

Goldman Sachs Dumps China Banking Stocks

Contributed by Tom McGregor
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BEIJING: Will Chinese banks soon face financial turmoil? Goldman Sachs, an investment bank, is dumping its shareholdings of the Industrial and Commercial Bank of China.

The BBC News reports that, "Singapore's Temasek Holdings has agreed on a deal to buy Goldman Sachs's shares in the Industrial Commercial Bank of China, the world's largest bank." Temasek will purchase \$2.3 billion worth of ICBC shares, assuming its 1.3% stake in the bank. The takeover occurs just as China's state-owned banks have reported a major surge in profits.

According to the BBC, "last month, ICBC reported that its net profit jumped 17% in the October to December quarter, from a year earlier. Analysts said the dominance enjoyed by the state-owned banks in China makes them an attractive investment."

Justin Harper of IG Markets said, "China's banking sector has a huge potential. The state-owned banks are big drivers of Chinese growth and it is a good market to be in."

To read the entire article from the BBC News, link here: Mcgregor@chinadaily.com.cn