

Banknotes
Two weeks ended 3 April 2015



KPMG China's weekly banking news summary

This publication is a summary of publicly reported information, the accuracy of which has not been verified by KPMG.

In the news

Agricultural Bank of China

Bank of China

Bank of Communications

China Banking Regulatory Commission

Commerzbank AG

Euroclear Bank

Industrial and Commercial Bank of China

People's Bank of China

Final results for the year ended 31 December 2014

Agricultural Bank of China Ltd

- Total assets increased by 9.70% to RMB15,974,152 million
- Pre-tax profit increased by 8.40% to RMB 232,257 million
- Interest income increased by 14.01% to RMB 699,289 million
- Return on weighted average net assets fell by 1.32% to 19.57%
- Non-performing loan ratio increased by 0.32% to 1.54%

Bank of China Ltd

- Total assets increased by 9.93% to RMB 15,251,382 million
- Pre-tax profit increased by 8.79% to RMB 231,478 million
- Interest income increased by 16.12% to RMB 602,680 million
- Return on average total assets fell by 0.01% to 1.22%
- Non-performing loan ratio increased by 0.22% to 1.18%

Bank of Communications Co., Ltd

- Total assets increased by 5.16% to RMB 6,268,299 million
- Pre-tax profit increased by 6.28% to RMB 84,927 million
- Interest income increased by 11.27% to RMB 288,509 million
- Return on average assets fell by 0.03% to 1.08%
- Non-performing loan ratio increased by 0.20% to 1.25%

Industrial and Commercial Bank of China

- Total assets increased by 8.90% to RMB 20,609,953 million
- Pre-tax profit increased by 6.82% to RMB 361,612 million
- Interest income increased by 10.79% to RMB 849,879 million
- Return on average total assets fell by 0.04% to 1.40%
- Non-performing loan ratio increased by 0.19% to 1.13%

News

Euroclear Bank to issue first RMB listing international ETF – Euroclear Bank, CCB International Asset Management Limited and Commerzbank AG will jointly issue the first RMB-denominated ETF on the London Stock Exchange.

In brief

PBOC decided not to join the QE campaign – The **People’s Bank of China (PBOC)** promised to maintain its prudent monetary policy in 2015 and will not launch a quantitative easing campaign.

PBOC announced a loosened mortgage policy – The **PBOC**, the **Ministry of Housing and Urban-Rural Development** and the **China Banking Regulatory Commission** jointly announced that the down-payment requirements for second-home purchases could be lowered from 60-70% to 40% in order to boost the housing market in China.

Chinese banks introduced the deposit insurance scheme – China has introduced the bank deposit insurance scheme for all Chinese commercial banks with effect from 1 May 2015 acting as a key precursor to further forms to the banking system. The coverage of the scheme is up to RMB 500,000 per deposit holder per bank including local- and foreign-currency deposits and accrued interest.

Sources: Dow Jones Newswires, Economist Intelligence Unit, The Jerusalem Post, various banks’ and regulators’ websites.

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