



## The 16<sup>th</sup> China Financial Center Index Report Summary

China Financial Center Index (CFCI) has established a competitiveness evaluation system adapted to the development characteristics of Chinese financial centers. The system aims to track and study the development status of Chinese financial centers, in a bid to provide a basis for policy optimization for relevant decision-makers, and offer a watchtower for the society to observe the development of Chinese financial centers. The first CFCI was released in 2009 and has been updated annually since then.

CFCI 16 maintains the four-level assessment structure, which evaluates the performance of the financial industry, the capacity of financial institutions, the scale of the financial market, and the ecology of the financial sector, and features two adjustments. First, indicators related to the performance of the financial industry were updated with 10 additional indicators surrounding technology finance, green finance, inclusive finance, pension finance, and digital finance.<sup>1</sup> Additionally, with the inclusion of Xuzhou and Quanzhou, the total number of financial centers assessed in CFCI 16 increased to 38.

The following is a summary of the key findings in CFCI 16.

### 1. Rankings of the comprehensive competitiveness

Table 1 TOP 10 “Comprehensive Competitiveness” Rankings in CFCI 16

City	CFCI 16		CFCI 15		Change	
	Rating	Rank	Rating	Rank	Rating	Rank
Shanghai	323.82	1	312.36	1	▲11.47	-
Beijing	275.85	2	264.48	2	▲11.37	-
Shenzhen	177.06	3	181.39	3	▼4.34	-
Guangzhou	83.98	4	85.13	4	▼1.15	-
Hangzhou	77.69	5	76.83	5	▲0.87	-
Chengdu	66.53	6	65.80	6	▲0.73	-
Nanjing	62.82	7	62.03	8	▲0.79	▲1
Chongqing	61.93	8	62.58	7	▼0.65	▼1
Tianjin	58.12	9	58.71	9	▼0.59	-
Wuhan	57.64	10	55.14	11	▲2.50	▲1

- The TOP 10 financial centers in terms of comprehensive competitiveness are Shanghai, Beijing, Shenzhen, Guangzhou, Hangzhou, Chengdu, Nanjing, Chongqing, Tianjin, and Wuhan.
- Among the financial centers that consistently maintain top positions in the rankings, Nanjing and Chongqing switched places, so did Wuhan and Suzhou; while the other top 10 centers' rankings remain unchanged.

<sup>1</sup> The rankings and ratings in CFCI 15 were retroactively adjusted following this update to enable standardized comparison with CFCI 16.

- Among the 38 financial centers, 13 improved their ratings to varying degrees, while 23 centers saw a slight decline in their overall competitiveness ratings.
- The three major national financial centers secured their top three positions in terms of comprehensive competitiveness, though their ratings displayed significant differences. Shanghai and Beijing continued high growth, while Shenzhen saw negative growth and an increasing gap in the ratings compared to Shanghai and Beijing.
- In addition to Shanghai, Beijing, and Shenzhen, Zhengzhou, Wuhan, and Wenzhou gained the most in ratings, with respective increases of 5.89 points, 2.50 points, and 1.21 points compared to CFCI 15, significantly outperforming other regional financial centers.
- An evident stratification in comprehensive competitiveness was observed among regional financial centers. The ratings for Xi'an, Ningbo, Jinan, Changsha, Fuzhou, Hefei, Dalian, Xiamen, Qingdao, and Wuxi were very close, with an average gap of only 1% between the cities ranked next to each other, suggesting their potential to catch up with the top-ranking cities and shift in rankings at any time.
- The other 16 regional financial centers with comprehensive competitiveness rating below 40 points still exhibit various weaknesses in their overall competitiveness. These centers face a fiercer competitive development environment for regional financial hubs. To catch up with leading cities in the rankings, they will need to significantly increase resource investment and support for financial center development in the future.

## 2. Rankings of performance of financial industry

- According to the multiplier theory of industrial economics, the driving force of the financial industry for urban development hinges primarily on its direct output as well as the financial resources it commands. In this index, the evaluation framework for financial industry performance has been optimized. Building on “output-driven level” and “business development level”, a new dimension—“quality and efficiency in serving the real economy”—has been added, reflecting the focus on high quality development.
- **The TOP 10 financial centers in terms of the performance of financial industry are,** Beijing, Shanghai, Shenzhen, Hangzhou, Guangzhou, Chengdu, Nanjing, Suzhou, Chongqing, and Wuhan.

**Table 2 TOP 10 “Performance of Financial Industry” Rankings in CFCI 16**

City	CFCI 16		CFCI 15		Change	
	Rating	Rank	Rating	Rank	Rating	Rank
Beijing	272.97	1	278.08	1	▼5.11	-
Shanghai	248.54	2	271.26	2	▼22.72	-
Shenzhen	181.54	3	204.65	3	▼23.11	-
Hangzhou	126.44	4	125.67	5	▲0.77	▲1
Guangzhou	119.79	5	130.27	4	▼10.48	▼1
Chengdu	105.10	6	101.40	7	▲3.70	▲1



City	CFCI 16		CFCI 15		Change	
	Rating	Rank	Rating	Rank	Rating	Rank
Nanjing	105.07	7	103.04	6	▲2.03	▼1
Suzhou	96.00	8	93.30	9	▲2.70	▲1
Chongqing	92.45	9	98.28	8	▼5.83	▼1
Wuhan	82.97	10	74.47	15	▲8.50	▲5

- In recent years, various domestic financial centers experienced decline in total number of financial professionals, leading to a significant decrease in their performance of the financial industry ratings. Out of the cities assessed, 26 cities experienced a negative growth in ratings, while only 10 cities saw an increase in their ratings.
- Among the top 10 cities in this ranking, Wuhan rose by five places to 10<sup>th</sup> place. Whereas Tianjin that ranked top 10 in the previous index fell by one place to 11<sup>th</sup>.
- The three cities that saw the most gain in CFCI 16 ratings are Zhengzhou, Wuhan, and Chengdu, with an increase of 13.03 points, 8.50 points, and 3.70 points respectively. Against the backdrop of significant work force reductions that most centers have experienced, Zhengzhou and Wuhan saw an uptick, contributing to their improved sub-item ratings. Chengdu achieved rapid growth in its sub-item ratings while maintaining expansion in key financial metrics such as deposit and loan balances, premium income, and securities trading volume.
- In 2023, the total added value of the financial industry across 38 financial centers reached RMB 6.5 trillion, accounting for 64.6% of the total added value of China's financial industry for that year. This figure also marked an increase of 0.8% compared to the previous year, setting a new historical record.

### 3. Rankings of capacity of financial institutions

- The aggregation of financial institutions can play a supportive role in promoting financial innovation and advancement of urban finance. The comprehensive strength of a city's financial institutions largely reflects its financial competitiveness.
- **The TOP 10 cities in terms of the capacity of financial institutions in CFCI 16 are** Beijing, Shanghai, Shenzhen, Tianjin, Hangzhou, Guangzhou, Chongqing, Chengdu, Nanjing, and Wuhan.

Table 3 TOP 10 “Capacity of Financial Institutions” Rankings in CFCI 16

City	CFCI 16		CFCI 15		Change	
	Rating	Rank	Rating	Rank	Rating	Rank
Beijing	525.58	1	488.87	1	▲36.71	-
Shanghai	334.25	2	323.98	2	▲10.26	-
Shenzhen	265.44	3	259.22	3	▲6.21	-
Tianjin	60.99	4	60.48	4	▲0.50	-
Hangzhou	60.17	5	59.78	5	▲0.39	-

City	CFCI 16		CFCI 15		Change	
	Rating	Rank	Rating	Rank	Rating	Rank
Guangzhou	57.96	6	56.96	6	▲1.00	-
Chongqing	50.89	7	50.96	7	▼0.07	-
Chengdu	43.24	8	41.46	8	▲1.78	-
Nanjing	41.13	9	39.08	9	▲2.06	-
Wuhan	37.67	10	37.88	10	▼0.22	-

- In this index, the overall ratings and rankings remained stable, with only four cities seeing slight changes in their rankings.
- Twenty-nine cities achieved positive growth in ratings, while only 7 cities experienced a slight decrease, indicating a recovery trend in the development of financial institutions across major domestic financial centers.
- The trend of domestic financial institution resources accelerating their concentration toward top-ranked financial centers has become more pronounced. The higher a city ranks, the more pronounced its score growth becomes. In this index, Beijing, Shanghai, and Shenzhen—the top three cities in the Capacity of Financial Institutions sub-ranking—while maintaining their leading positions, also emerged as the three fastest-growing cities in this sub-item ratings.
- The concentration of financial institution resources across the 38 financial centers further increased compared to the previous year. As of end-2023, the total value of financial institutions in these centers reached RMB 365 trillion, accounting for approximately 80% of the nation’s total during that year.
- Beyond Beijing, Shanghai, and Shenzhen, Hangzhou, Guangzhou, and Tianjin stand out with the most comprehensive coverage of licensed financial institutions—each lacks only one license category across all 11 major classifications.

#### 4. Rankings of scale of financial market

- The scale and activity of the financial market are essential for attracting and retaining traders, institutions, and professionals, while playing a pivotal role in enhancing the financial influence of a city.
- **The TOP 10 cities in terms of the scale of financial market in CFCI 16 are** Shanghai, Shenzhen, Beijing, Zhengzhou, Dalian, Guangzhou, Hangzhou, Suzhou, Wuhan and Chengdu.

**Table 4 TOP 10 “Scale of Financial Market” Rankings in CFCI 16**

City	CFCI 16		CFCI 15		Change	
	Rating	Rank	Rating	Rank	Rating	Rank
Shanghai	500.90	1	456.39	1	▲44.51	-
Shenzhen	99.15	2	110.73	2	▼11.58	-
Beijing	52.66	3	53.25	3	▼0.59	-

City	CFCI 16		CFCI 15		Change	
	Rating	Rank	Rating	Rank	Rating	Rank
Zhengzhou	43.28	4	33.87	5	▲9.40	▲1
Dalian	37.29	5	40.33	4	▼3.04	▼1
Guangzhou	26.89	6	25.03	6	▲1.86	-
Hangzhou	18.26	7	16.96	8	▲1.30	▲1
Suzhou	17.31	8	18.08	7	▼0.77	▼1
Wuhan	14.48	9	14.29	10	▲0.20	▲1
Chengdu	11.92	10	14.69	9	▼2.77	▼1

- In the CFCI 16 “Scale of Financial Market” rankings, the top 10 cities remain unchanged. The top 6 are among the few domestic cities with national financial markets. Among these 6 financial centers, only Zhengzhou and Dalian changed positions in the sub-item ratings, while the rankings of the other 4 centers remained unchanged. Additionally, cities like Hangzhou, Suzhou, and Wuhan maintained their positions in the top 10, primarily due to their outstanding performance in capital market utilization and regional equity trading markets.
- Due to factors such as the slowdown in IPO issuance, 19 financial centers saw a decline in their capital market utilization ratings. The top 3 cities with the highest rating growth in this sub-item are Shanghai, Zhengzhou, and Guangzhou, gaining 44.51 points, 9.40 points, and 1.86 points respectively, compared to the previous index. Shanghai’s rating increase stemmed largely from a significant surge in nationwide money and bond market trading volumes, while Zhengzhou and Guangzhou’s gains were driven primarily by growth in commodity futures trading markets
- In terms of the number and scale of publicly listed companies, Beijing, Shanghai, and Shenzhen led the pack. As of 2023, Beijing, Shanghai, and Shenzhen hosted 469, 436, and 419 domestic-listed companies respectively, making them the only three Chinese cities to have surpassed the 400-company milestone in A-share listings.
- Among 35 regional financial centers, Hangzhou and Suzhou continued to perform well in terms of the capital market utilization. In 2023, Hangzhou and Suzhou recorded 14 and 20 new IPO listings respectively throughout the year, bringing their total A-share listed companies to 225 and 215 by year-end, placing them fourth and fifth nationally, right behind Beijing, Shanghai, and Shenzhen.

## 5. Rankings of ecology of financial sector

- The development of urban financial industries is closely linked to various aspects of urban social and economic growth. The external environment that contributes to the growth of urban finance is collectively referred to as the financial ecosystem, which serves as an explanatory factor for a city’s financial competitiveness. According to the CFCI evaluation system, the financial ecosystem is primarily measured by the talent environment, business climate, and level of internationalization, serving as an overall indicator of a financial center’s growth potential and sustainability.

- The TOP 10 cities in terms of the ecology of financial sector in this index are Beijing, Shanghai, Shenzhen, Guangzhou, Chengdu, Hangzhou, Wuhan, Nanjing, Chongqing and Suzhou.

**Table 5 TOP 10 “Ecology of Financial Sector” rankings in CFCI 16**

City	CFCI 16		CFCI 15		Change	
	Rating	Rank	Rating	Rank	Rating	Rank
Beijing	197.92	1	188.45	1	▲9.47	-
Shanghai	197.45	2	183.27	2	▲14.18	-
Shenzhen	142.23	3	131.75	4	▲10.49	▲1
Guangzhou	141.74	4	138.77	3	▲2.97	▼1
Chengdu	114.94	5	115.00	5	▼0.06	-
Hangzhou	112.65	6	111.53	6	▲1.11	-
Wuhan	103.62	7	101.62	8	▲2.00	▲1
Nanjing	102.45	8	102.58	7	▼0.14	▼1
Chongqing	99.73	9	97.17	9	▲2.56	-
Suzhou	94.77	10	94.27	11	▲0.50	▲1

- The top 10 cities in this ranking are relatively stable, with little change comparing to the last index—Suzhou re-entered top 10 replacing Qingdao which dropped one place and ranks 11<sup>th</sup> in CFCI 16.
- The latest assessment shows significant rating improvements in the financial ecosystem across most Chinese cities. 23 cities achieved positive growth in sub-item ratings, while only 13 centers registered minor declines. Shanghai, Shenzhen and Beijing demonstrated the most substantial gains, increasing by 14.18 points, 10.49 points, and 9.47 points respectively from CFCI 15.
- The year 2023 marks China’s first full year of post-pandemic reopening, driving a rebound among cities with outward-oriented economy and higher level of internationalization such as Shanghai, Shenzhen, Beijing, and Haikou. Previously constrained by pandemic controls, these cities have seen substantial gains in their respective financial ecosystem sub-item ratings.
- It is important to note that risk indicators, such as local government debt, are showing a re-upward trend. In this index, only 3 out of 38 financial centers, Quanzhou, Xuzhou, and Wenzhou, have improved their performance in local government debt ratio, local government debt-to-GDP ratio, and local government bond default rate indicators. While the other 35 centers showed varying degrees of increase in the indicators.

## 6. Special feature - Xuzhou financial center

- In ancient times, Xuzhou was known by several names, including Pengcheng, Tunjun, Xiapi, and Dongchu. It served as a vital transportation hub that connected the southern and northern parts of China. Additionally, it acted as an important trade center and provided defense against foreign invasions in the Huanghuai area. Xuzhou played a



significant role in facilitating trade communication, fostering people-to-people exchanges, and promoting cultural development, which helped it establish itself as an economic and cultural center in the Huaihai Economic Zone.

- In recent years, relying on its position as the central city in Huaihai Economic Zone, Xuzhou has continued to strengthen financial industry's leading role in supporting high-quality development and promoting coordinated regional economic development, and has effectively enhanced its regional influence and role as a financial center.
- As a rising star in the development of financial centers, the financial industry in Xuzhou has experienced rapid growth. Since 2017, the average annual growth rate of its financial sector's added value reached 8.9%, which is 1.6 percentage points and 3.4 percentage points higher than the average level of Jiangsu Province and the whole country in the same period, and 2.7 percentage points higher than the average level of CFCI regional financial centers in the same period.
- As of the end of 2023, key indicators in Xuzhou, including the value added of the financial industry, balance of deposits, loan balance, premium income, and the scale of financing, accounted for nearly one-fifth or more of the total amount of the Huaihai Economic Zone.
- Looking forward, Xuzhou is expected to become a regional financial center with concentrated regional financial resources, prominent financial functions, and strong services to the real economy, strengthened role as Huaihai Economic Zone's center for industrial capital integration, financial innovation in digital supply chain, green and transition finance, ecological finance, and financial services, while facilitating the city's high-quality development and modernization with Chinese characteristics practice.