



February 12, 2012

Xi Jinping
Vice President
People's Republic of China
Beijing, China

Dear Vice President Xi,

The **ENGAGE CHINA** coalition thanks you for your continuing leadership to strengthen the relationship between the United States and China. We welcome you to the United States and hope that your visit will be informative and enjoyable. Through your leadership, we also hope that your visit will provide the opportunity to reinvigorate discussions on financial services in the Strategic & Economic Dialogue.

ENGAGE CHINA is a coalition comprised of twelve financial services trade associations united in our view that active cooperation between the United States and China remains the most constructive means of ensuring that the citizens of both nations mutually benefit from the growing bilateral economic relationship.

The U.S.-China economic relationship is one of the most important bilateral relationships in the world. How this critical relationship is managed will determine in large part the growth and vitality of the global economy in the 21st century. With that important observation in mind, the coalition wants to be of assistance as China continues to grow and develop. In particular, the coalition is strongly of the view that continued reform and modernization of China's financial sector is essential if China is to achieve its economic goals of maintaining high rates of growth and job creation, building a more services-based, consumer-driven economy, reducing poverty, and ensuring a more equitable distribution of opportunity and prosperity.

Capital is the lifeblood of any economy's strength and well-being, enabling the investment, research, and risk-taking that fuels competition, innovation, productivity, and prosperity. However, capital is productive only to the degree that it is well allocated, a task that becomes increasingly important as an economy grows in size and complexity. A developed and sophisticated financial sector is crucial for efficient capital allocation. As a financial sector becomes more developed and sophisticated, capital allocation becomes more effective, efficient, and diverse, leading to better investment of capital and lowering costs. Moreover, the ability of a

modern economy to weather, absorb, and move beyond inevitable economic adjustments is directly related to the depth, flexibility, and resilience of the financial sector. For all these reasons, an effective and efficient financial sector is the essential basis upon which the growth and vitality of all other sectors of the economy depend.

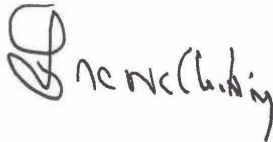
The fastest way for China to acquire the modern financial system it needs is to open its financial sector to greater participation by foreign financial services firms. We look forward to working with you and your colleagues to achieve further progress on issues such as:

- the importance of removing remaining obstacles to greater foreign participation and the clear benefits to China of increased market access for foreign financial services firms – such as the introduction of world-class expertise, technology, products and services, and best practices;
- non-discriminatory national treatment with regard to licensing, processing of applications, corporate form, and permitted products and services;
- non-discriminatory national treatment with regard to supervision and regulation; and,
- regulatory and procedural transparency.

By helping to provide the financial products and services that China's citizens and businesses need to save, invest, insure against risk, raise standards of living, and consume at higher levels, foreign financial institutions can help China develop an economy that is less dependent on exports, and more services-based and consumption-driven.

We look forward to working together to strengthen the relationship between our two countries, and to ensure that China achieves its goal of building a more diversified and stable economy based on open markets.

Sincerely,



Gov. Frank Keating
President and CEO
American Bankers Association




Dirk Kempthorne
President and CEO
American Council of Life Insurers



Leigh Ann Pusey
President and CEO
American Insurance Association



Kathleen Gowin
Interim CEO & President
BAFT-IFSA



Ken A. Crerar
President
The Council of Insurance Agents &
Brokers




Robert S. Nichols
President & CEO
The Financial Services Forum



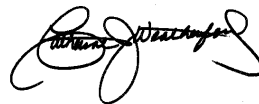
Steve Bartlett
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