Financial intermediaries and products Ultimate Ultimate Banks (RMB 250 trillion) borrowers creditors Big 5 Small and medium banks ! Implicit guarantees Investment vehicles Assets Liabilities Bank deposits and debt Repo and other borrowing Households, firms, government Direct Corporate and government bonds investment financing vehicles Investment Households Credit and other illiquid assets products and firms Governments, (RMB 75 trillion) To: Investment products policy banks Cross-product leverage and investment flows (double-counting) Black arrows indicate Other financial institutions (RMB 24 trillion) fund flows Blue arrows indicate Fund management Securities Trust Insurance investment product companies and brokers companies companies subsidiaries issuance

Figure 1.18. Stylized Map of Linkages within China's Financial System

Sources: Asset Management Association of China; CEIC; ChinaBond; People's Bank of China; and IMF staff estimates.

Note: Investment products include non-principal-guaranteed bank-issued wealth management products and asset management products issued by other financial institutions depicted. Numbers shown are total on-balance-sheet assets for banks and financial institutions, and total investment products outstanding as of end-2017 or latest available reporting period. Numbers for other financial institutions do not include fund management companies and their subsidiaries due to lack of data. See also Ehlers, Kong, and Zhu (2018). RMB = renminbi.