

# *Chinese bankers survey 2012*

## Executive Summary

December 2012





## Preface

Welcome to the fourth annual edition of the Chinese Bankers Survey Report (2012), jointly presented by the China Banking Association (CBA) and PwC.

The publication has been authored by Dr Ba Shusong, Chief Economist for the China Banking Association, Researcher and Deputy Director of the Financial Research Institute at the Development Research Center of the State Council. We would like to thank the financial services community for their ongoing support of this initiative.

The main objectives of the survey report are:

- To obtain insights from Chinese bankers on the strategies, opportunities and challenges for the Chinese banking industry as it embarks on economic growth, business innovation and transformation programmes;
- To share the views and recommendations of Chinese bankers on matters such as reform, liberalisation, and business development, amid the regulatory oversight of the Chinese banking industry;
- To promote mutual understanding and enhance dialogues between management, domestic and foreign market participants and Chinese bankers.

The survey adopts a detailed, holistic and integrated approach where top executives at head offices and branches of financial institutions in China were surveyed. Firstly, the China Banking Association was in charge of organising a questionnaire survey for top banking executives, and formed its judgment on developments in China's banking through data gathered from completed questionnaires, which also provided supporting data for the whole survey. Secondly, several representative financial institutions were selected and researcher Mr. Ba Shusong and his team conducted face-to-face, telephone and written interviews with top level executives and obtained first hand reflections and thoughts of the China banking executives.

The questionnaire consisted of three categories, namely head offices, branches and city commercial banks and rural financial institutions. The questionnaire for head offices consisted of 13 sections, 95 questions, on topics such as basic information, macro-economic and financial conditions, development strategies and channel building, risk management and internal control, IT governance and transformation programmes, corporate governance and human resource management, corporate social responsibility, regulatory environment evaluation, banker groups, develop forecasts and banker's evaluations. The structure for questionnaires to branches and city commercial banks and rural financial institutions are similar to the questionnaire to head offices, with a total of 83 and 91 questions respectively. The project team hoped to deepen its understanding on specific developments in China's banking sector. Therefore, we have specifically added a number of indicators related to the research objective, including regions, institutional levels, types of registered institutions and whether they are listed, etc. This includes geographical areas in the east, central, west and northeast.

The survey was conducted between April and June 2012 in 31 provincial - level administrative regions (excluding Hong Kong, Macau and Taiwan) and a total of 850 valid questionnaires were received. In addition, the project team conducted on-site interviews with 25 top Chinese banking executives. These were head office executives (including Director and Vice-President positions), top executives at branch levels and head of departments at head offices.

According to the survey distribution statistics, from a geographical perspective, there were 520 responses from the eastern region, 112 responses from central region, 153 responses from the western region and 65 responses from northeast region; from questionnaire version perspective, the head office version generated 254 responses, branch version generated 511

responses and city commercial banks and rural financial institutions generated 85 responses. From the type of registered institution, we received 352 responses from large commercial banks, 350 responses from joint-stock commercial banks, 54 responses from city commercial banks (urban credit cooperatives), 31 responses from rural financial institutions and 63 responses from policy banks; from the perspective of whether entities are listed, listed banks generated 641 responses and non-listed banks generated 209 responses. The project team had considered the difference in the banking industry in terms of regions, institutional levels, types of registration and listing status, and adopted a systematic sampling method. Questionnaires were sent to all types of financial institutions and the proportion of response is consistent with the selected sample distribution.

We would like to take this opportunity to thank the Directors, Presidents and other top level executives of the banks who participated in this survey. They have taken time from their busy schedules to attend interviews, fill out the questionnaires and contribute their insights. Through this survey, we believe that readers can fully understand the professional insights of the Chinese banking executives.

In view of the complex and uncertain economic environment both within and outside of China, the overall structure of this year's survey was kept consistent to last year. This year's survey report includes an additional chapter on macro-economy and policy aspects, while the section on process re-engineering was removed, in order to present more clearly the bankers' analysis on certain hot topics. On specific topics, we noted that as compared with last year, bankers were paying more attention to SME loans, the importance of international trade finance in the overall development of businesses, the prevention and control of the risk in wealth management products, among others.

This project conducts regular follow-up surveys on Chinese bankers in order to allow interested parties and stakeholders to understand the developmental trends of China's banking sector. We look forward to your valuable comments on this report, so as to aid us to continuously improve the quality of surveys conducted and report presented. For further information, please contact the CBA, PwC media contacts or the Project Leader.

**Yang Zaiping**  
Executive Vice President  
*China Banking Association*

**David Wu**  
Beijing Office Lead Partner  
*PwC China*

**Ba Shusong**  
Project Leader

October 2012, Beijing

# Participating Banks

## 1) Large-size commercial banks (5)

- Industrial and Commercial Bank of China
- Agricultural Bank of China
- Bank of China
- China Construction Bank
- Bank of Communications

## 2) Joint-stock commercial banks (10)

- China Everbright Bank
- Huaxia Bank
- China Guangfa Bank
- Ping An Bank
- China Merchants Bank
- Industrial Bank Co., Ltd.
- China Minsheng Banking Corp., Ltd
- Evergrowing Bank
- China Zheshang Bank
- China Bohai Bank

## 3) City commercial banks (urban credit unions) (11)

- Bank of Beijing
- Baoshang Bank
- Bank of Dalian
- Fudian Bank
- Bank of Guangzhou
- Huarong Xiangjiang Bank
- Huishang Bank
- Bank of Hangzhou
- Bank of Jiangsu
- Bank of Shanghai
- Bank of Tianjin

## 4) Rural financial institutions (14)

- TRC Bank (Tianjin Rural Cooperative Bank)
- Shanghai Rural Commercial Bank
- Fuzhou Rural Commercial Bank
- Rural Credit Cooperative of Hebei
- Inner Mongolia Rural Credit Cooperative
- Liaoning Rural Credit Union
- Jiangsu Rural Credit Union
- Zhejiang Rural Credit Union
- Fujian Rural Credit Union
- Jiangxi Rural Credit Union
- Henan Rural Credit Union
- Guangxi Rural Credit Union
- Sichuan Rural Credit Union
- Xinjiang Rural Credit Cooperatives

## 5) Policy Banks (2)

- China Development Bank
- Agricultural Development Bank of China

---

## Executive Summary

The Chinese banking environment faced significant pressure in 2012. As a result of the global economic downturn, China's economic growth was on a downward trend; as a result of declining business growth, the banking sector is facing a series of challenges such as a lack in demand for credit, an increase in the level of risks, thinning in profit margins, etc. At the same time, asset-side businesses continue to face strict restrictions from orientation and scale in investments. There was also public pressure on fee income and constraints from the regulator, resulting in pressure on the expansion of banks' intermediary businesses. More importantly, events such as increasing diversification of social financing as well as promoting interest rate liberalisation, are having a profound impact on the development of China's banking sector. The China Bankers Survey Report (2012) will highlight bankers' thoughts and action plans to cope with the challenges ahead.

### **Economic Environment**

Generally, bankers have lowered their expectations on China's economic growth for 2012. About half of the bankers believe that China's annual economic growth is approximately 7.5%. 37.3% and 25.2% of bankers believe the economy had bottomed in the second quarter and third quarter respectively. 30.4% of bankers believe that the annual economic growth is on a moderate downward trend and this trend is unlikely to be reversed in 2012.

However, bankers still remain confident in China's medium and long-term economic growth prospects. 72.2% of bankers believe that technological innovation is the main source for China's economic growth in the next 3–5 years, and 59.6% indicated that benefits from organisational and system enhancement would aid this growth prospect.

Faced with a declining economy, the Chinese government implemented a steady growth policy in April. The survey indicates that the macroeconomic factors which bankers are most concerned about were macro-control policy change (75.1%), financial regulatory policy change (72.4%) and a global economic slowdown (64.4%).

Bankers have objectively analysed the current decline in demand for loans. In addition to the economic downturn and decline in business investments, policy restrictions for real estate and government loans also resulted in a decline in demand for loans. Although the economic downturn has brought about a widespread impact on industry growth, the impact between industries is still significantly different. Bankers have tried to identify relatively good industries to support in the face of a slowdown in overall demand for loans. Executives at the rural financial institutions are generally optimistic about the growth of agriculture-related loans due to urbanisation. Bankers from the city commercial banks are optimistic of industries not associated with economic cycles such as wholesale and retail trade, consumer products, etc.

### **Interest Rate Liberalisation**

Although many bankers have indicated in our prior three surveys that they were preparing for interest rate liberalisation, however the announcement by the People's Bank of China in June 2012 to raise deposit interest rates was still beyond the expectations of most bankers. From the survey, only 2.8% of bankers believe that 2012 presents the best opportunity to implement interest rate liberalisation. More than 60% of the bankers believe that the policy should be implemented three years later (the questionnaire was issued in April).

The bankers believe that the deposit interest rate liberalisation has a significant impact on the banking industry. On removing the ceiling for deposit interest rates, 56.6% of bankers believe that the reform has a partial negative impact on the banking sector while 25.8% of bankers think otherwise. On removing the loan interest rate floor, 58.3% of the bankers believe that there was no significant or slightly positive impact on the banking industry of which 32.5% of the bankers believe that the impact is slightly positive.

In response to this policy change, bankers are looking to develop differentiation measures. The bankers believe that the strategies for interest rate liberalisation can be summarised as follows: Firstly, to aid clients who are affected by the downturn and to develop SME customers. Secondly, a low debt cost strategy to would enable bankers to strengthen ties with customers and enhance low-cost deposit businesses. Thirdly, this will aid investment banks and off-balance sheet items and reduce capital being utilised.

## ***Servicing the Real Economy***

The bankers believe that to better serve the real economy, targeted financial support is required for different enterprises. There is also a general consensus on the necessity to address issues such as homogeneity in existing business structures and the lack of financial products for enterprises with different risk characteristics.

With China promoting industrial upgrade and economic restructuring simultaneously, 84.8% of bankers believe that increasing support for strategic emerging industries, technological innovation, modernisation of the service industry and support for the cultural industry is the best measure. In terms of granting credit, bankers choose to invest in key areas such as strategic emerging industries (72%), logistics industry (52.1%), the media and culture industry (50.8%), machinery manufacturing industry (46.2%), agriculture, forestry, livestock breeding and fishing industry (44.7%), information technology services (44.2%). Strategic emerging industries include energy saving and environmentally conscious industries, high-tech equipment manufacturing industries and new energy sources continue to be the key support areas from bankers, which is consistent with last year.

Similarly, in response to the national industrial policy, reducing loans to industries with restricted growth is also important to support the real economy. Specific restrictions in the banking industry include real estate which heads the list at 67.4%. Compared to 2011, banker's support for road and rail transportation industry declined due to the cancellation of two government loans for secondary highways and increased risk exposure of the highway industry. More than 20% of bankers indicated that they would limit the volume of loans to road and rail transportation industry. In addition, on the backdrop of national advocacy for energy saving, environmentally consciousness and low carbon emissions environment, the

paper manufacturing industry, textile industry and metallurgical industry are also specifically limited industries. Also, due to the downturn in the international shipping market, the demand in the ship building industry has declined which resulted in specific limitations imposed by the bankers.

In addition to active adjustments implemented by the bankers, they had put forth their recommendations on how the regulator could lead the banking financial institutions to support development of the real economy. Generally, bankers hope that the regulator would moderately relax the scale of credit (48.7%), and through a differentiated loan reserve policy, banks could have more loans available for disbursement (46.7%). Similarly, 36.6% of the bankers hoped that the regulators could guide the community to create a good platform for public opinion.

## ***Comprehensive Financial Reform***

The idea to guide and regulate private capital within the financial sector was proposed in the 2012 national financial work conference. 54.8% of the bankers interviewed believe that in the financial industry, banking is most likely to be open to the private capital industry. 79.4% of the bankers supported private capital which resulted in establishment of various rural banks. Similarly, bankers have also expressed their concerns about risks. The survey indicates that up to 86% of respondents believe that the main risk from the private capital industry which led to the establishment of various rural banks is the inability to manage risk appropriately. More than half (55.1%) of the bankers would more easily encounter related party transactions.

## ***Strategic Transformation***

With the advancement of China's interest rate liberalisation policy and ease in restrictions of capital projects, this has resulted in an increasing competition among banks which led to banks speeding up their pace for restructurings and adjustments.

Approximately 40% of bankers chose to enhance their own strategic transformation by distinguishing specific characteristics. 37.9% and 33.9% of bankers adopted improving capital utilisation efficiency and adjusting business structures respectively as the priority for their strategic transformation. 29.4% of respondents adopted adjusting the customer structure as their focus for strategic transformation.

In terms of adjusting business and customer structures, the survey highlights the importance of private banking and wealth management among others, to the suite of personal financial services. Private banking ranked first, which was resulted from an ever-growing high net worth population. This has become the focus for commercial banks to develop personal financial services, which would enable these banks to offer clients a more holistic asset management service for high net worth clients.

In May 2012, the notice on matters relating to further expansion on securitisation of credit assets was jointly issued by the Central Bank, the China Banking Regulatory Commission (CBRC) and the Ministry of Finance. The third pilot test for asset securitisation was initiated and amounted to approximately RMB 50 billion. The bank and assets under pilot testing had been further expanded. 82.9% of the bankers recommended that this policy should advance soundly and prudently.

According to 70.8% of bankers, housing mortgage loans are currently the most feasible at this stage of the pilot assets. Other bankers who selected local financing platform loans and corporate credit which accounted for 42.5% and 39.8% respectively. In addition, approximately 70% of interviewed bankers believed that at this present stage, the relevant laws and regulations are incomplete and this is the major problem which China faces to promote asset securitisation at this present stage.

## **Small and micro enterprise (SME) financing**

Since the second half of 2011, small and micro enterprises have indicated operating difficulties, a decline in demand for credit, an increase in the degree of risk and other new features. This has brought about new challenges to the Chinese banking industry which is vigorously developing the SME business.

Bankers have expressed concerns on the rate of SME bad loans. In analysing the possibility of higher bad debts occurring in 2012 and subsequent 3 years, SMEs ranked third. However, 77.4% of the bankers still believed that SME loans are still the main focus for the corporate financing business.

## **Wealth Management Products**

Since 2011, the superlative growth of wealth management products is one of the main highlights and means for liabilities management at banks. Intense competition in the deposits market, management and control of the volume of credit, pressure from the regulator on issues such as capital regulation and loan-to-deposit ratio assessments, as well as a downturn in other investment channels are important reasons for promoting the superlative growth in the Chinese banking wealth management products market. Approximately 80 % of bankers support the development of wealth management products business, and 54.3% of the bankers are of the view that it is appropriate to expand this business scale, while 23.6% of the bankers view that the scale of this business should be greatly increased.

At the same time, the potential risks and issues underlying the rapid development of the wealth management products business have also attracted the bankers' attention. The survey shows that 50.9% of bankers believe that wealth management products would result in higher balances of off-balance sheet assets, which could impact the asset quality and operational stability of banks. 75.2% of the bankers expressed concerns on the homogeneity and intense price competition of wealth management products, and hoped that the regulator could issue some guidance on this matter.

Faced with the rapid development of assets management businesses of third party wealth management institutions, securities companies and insurance agencies, most bankers believe that there is a greater positive impact than negative impact on the banks' wealth management business. 55.8% of bankers believe that the increase in competition would push banks to accelerate their pace of innovation in wealth management products, and 46.7% of bankers believe that the development of assets management business in non-bank financial institutions could bring banks business opportunities such as custody and agency sales among others. 32.4% of bankers indicated that many banks have built comprehensive operations and this diversification is an advantage and they would be less impacted by market volatility. Only 2% of the bankers believe that the rapid development of third party wealth management institutions, securities companies and insurance agencies would bring a greater negative impact on wealth management business of banks.

## **Risk Management and Internal Control**

With increased downward pressure on the economy, risk factors faced by China's banking sector gradually increased, especially with the risk in real estate and local government financing platforms. The survey indicates that 67.9% and 58.8% of the bankers expressed concerns on the two risk areas respectively as mentioned above. 32.6% and 26.6% of bankers believed that these two respective businesses would in 2012 and the following 3 years result in the two highest instances for loan default rates. Real estate would top the focus limit at 67%.

It is worth noting that the bankers have always been focusing on the risk of local government financing platform. Clearing up and standardising of financing platform loans are promoting more order, but bankers are still cautious about such platform loans. The survey shows that more than 60% of the bankers viewed that the volume of local government financing platform loans should be lowered. 46.2% of bankers believed that the risk in local government financing platform will not be full-blown, but defaults may emerge in some regions. Compared to the bankers in the western region, the bankers in the central, northeastern and eastern regions are more cautious on local financing

platform loans. As compared to 2011, in the context of an economic downturn, the bankers' concern on credit risk ranks first once again.

In 2012, Chinese banks expedited the implementation of the new Basel Capital Accord, through designing a comprehensive risk management processes, accelerating the implementation of rectification standards and maintaining a balance between capital utilisation and shortfall. Meanwhile, China's banking sector continues to promote the design and implementation of internal controls, with more than 90% of the bankers believing that there are positive interactions between internal controls and business developments.

## **Human Resource Management**

Faced with an increasingly complex and competitive environment, bankers have always been concerned about the key role played by the people as the core element of productivity. The survey shows that 90.2% of bankers believe that the number of employees in their bank will continue to grow in the next three years. The ratio has been rising over the past three consecutive years, which shows a strong drive for expansion in the banking sector. Bankers generally believe that to improve the banks' overall competitiveness, changes in human resource management is one of the important issues faced by the Chinese banks. Performance management is an important content for human resource management and 44.6% of bankers believe that the tendency for short-term performance goals is the main problem in performance management.

Bankers generally agree that personnel selection could be based on performance results in the personnel selection process. 58.2% of bankers believe that the options available for the individual's personal development is the main reason for the issue for the talent drain. In addition, low pay levels, uncertain promotion paths are also major causes in talent shortfalls. For executive compensation issues which the public is concerned about, the survey shows that performance pay is the main component of remuneration for bank executives, and 46.3% of bankers believe that the executive pay is not sufficiently market-oriented and fails to reflect any competitive advantage.



## **Information Technology**

Information technology has played a major role in supporting business development and operations management for China's commercial banks, while also building a competitive advantage for the industry. The bankers have continually monitored the development of information technology in this industry. The 2012 survey shows that for investments in the development of information technology over the next 3 years, bankers who adopted an approach to speed up and increase the investment in the development of information systems, continue to maintain the highest proportion at 69.1%.

In recent years, there have been significant improvements in the development of information technology within China's banking sector. Some bankers are of the view that the implementation of IT development is nearing completion. Development of information technology in the future will become one of the core driving forces for the development and innovation of the banking business and will focus on customer relations, data analysis and risk management.

Faced with the rapid development of new technologies, bankers placed greater emphasis on the mobile payment business and other innovative businesses, and they generally hoped that banks would lead the development of innovative businesses by collaborating with other related industries.

## **Social Responsibility**

The development of a low-carbon financial business and implementation of carbon credits are key areas in the banking sector to fulfill their social responsibility. This is especially more obvious in the large commercial banks, city commercial banks and joint-stock commercial banks, which to some extent reflects that the commercial banks aim to achieve optimal allocation of credit resources by fulfilling their social responsibilities combined with the organic development of the financial business. Policy banks and rural commercial banks are more in favor of giving recognition to support underdeveloped areas and disadvantaged businesses or groups.

Online service process and efficiency on innovation of financial products are considered to be the two areas that are most needed to improve public financial services. This indicates that the two "chronic illnesses" are not completely resolved as yet. Due to differences in areas such as customer groups, the bottleneck for the joint-stock commercial banks lies in innovation of financial products. For large commercial banks, the network service process and efficiency needs to be improved.

## **Evaluation on the regulatory environment**

For bankers, the issuance of a draft notice for commercial banks' capital management is one of the regulatory developments worth taking note in 2012. These developments were adjusted for several times before being released. The bankers gave a more positive comment, and indicated that they would respond to the challenges faced by the bank's management after the implementation of the new developments through strengthening the capital management capability and developing a capital-saving business.

In terms of evaluating the current regulatory index system, bankers have indicated that they have consented to certain extent, but hoped that there would be moderate adjustments to the regulator's requirements for the loan-to-deposit ratio including numerical computation. The clearing up and standardising work for platform loans have been carried out for the third year. Bankers have indicated their recognition of the risk management policy and their evaluation of the policy on extension and borrowing new and paying old loans is partially positive.

At the same time, faced with a broad range of shadow banks in China, such as wealth management banking products etc, 67.5% of bankers believe that the shadow banks structure their financial business to bypass the regulator and affect the economic and financial stability. 62.8% of bankers believe that this will result in a decrease in control effectiveness on monetary loans, and they hope to strengthen their consensus on supervision of shadow banks.

## **Banker Groups**

Most bankers believe that their reward match contributions made. The highest consensus is from the joint-stock commercial bank executives, accounting for 74.3%, whereas the responses of large commercial bank executives are relatively diversified, which highlights that among others, the internal management and incentive mechanism needs to be improved further.

With rapid developments in China's banking sector, profits of banks have increased quickly and market competition is more intense. Approximately half of the bankers indicated that pressure on performance has caused headaches, especially more evident when the bank's branches are the main source of profit.

## **Development Outlook**

Approximately 70% of bankers expect that growth rate of revenue and profit for banks over the next 3 years will be lower than 20%, and expanding the scale of interest-earning assets is the most powerful motivating factor for future profit growth. The bankers are optimistic on future asset quality, and more than half expected non-performing loans rate of banks over the next 3 years to remain under 1%. 80 % of bankers believe that the capital adequacy ratio of banks will reach more than 10% by the end of 2012. 64.6% of bankers believe that provision coverage ratio of banks will reach 150% by the end of 2012.

---

# PwC contacts

## **Assurance**

### **Raymond Yung**

Beijing  
+86 (10) 6533 2121  
raymond.yung@cn.pwc.com

### **Jimmy Leung**

Shanghai/Beijing  
+86 (21) 2323 3355  
jimmy.leung@cn.pwc.com

### **Linda Yip**

Beijing  
+86 (10) 6533 2300  
linda.yip@cn.pwc.com

### **Richard Zhu**

Shanghai/Beijing  
+86 (21) 2323 3278  
richard.y.zhu@cn.pwc.com

### **Charles Chow**

Shenzhen  
+86 (755) 8261 8988  
charles.s.chow@cn.pwc.com

### **Simon Tsang**

Hong Kong  
+852 2289 2150  
simon.tsang@hk.pwc.com

### **Peter Li**

Hong Kong  
+852 2289 2982  
peter.pt.li@hk.pwc.com

## **Tax**

### **Cassie Wong**

Beijing  
+86 (10) 6533 2222  
cassie.wong@cn.pwc.com

### **Rex Chan**

Beijing  
+86 (10) 6533 2022  
rex.c.chan@cn.pwc.com

### **Matthew Wong**

Shanghai  
+86 (21) 2323 3052  
matthew.mf.wong@cn.pwc.com

### **Peter Yu**

Hong Kong  
+852 2289 3122  
peter.sh.yu@hk.pwc.com

## **Advisory**

### **Matthew Phillips**

Hong Kong  
+852 2289 2303  
matthew.phillips@hk.pwc.com

### **Nelson Lou**

Beijing  
+86 (10) 6533 2003  
nelson.lou@cn.pwc.com

### **James Chang**

Beijing  
+86 (10) 6533 2755  
james.chang@cn.pwc.com

### **Stephen Cheung**

Hong Kong  
+852 2289 1966  
stephen.cl.cheung@hk.pwc.com

### **Rick Heathcote**

Hong Kong  
+852 2289 1155  
rick.heathcote@hk.pwc.com

# PwC in China

## Hong Kong

22/F Prince's Building  
Central, Hong Kong  
+852 2289 8888

## Beijing

26/F Office Tower A  
Beijing Fortune Plaza  
7 Dongsanhuan Zhong Road  
Chaoyang District  
Beijing 100020, PRC  
+86 (10) 6533 8888

## Shanghai

11/F  
PricewaterhouseCoopers  
Center, 2 Corporate Avenue  
202 Hu Bin Road  
Luwan District  
Shanghai 200021, PRC  
+86 (21) 2323 8888

## Chongqing

Room 1905  
19/F Metropolitan Tower  
68 Zou Rong Road  
Chongqing 400010, PRC  
+86 (23) 6393 7888

## Dalian

8/F Senmao Building  
147 Zhongshan Road  
Xigang District  
Dalian 116011, PRC  
+86 (411) 8379 1888

## Guangzhou

18/F  
PricewaterhouseCoopers  
Center, 10 Zhujiang Xi Road  
Pearl River New City  
Tianhe District  
Guangzhou 510623, PRC  
+86 (20) 3819 2000

## Hangzhou

Room 3205, Canhigh Center  
208 Huancheng Road North  
Xiacheng District  
Hangzhou 310006, PRC  
+86 (571) 2807 6388

## Macau

29/F  
Bank of China Building  
323 Avenida Doutor Mario  
Soares, Macau  
+853 8799 5111

## Nanjing

Room 12A01, South Tower  
Nanjing International Center  
201 Zhongyang Road  
Gulou District  
Nanjing 210009, PRC  
+86 (25) 6608 6288

## Ningbo

Room 1203, Tower E  
Ningbo International  
Financial Center  
268 Min An Road East  
Jiangdong District  
Ningbo 315040, PRC  
+86 (574) 8187 1788

## Qingdao

37/F  
Tower One, HNA IMC Centre  
234 Yanan Third Road  
Shinan District  
Qingdao 266071, PRC  
+86 (532) 8089 1888

## Shenzhen

34/F, Tower A, Kingkey100  
5016 Shennan East Road  
Luohu District  
Shenzhen 518001, PRC  
+86 (755) 8261 8888

## Singapore

8 Cross Street #17-00  
PwC Building  
Singapore 048424  
+65 6236 3388

## Suzhou

Room 1501  
Genway Tower  
188 Wang Dun Road  
Suzhou Industrial Park  
Suzhou 215028, PRC  
+86 (512) 6273 1888

## Taipei

27/F, International  
Trade Building  
333 Keelung Road  
Section 1 Taipei,  
Taiwan 11012  
+886 (2) 2729 6666

## Tianjin

36/F The Exchange Tower Two  
189 Nanjing Road  
Heping District  
Tianjin 300051, PRC  
+86 (22) 2318 3333

## Xiamen

Unit B  
11/F, International Plaza  
8 Lujiang Road  
Siming District  
Xiamen 361001, PRC  
+86 (592) 210 7888

## Xi'an

7/F, D Block  
Chang'an Metropolis Centre  
88 Nanguan Street  
Xi'an 710068, PRC  
+86 (29) 8469 2688

[www.pwchk.com](http://www.pwchk.com)

© 2012 PricewaterhouseCoopers Limited. All rights reserved. In this document, "PwC" refers to PricewaterhouseCoopers Limited, which is a member firm of PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity. CN-20121211020C1