

**Regulatory
Developments**

CSRC spokesperson answers questions about pricing of M&A, restructuring

The CSRC revised relevant provisions on re-financing on February 17, which was believed to be good for protecting the legitimate rights and interests of medium and small investors.

According to the CSRC spokesperson, after the policy adjustment, the pricing of assets after M&A, restructuring and share issuance will continue to follow the Regulations on Major Asset Restructuring of Listed Companies. In other words, the assets will be priced based on one of the average transaction prices of corporate stock on the 20th, 60th or 120th trading day before the board resolution on share issuance and asset purchase was made public. Pricing of auxiliary financing will follow the newly revised Implementing Rules on Private Placement of Listed Companies, namely based on the transaction price on the first day of share issuance.

[CSRC News](#) (Currently Only Available in Chinese)

CIRC to better regulate insurance companies' overseas investment

"The regulator adopts a proactive and prudent attitude toward insurance companies' overseas investment." Chen Wenhui, Vice Chairman of CIRC, said at a press conference of the State Council Information Office on February 22 that the CIRC encourages insurance companies to carry out global operations, but they have to be capable of conducting such operation and must strengthen their capability in that respect. Meanwhile, CIRC will tighten the regulation of their overseas investment.

[Caixin News](#) (Currently Only Available in Chinese)

Statistics

CBRC releases main data of 2016Q4

Banking industry's assets and debts increased steadily. At the end of 2016Q4, the total assets of financial institutions in the banking industry, both at home and abroad and in Chinese and foreign currency, stood at RMB232.3 trillion, up 15.8% year-on-year. **The banking industry continued to strengthen financial services.** In 2016Q4, it stepped up financial services for key economic and social areas such as agriculture, rural areas and farmers, small and micro enterprises and security

housing projects, as well as people's livelihood projects. **The quality of credit assets remained generally stable.** At the end of 2016Q4, the NPL balance of commercial banks was RMB1,512.3 billion, an increase of RMB18.3 billion from the end of the previous quarter; and their PNL ratio was 1.74%, down 0.02 percentage point from the previous quarter. **Profit growth rate increased a little.** By the end of 2016Q4, the accumulative net profits of commercial banks in the current year stood at RMB1649 billion, up 3.54% year-on-year, which was 1.11 percentage point faster from a year earlier. **Banking industry had strong capability of risk compensation,** and sufficient provisions for impairment were made against credit risks. **Liquidity remained sound.** At the end of 2016Q4, commercial banks had the liquidity ratio of 47.55%, excess reserve ratio in RMB of 2.33% and loan-to-deposit ratio of 67.61%, up 0.62, 0.58 and 0.34 percentage point from the end of the last quarter respectively.

[CBRC News](#) (Currently Only Available in Chinese)

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