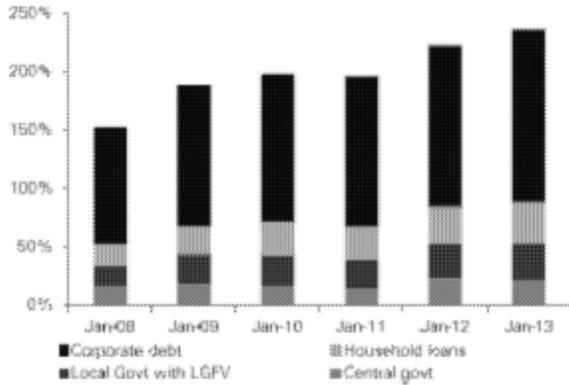
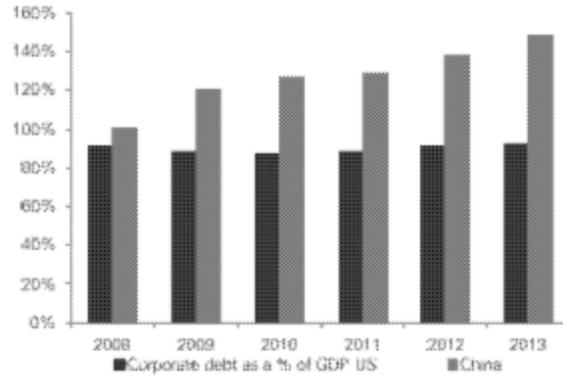


Figure 14: China's overall debt level is rising dramatically, particularly corporate debt, which stands at 150% of GDP



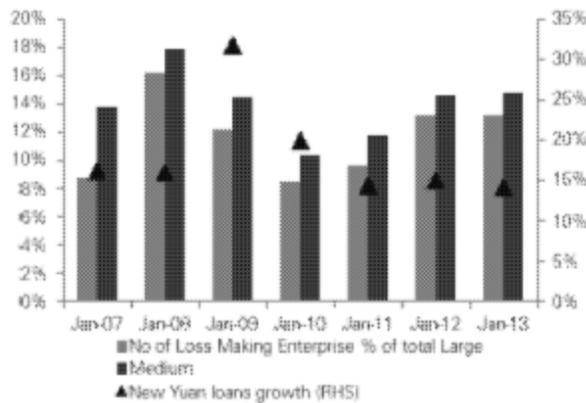
Source: Deutsche Bank, CIBC, Bloomberg Finance LP

Figure 15: China's corporate debt has been rising faster than that of the US over the past few years



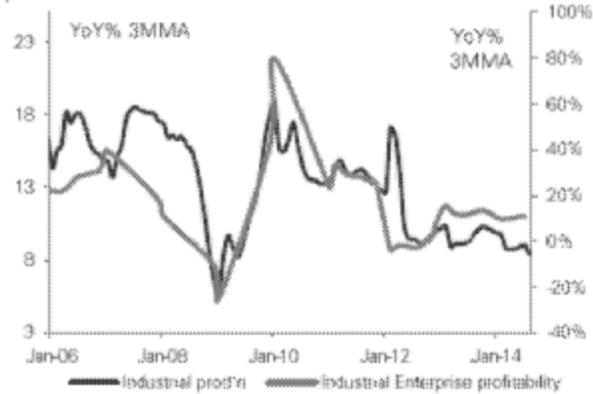
Source: Deutsche Bank, CIBC, Bloomberg Finance LP

Figure 18: Rising risk of loss-making enterprises and possible default if credit growth slows further



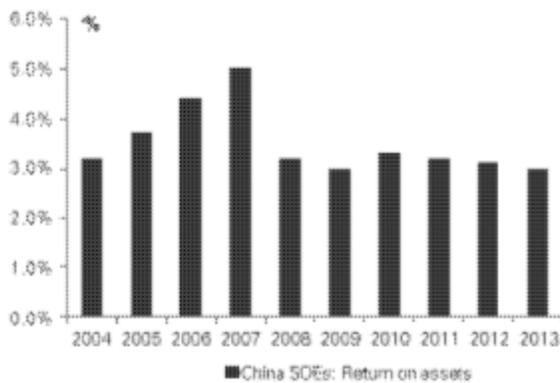
Source: Deutsche Bank, CIBC, Bloomberg Finance LP

Figure 19: Industrial profitability is at risk of declining as IP slows



Source: Deutsche Bank, CIBC, Bloomberg Finance LP

Figure 16: SOEs' RoA has not picked up, despite rising debt level



Source: Deutsche Bank, CIBC, Bloomberg Finance LP

Figure 17: In fact, net profit margin has been low despite easy funding compared with private enterprises in China



Source: Deutsche Bank, CIBC, Bloomberg Finance LP