

EMBARGOED FOR 00:01 BST MONDAY 1 JULY 2019

CHINA'S BANKS MAINTAIN THEIR TOP POSITIONS

Says The Banker's Top 1000 World Banks ranking 2019

1 July 2019: Chinese banks maintained their grip on The Banker's latest ranking of the Top 1000 World Banks despite slower growth by the country's largest institutions. China's strong performance was helped by the outstanding growth of the mid-tier banks. The country's strong tech sector made an impact on the rankings with the entry of online lender MYbank.

For the second year running the top four banks in the ranking are Chinese, with ICBC topping the ranking for the seventh consecutive year. China Construction Bank stays in second place while Agricultural Bank of China moves to third place pushing Bank of China from third to fourth.

But whereas last year all four banks increased their Tier 1 capital (the measure of strength used to compile the ranking) in double figures, this year – apart from Agricultural Bank of China which grew 11% - the top banks increased their Tier 1 by 6% or less.

But the same slowdown is not seen by China's medium-sized banks. Bank of Guangzhou, for example, increased its Tier 1 by 52% and went up 84 places in the ranking to number 223. Eight other Chinese banks increased their Tier 1 by a third, showing the continuing strength of the Chinese economy.

Chinese banks face considerable competition from tech players such as Tencent and Ant Financial, but these have not so far shown up in the ranking. This year, however, Ant Financial's online lender MYbank entered the ranking at 881.

Says The Banker's editor Brian Caplen: "China's banks have held their positions at the top of this year's ranking. Together they produce the highest banking profits of any country and nearly a quarter more than those of the US. ICBC is the world's most profitable bank."

"This year we saw strong growth among the mid-tier banks and the impact of the tech sector with the arrival of MYbank in the ranking."

In total China has 136 banks in the ranking which together produce profits of \$312bn, the highest in the world. ICBC delivers the largest profit of any bank with a net income of \$43.6bn followed by China Construction Bank in second place with \$37.3bn.

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Table 1

TOP 10 WORLD BANKS				
Rank	Previous	Bank	Country	Tier 1 capital \$bn
1	1	ICBC	China	338
2	2	China Construction Bank	China	287
3	4	Agricultural Bank of China	China	243
4	3	Bank of China	China	230
5	5	JP Morgan Chase	US	209
6	6	Bank of America	US	189
7	7	Wells Fargo	US	168
8	8	Citigroup	US	158
9	10	HSBC	UK	147
10	9	Mitsubishi UFJ	Japan	146

Source: www.thebankerdatabase.com

Table 2

TOP 5 COUNTRIES BY PROFITS		
Country	Number of banks	Pre-tax profits (\$bn)
China	136	312
US	169	255
Canada	11	47
France	6	44
UK	25	43

Table 3

TOP 5 BANKS BY PROFITS		
Bank	Country	Net income (\$bn)
ICBC	China	43.6
China Construction Bank	China	37.3
JPMorgan Chase	US	32.5
Agricultural Bank of China	China	29.5
Bank of America	US	28.1

About The Banker:

The Banker is the world's premier banking and finance resource, providing global financial intelligence since 1926.

The Banker is the key source of data and analysis for the industry. The Banker's Top 1000 World Banks ranking has been setting the industry benchmark since 1970, providing comprehensive intelligence about the health and wealth of the banking sector. To find out more visit www.thebanker.com/top1000worldbanks.

Brian Caplen has been a financial and business journalist for more than 25 years. He has worked in Hong Kong and the Middle East and reported from all over the world. He joined The Banker in 2000 and became editor in 2003.

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