

## 《CCTV9英语新闻：China approves three private banks》

China's banking regulator has approved the establishment of three private banks, including Webank by Internet giant Tencent. It's part of trial to open up the banking sector as the government steps up financial reforms.

A step in opening up the banking sector. One of three new banks is Webank in the southern city of Shenzhen. It will be cofounded by Internet giant Tencent, Shenzhen Baiyeyuan Investment Co. and the Shenzhen Liye Group. It will mainly serve individual customers and small and micro-businesses.

A second new bank will be in the eastern city of Wenzhou, cofounded by Chint Group and Huafon Group. It will target local micro companies, individual businesses, and clients in rural areas. And a third bank, in the northern municipality of Tianjin, with Huabei Group and Maigou Group as co-founders, will mainly offer corporate banking services.

The three banks are expected to complete the preparatory work in six months, which means by next spring at the latest the first private bank will be officially inaugurated. The China Banking Regulatory Commission says the trial of private banks will be one of the focusses of financial reform in the future.

Experts warn that banking involves risks. The profit margin of many banks has shrunk from over 30% to less than 10%. The risks of private banks are not to be underestimated.

The regulator said in March that it would allow the creation of five private banks on a trial basis. Each of the banks will be co-sponsored by at least two private capital providers.

CBRC is working with capital providers to make plans for the launch of another two private banks.