and rising interest rates that occurred in the interbank market in June 2013.</p> <p>It retains and improves the regulatory requirements on the loan-deposit ratio.</p>



## Key rules in CBRC's "Issues Related to Regulating Investment Activities of the Wealth Management Segment of Commercial Banks" (Circular No. 8)

### Definition of non-standardised credit assets

Non-standardised credit assets represent credit assets not traded in the interbank market and stock exchanges, including, but not limited to, credit assets, trust loans, entrusted debts, acceptance bills, letters of credit, trade receivables, various kinds of beneficiary rights and equity financing with buy-back clauses.

### Specified accounting for wealth management products

Commercial banks should match each wealth management product with invested assets (underlying assets), so that there is separate management, setting up of accounts and accounting for each product. The separate management means separate investment management for each wealth management product, while the separate setting up of accounts means the setting up of an investment subsidiary ledger for each wealth management product to ensure a concise statement of individual investment asset items. Separate accounting refers to having separate accounting for each wealth management product to ensure the separate preparation of balance sheets, income statements and cash flow statements for these products.

### Enhanced investment management for non-standardised credit assets

Commercial banks have to perform pre-investment due diligence, risk reviews and post-investment risk management of non-standardised credit asset investment based on their proprietary loan management processes.

### Requirements for measurement and capital provision of risk-weighted assets

As required under the CBRC's new Administrative Measures for Capital of Commercial Banks, for non-standardised credit assets invested prior to the release of Circular No. 8 but which fail to meet the requirements of separate management and the setting up of separate accounts and accounting for each product, commercial banks must, based on their proprietary loans, complete the measurement and capital provision of risk-weighted assets by the end of 2013.

### Requirements for quantifying aggregate controls over non-standardised credit assets

Commercial banks should keep total wealth management funds invested in non-standardised credit assets at reasonable levels, not exceeding 35 percent of the outstanding balance of wealth management products, or 4 percent of commercial banks' total assets disclosed in the previous audited report at any point in time, whichever is lower.

In the long run, the banking sector will face the following three major challenges following the release of Circular No. 8:

### Refined accounting for wealth management products

Circular No. 8 requires that commercial banks match each wealth management product with invested assets (underlying assets), so that they have separate management, accounts and accounting for each product. In light of this, banks still operating wealth management business under the capital pool model must perform sub-ledger operations, category management and separate settlements by the end of 2013. Otherwise, they must complete the measurement and capital provision of risk-weighted assets of non-standardised credit assets by the end of 2013. Prior to the release of Circular No. 8, the accounting of wealth management products largely focused on judging whether they had to be included in banks' balance sheets for accounting purposes and how to conduct initial recognition and subsequent measurement of those products being accounted for in banks' balance sheets. Yet, there has been no comprehensive accounting system for off-balance sheet wealth management products. Circular No. 8 requires that commercial banks conduct separate accounting for each wealth management product, including their off-balance sheet accounting, and that they ensure the preparation of balance sheets, income statements and cash flow statements for these products. Therefore, commercial banks should impose respective accounting rules for off-balance sheet wealth management products and establish mapping relations between financial statements.



## Reinforced risk management and controls for wealth management business

Before the publication of Circular No. 8, commercial banks normally performed pre-investment due diligence, risk reviews and post-investment risk management of non-standardised credit asset investment based on their loan management processes, which tended to be inefficient and less refined. Now that Circular No. 8 specifically requires commercial banks to perform more comprehensive management of non-standardised credit asset investment based on their proprietary loan management processes (covering pre-investment due diligence, risk reviews and post-investment risk management), commercial banks are obliged to enhance risk management and controls of their wealth management business in strict accordance with Circular No. 8. Through Circular No. 8, commercial banks are also required to keep total wealth management funds invested in non-standardised credit assets at reasonable levels so as to ensure regulatory compliance at any point in time. Otherwise, they have to immediately cease these operations until such requirements are met. In this regard, commercial banks need to consider how to carry out real-time dynamic monitoring of non-standardised credit assets.

## Establishment of supporting information systems for wealth management business

To comply with the requirements for accounting, risk management and limit controls under Circular No. 8, commercial banks must put in place supporting information systems for wealth management business. These information systems largely comprise a sales system, a business management system, an accounting system and a custody system. To have sound information systems for wealth management business, commercial banks need to implement data sharing, direct data connection, automatic accounting, monitoring limits, resultant reporting and automatic reconciliation.

**Table 4: Credit asset securitisation products issued as at October 2013 after the restart of the pilot scheme**

Date of issue	Issuer	Name of product	Size (in RMB 100 million)
September 2012	China Development Bank (CDB)	2012 Phase 1 credit asset-backed securities	101.66
October 2012	GMAC SAIC Automotive Finance Co., Ltd	2012 Phase 1 personal auto mortgage-backed securitisation trust asset-backed securities	20
November 2012	Bank of Communications (BOCOM)	2012 Phase 1 credit asset securitisation	30.34
November 2012	SAIC Finance	2012 Phase 1 personal auto mortgage-backed securities	10
December 2012	Bank of China	2012 Phase 1 credit asset-backed securities	30.62
March 2013	Industrial and Commercial Bank of China (ICBC)	2013 Phase 1 credit asset-backed securities	35.92
September 2013	Agricultural Development Bank of China	2013 Phase 1 credit asset-backed securities	12.74

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