



THE PEOPLE'S BANK OF CHINA  
REPRESENTATIVE OFFICE FOR EUROPE

# London RMB Business Bi-annual Report

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## Foreword



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The challenges presented by current affairs and climate change highlight the crucial importance of gaining a profound understanding of major partner markets. This is more valuable than ever in bolstering resilience and sustainability for the UK's global perspective and influence. As we strive for global recovery and embark on the climate transition to achieve net zero, the UK's extensive green finance expertise will see Britain play a pivotal role in supporting a sustainable and strong global economy.

The London RMB Business Report reinforces the UK's standing as a primary RMB hub beyond China, offering a comprehensive view of the market for the Chinese currency within the UK. In the current global economic challenges, it is integral that the sector actively seeks inventive approaches to interact with the Chinese currency. The report showcases the UK's dynamic and resilient FPS sector, underscoring its robust capacity to maintain its role as a prominent RMB trading hub outside of China.

With the increasing accessibility to onshore RMB investments in China, there are growing opportunities for new products and methods to manage currency exposure. These developments bring excitement to the City of London and international investors. In the 16th edition of the London RMB Business Report, it is evident that the UK's offshore RMB market has shown strong resilience and continued growth. The report focuses on the offshore RMB derivatives market, China's gold market, and local government Dim Sum ESG bond market.

The London RMB Business Report, accompanied by newsletters covering RMB-dominated products, RMB market infrastructures, and sustainable RMB market, aims to contribute to a better understanding of the UK's offshore RMB market. These publications provide up-to-date data, policies, and commentaries from market participants. Furthermore, they strive to foster the healthy and sustainable development of the UK's offshore RMB market by monitoring and providing feedback to regulatory bodies in both countries. We extend our sincere gratitude to all our esteemed partners who have made valuable contributions to the 16th edition of the London RMB Business Report. Your support and collaboration have been instrumental in the success of this report.

## Market overview

*In the first half of 2023, London's offshore RMB market remained resilient. The total value of Sino-British cross-border RMB transactions, the value of new Dim Sum bonds issuance, the amount of RMB deposits and loans all increased year-on-year (YoY). However, the average daily CNH foreign exchange (FX) trading volume and the RMB clearing volume decreased. According to SWIFT, overall, the UK maintained its position as the largest RMB FX spot transaction hub and the second largest offshore RMB payments centre in the world.*



Beijing skyline

### London RMB FX market

The average daily CNH FX trading volume in London stood at £101.9bn, down 0.69% YoY. In June 2023, EMEA trading time sessions accounted for 47% of overall offshore RMB FX transactions, down 1% from June 2022.

### London RMB bond market

11 Dim Sum bonds were listed on London Stock Exchange (LSE), with a total issuance size of RMB¥27.7bn. This was almost twice the issuance across the same period in 2022 (RMB¥14.1bn). By the end of June 2023, there were 180 Dim Sum bonds on the LSE. These had an outstanding value of RMB¥111.8bn and weighted average coupon rate of 3.3%, with a maturity of 4.54 years.

### London RMB credit market

By the end of June 2023, the amount of RMB deposits reached RMB¥97.8bn, up 8.92% YoY. Outstanding RMB loans reached RMB¥88.6bn, up 13.04% YoY.

### London RMB clearing

In the first half of 2023, the total accumulated clearing volume was RMB¥5.9tn, and the average daily volume was RMB¥50.8bn, down 2.29% YoY. By the end of June 2023, the accumulated total clearing volume was RMB¥81.1tn. China Construction Bank (CCB) London Branch was authorised as the UK's RMB clearing bank in June 2014, and remains the largest clearing bank outside Asia.

### China-UK RMB Cross-Border settlement

In the first half of 2023, the total value of cross-border RMB business transactions between China and the UK was RMB¥1.4tn, up 11.1% YoY. This comprised cross-border receipts of RMB¥656.8bn, and payments of RMB¥732.3bn, resulting in a net inflow into the UK of RMB¥75.5bn. During this period, cross-border RMB payments for goods traded were RMB¥148.7bn. This accounted for 46% of the total value of traded goods between the two countries.

### UK's rank as offshore RMB centre

According to SWIFT, in June 2023, RMB FX spot transactions in the UK accounted for 37.9% of the total, down 1.48% from June 2022. RMB's share as a domestic and international payments currency in June 2023 was 2.77%, up 0.6% from the previous year. The UK remained the largest RMB FX spot transaction hub and the second largest offshore RMB payments centre in the world.

### RMB in global currency reserves

According to the IMF, RMB accounted for 2.45% of global currency reserves as of Q2 2023, down 0.32% from Q2 2022. When it was first included in the special drawing rights (SDR) basket, the share registered at 1.07% (Q4 2016).

### RMB exchange rate

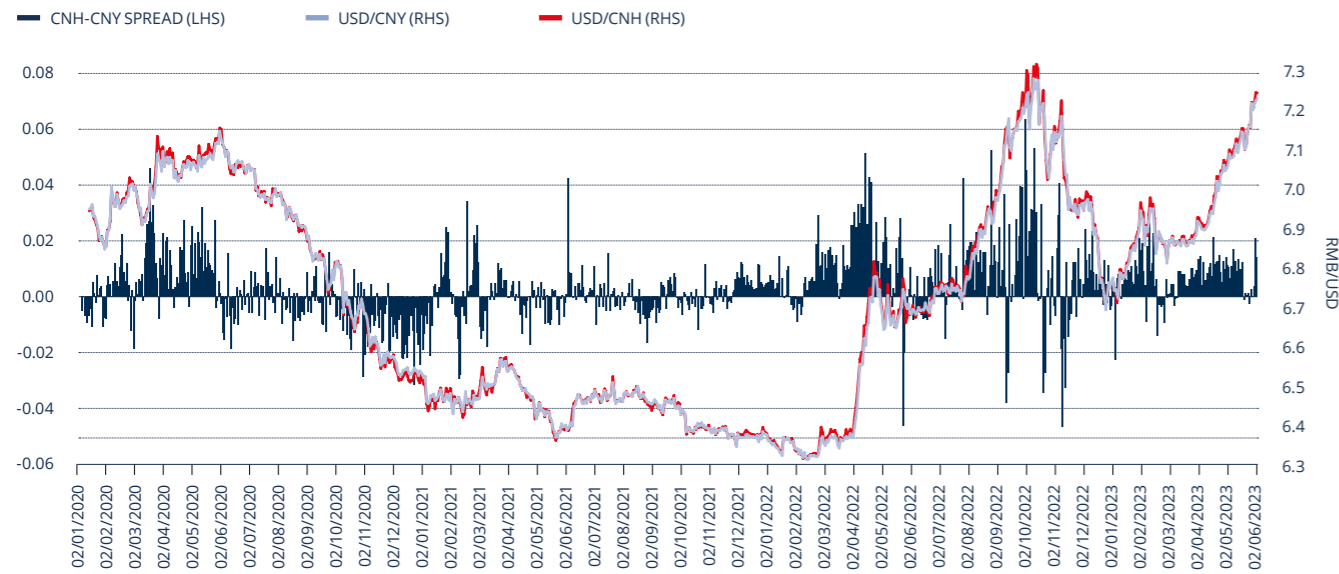
The first half of 2023 saw a series of fluctuations in the RMB exchange rate. The USD/CNH exchange rate was highest in January, climbing to 6.7139, when improved COVID-19 prevention and control measures in China created a burst of positive market sentiment. Then the rate fluctuated along with the USD Index. From May onwards, unsynchronized monetary policies between China and the US created inverted interest rates. The RMB exchange rate once again 'passed through a rate of seven' against the USD. As of 30 June, the USD/CNH closed at 7.2677, with a cumulative decline of 4.97%

in H1 2023. The spreads between CNH and CNY were positive across most days, whereas CNH was weaker in the offshore market.

Over the same period, the average FX spot rate of USD/CNH in the offshore market was 6.9402, and the average USD/CNY onshore FX spot rate was 6.9334. The average spread between offshore and onshore in this period was +68 basis points, compared to +86 in H2 2022.

#### The onshore-offshore exchange rate differential as of June 2023

USD/CNH-USD/CNY FX Spot Rate



Source: Bloomberg, ABC

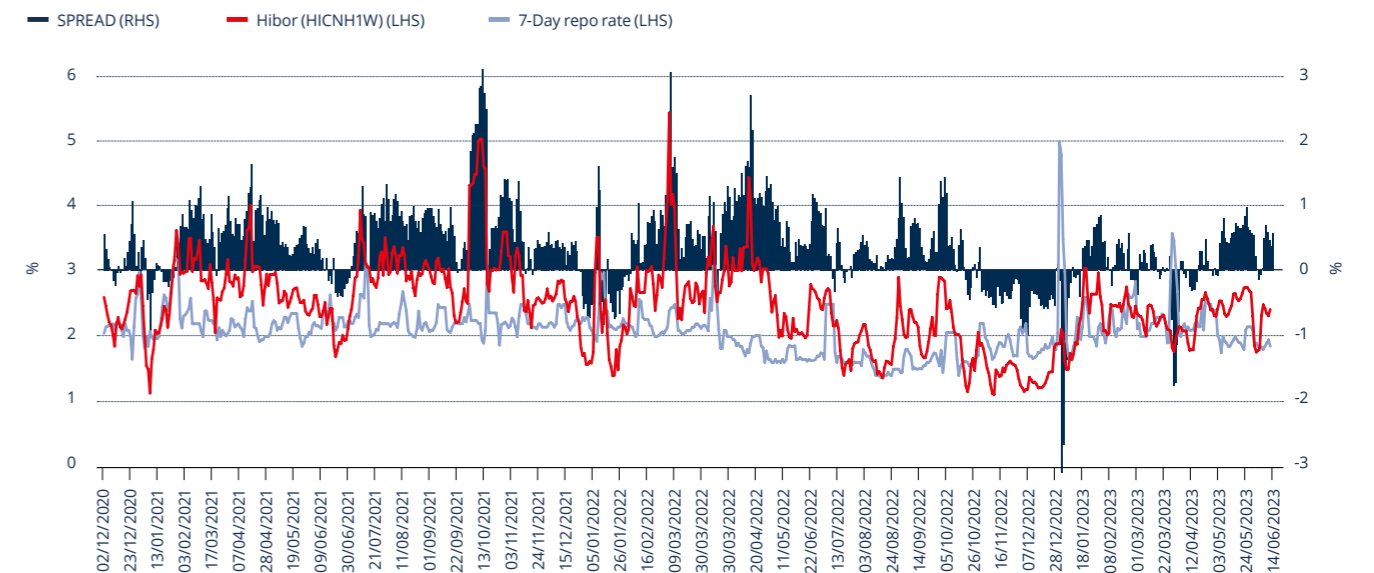
### RMB interest rate

In January and February, the total amount of reverse repurchase agreements issued by the People's Bank of China (PBC) Open Market Operations (OMO) hit historic highs, reaching RMB¥3.5tn in January and RMB¥6.1tn in February. In March, the PBC continued to roll over its reverse repurchase agreements to smooth the impact of existing agreement repayments. It provided a medium-term lending facility (MLF) with a net injection of RMB¥281bn in excess of the previous amount. In the latter half of March, the reserve requirement ratio was reduced by 25 basis points, releasing long-term capital. In June, following guidance to reduce deposit rates, the PBC lowered the reverse repurchase and MLF rates by ten basis points. This drove down the one-year and five-year rates, and was above loan prime rates (LPR), by ten basis points each.

During the first half of 2023, there was fair liquidity in the banking system and the central range of funding rates declined. As economic and social activities returned to normal, there was significant credit expansion. Short-term funding rates fluctuated, with overnight and seven-day rates briefly inverting at key times such as during tax periods and at the end of months. The average of DR001 and DR007 rates during the first two quarters were 1.54% and 1.98%, respectively, up by 8.78 and 21.45 basis points compared to the average across 2022. The average of R001 and R007 rates were 1.69% and 2.25%, up 14.31 and 30.25 basis points from 2022. The GC001 rate for the one-day reverse repurchase of government bonds had an average of 2.24% during the first half of 2023, up by 30.74 basis points compared to 2022. The GC007 rate's average for the first half of 2023 was 2.38%, up by 32.03 basis points from 2022.

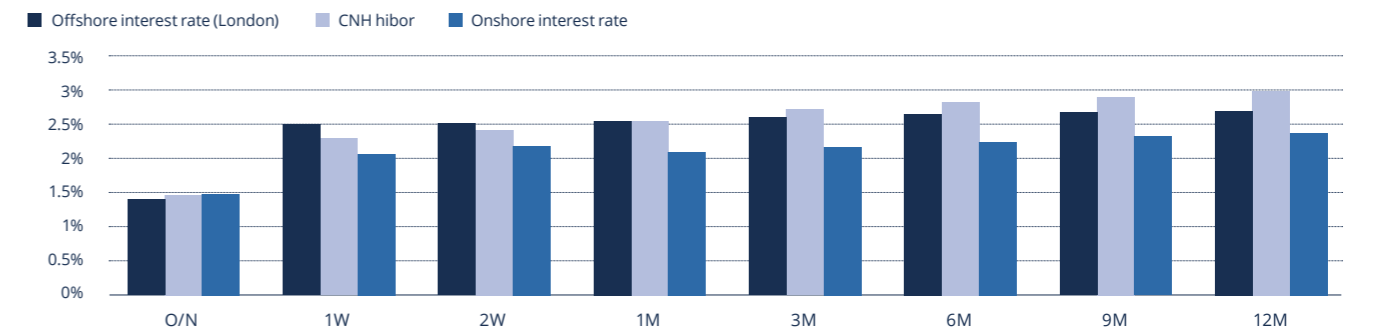
#### The onshore-offshore interest rate spreads as of June 2023

CNH Hibor and 7-Day Repo Rate Spreads



Source: Bloomberg, CCB

#### The term structure of RMB offshore and onshore interest rate in June 2023



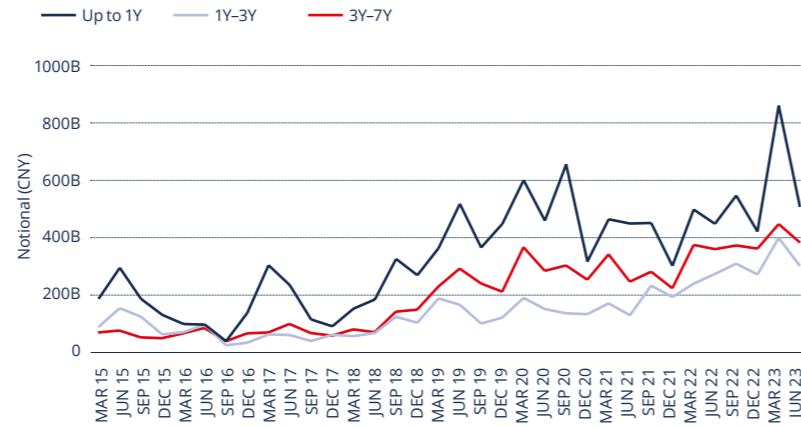
Source: Bloomberg, CCB

The SHIBOR overnight rate averaged 1.57% during the first half of 2023, while CNH HIBOR's overnight rate was 2.03%. The three-month SHIBOR rate average was 1.57%, and 2.73% for the three-month CNH HIBOR rate. The average of the one-year SHIBOR rate was 2.58%, and 3.12% for the one-year CNH HIBOR rate.

The offshore RMB interest rate swap (IRS) transaction activity in H1 2023 increased by 32% relative to H1 2022. Maturities up to 1Y continue to show the largest volume by notional value, with RMB¥1.37tn traded in H1 2023; this was a significant increase of 45% compared to H1 2022. The short duration maturities (1Y to 3Y) which are more sensitive to changes in liquidity preferences exhibited a strong increase in volume by 37% with total notional traded amounting to RMB¥696bn. Similarly, intermediate tenor (3Y-7Y) volumes went up by 13%. H1 2023 was the most liquid quarter in all history of RMB IRS trading with RMB¥1.7tn of notional transacted.

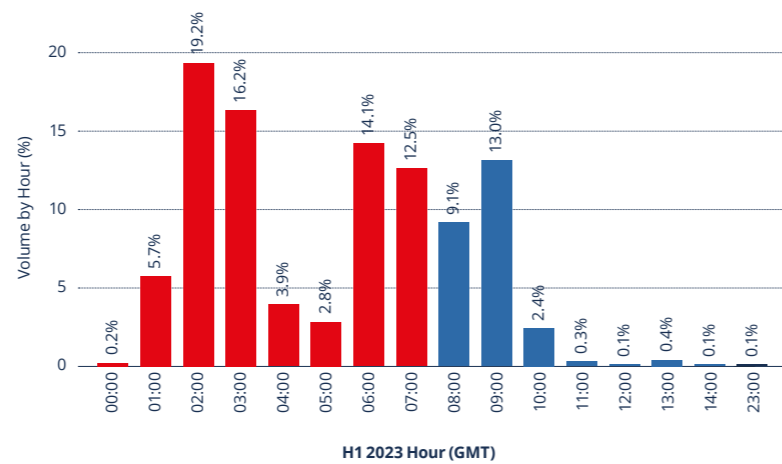
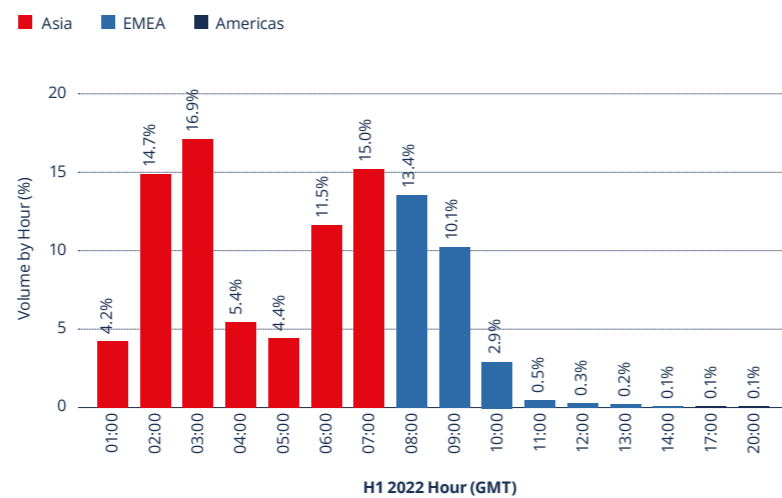
The offshore RMB IRS trading in the London morning time has seen a slight decrease from 27% to 25% of the global daily total, between 8am-1pm UTC. Early morning share of volume in Asia slightly increased. Insignificant trading in American business time has been registered during both H1 2022 and H1 2023.

### CNY OTC IRS volume by tenor range



Source: Enterprai Data & Analytics, DTCC SDR

### CNY OTC IRS volume distribution by hour



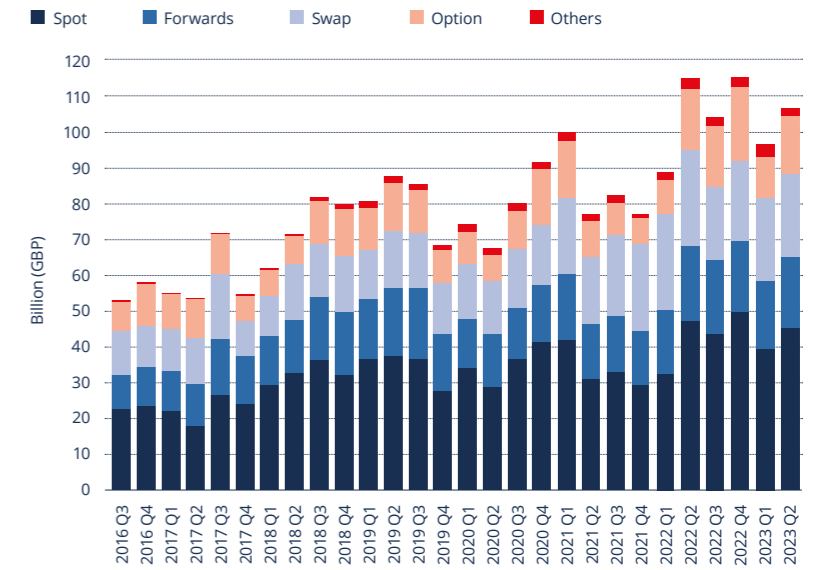
Source: Enterprai Data & Analytics, DTCC SDR

### London RMB foreign exchange market

In the first half of 2023, the average daily CNH FX trading volume in London stood at £101.9bn, down 0.69% YoY. The distribution of RMB FX turnover by counterpart sectors remained almost unchanged. The greatest share was taken by RMB FX turnover with 'other sectors' (43%), followed by RMB FX turnover with non-resident deposit-taking corporations (33.1%). RMB FX turnover with UK deposit-taking corporations took the smallest share (23.9%).

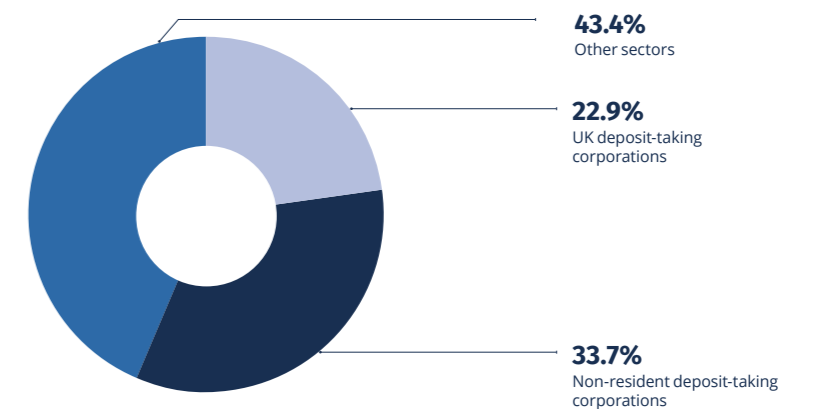
In June 2023, according to EBS transaction data, RMB spot transactions in EMEA trading times accounted for 47% of total transactions, down 1% from June 2022. In the same time period, volumes traded during Asia and American trading hours were 41% and 12% respectively; the regional split in June 2022 was 41% and 11%.

### Average daily turnover of RMB FX in London as of Q2 2023



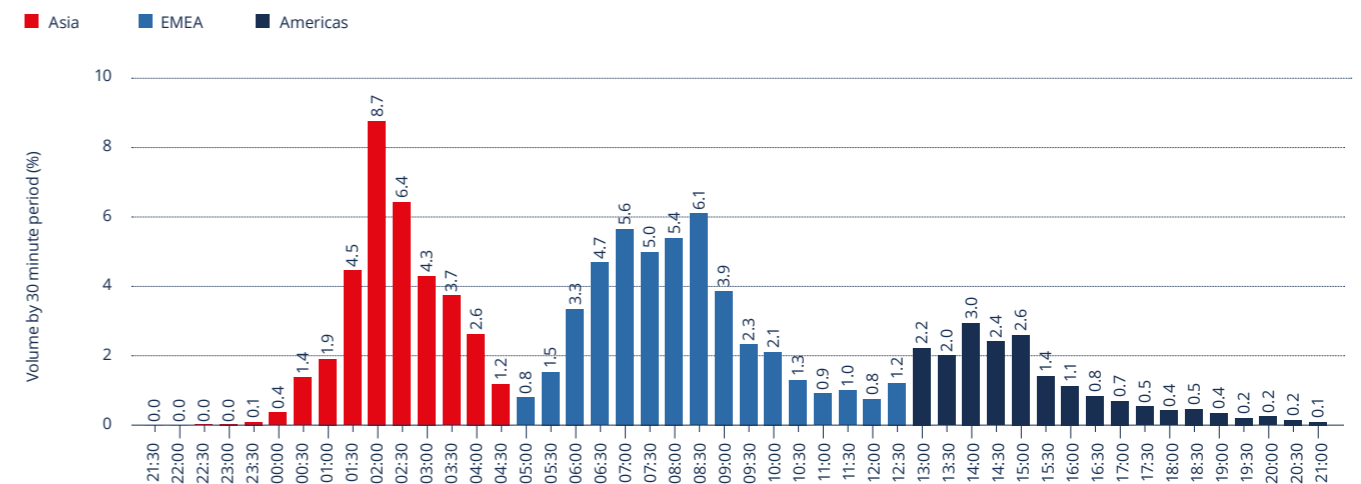
Source: Bank of England (BoE)

### RMB FX turnover by counterpart sector in Q2 2023



Source: Bank of England (BoE)

### Spot CNY volume distribution by 30 minute period on EBS in June 2023

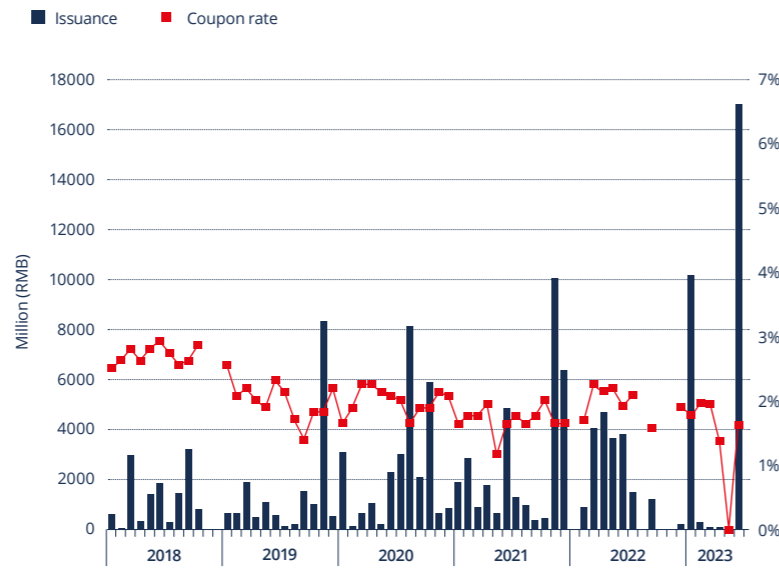


Source: EBS

### London RMB bond market

In the first half of 2023, 11 Dim Sum bonds were newly listed on the London Stock Exchange (LSE), with an issuance of RMB¥27.7bn. This is nearly double that in H1 2022 (RMB¥14.1 billion). The most active issuer is the Government of the Hong Kong Administrative region of the People's Republic of China, who issued five Dim Sum bonds, with an issuance size of RMB¥25bn. Westpac Banking Corporation is the second largest issuer with two Dim Sum bonds (RMB¥410m). By the end of June 2023, there were 180 Dim Sum bonds listed on the LSE with an outstanding value of RMB¥111.8bn, weighted average coupon rate of 3.3%, and a maturity of 4.54 years.

### Dim Sum Bond issuance and average coupon rate as of June 2023 on LSE

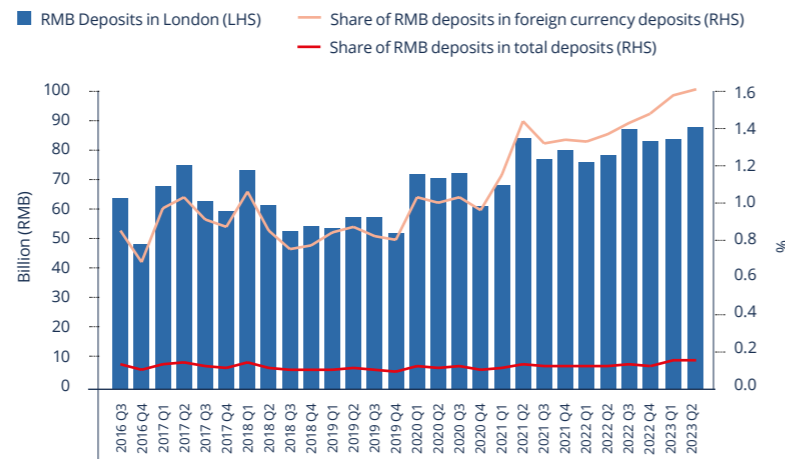


Source: LSE

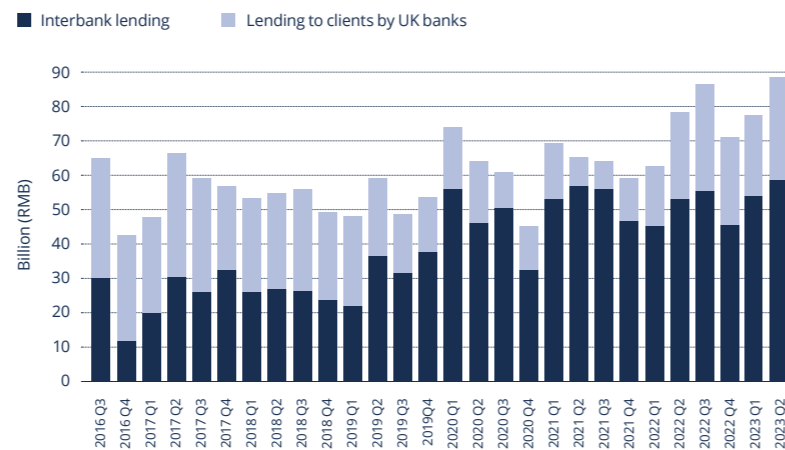
### London RMB credit market

The outstanding RMB deposits and loans in London's offshore market both saw a YoY increase. By the end of June 2023, the amount of RMB deposits reached RMB¥97.8bn, up 8.92% YoY. Outstanding RMB loans reached RMB¥88.6bn, up 13.04% YoY.

### RMB deposits in London as of Q2 2023



### RMB lending in London as of Q2 2023

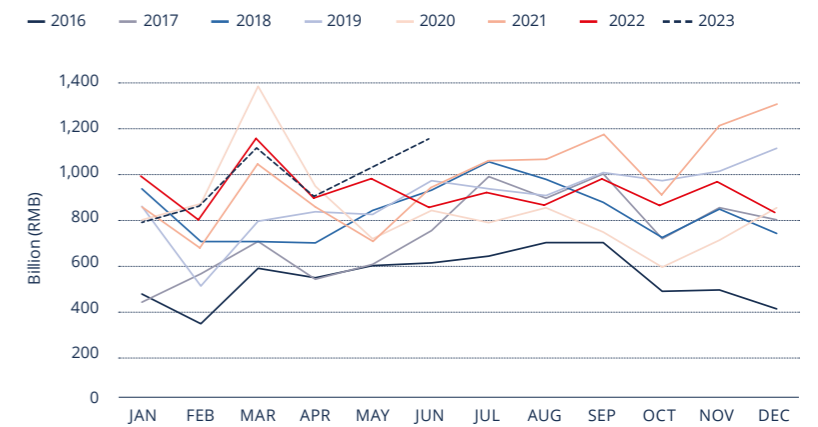


Source: Bank of England (BoE)

### London RMB clearing

In the first half of 2023, the total accumulated clearing volume was RMB¥5.9tn, with a daily average clearing volume of RMB¥50.8bn, down 2.29% YoY. There were 64,379 transactions carried out in total. By the end of June 2023, the accumulated total RMB clearing volume reached RMB¥81.1tn. CCB London branch was authorized as the UK's RMB clearing bank in June 2014, and remains the largest clearing bank outside Asia.

### RMB clearing volume of the designated UK clearing bank as of June 2023

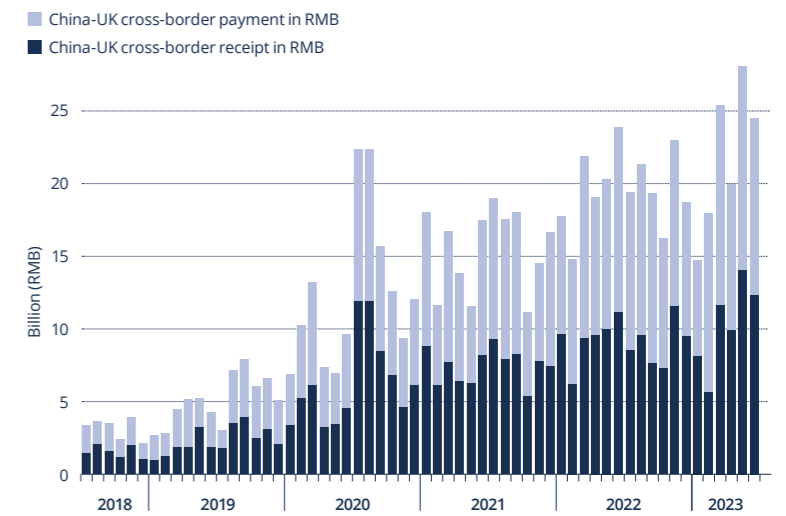


Source: CCB London Branch

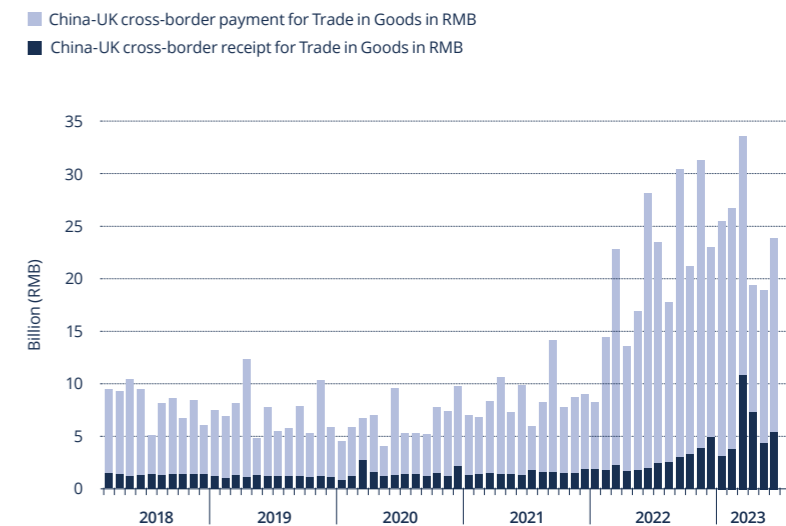
### China-UK RMB cross-border settlement

The total value of cross-border RMB business transactions between China and the UK was RMB¥1.4tn, up 11.1% YoY. This comprised cross-border RMB receipts of RMB¥656.8bn, and payments of RMB¥732.3bn, resulting in a net inflow into the UK of RMB¥75.5bn. During this period, cross-border RMB payments for the settlement of goods traded was RMB¥148.7bn, accounting for 46% of the total value of goods traded between China and the UK during the same period, of which receipts were RMB¥35.3bn and payments approximately RMB¥113.4bn.

### China-UK cross-border RMB payment and receipt as of June 2023



### China-UK cross-border RMB payment and receipt for trade in goods as of June 2023



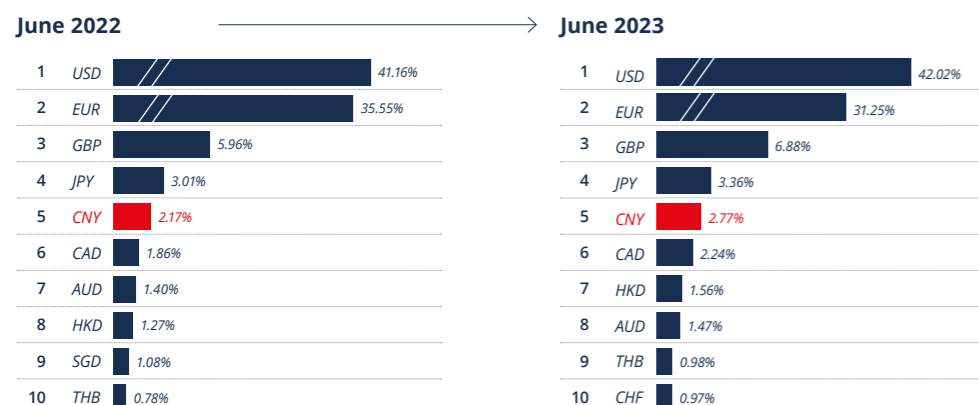
Source: PBC

### The international status of the London offshore RMB market

According to SWIFT, RMB's share as a domestic and international payments currency (customer initiated and institutional payments) in June 2023 was 2.77%, up 0.6% from June 2022. RMB share as a global currency in trade finance market was 4.20% in June 2023, up 1.21% from June 2022. The RMB remained as the fifth biggest global payment currency,

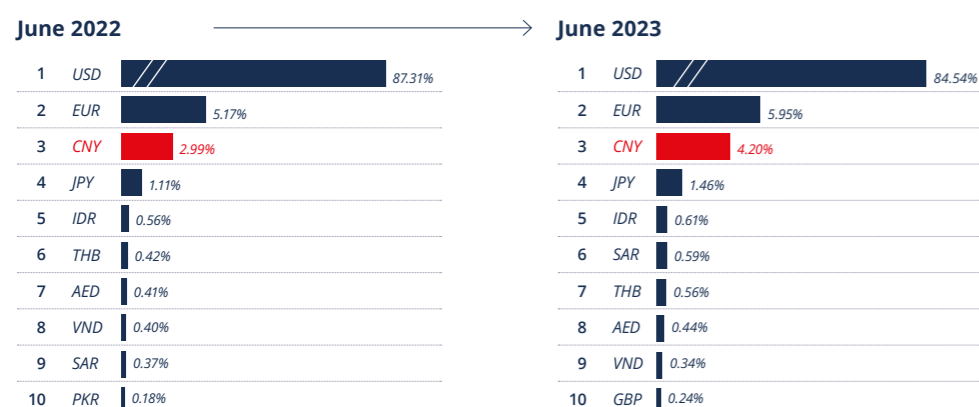
and The UK retained its position of having the largest share of RMB payments outside greater China. The top three countries or regions doing FX transactions in RMB in June 2023 were the United Kingdom, the United States and Hong Kong. The United Kingdom accounted for 37.90% of the total, down 1.48% from June 2022.

### RMB's share as a global payments currency (%)



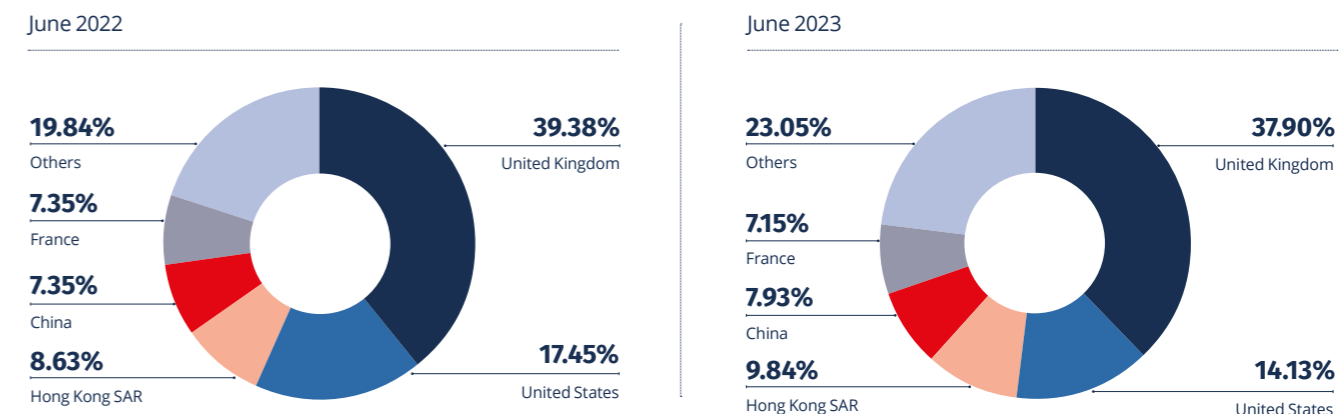
Source: SWIFT, watch

### RMB's share as a global currency in trade finance market (%)



Source: SWIFT, watch

### Top economies doing FX spot transactions in RMB



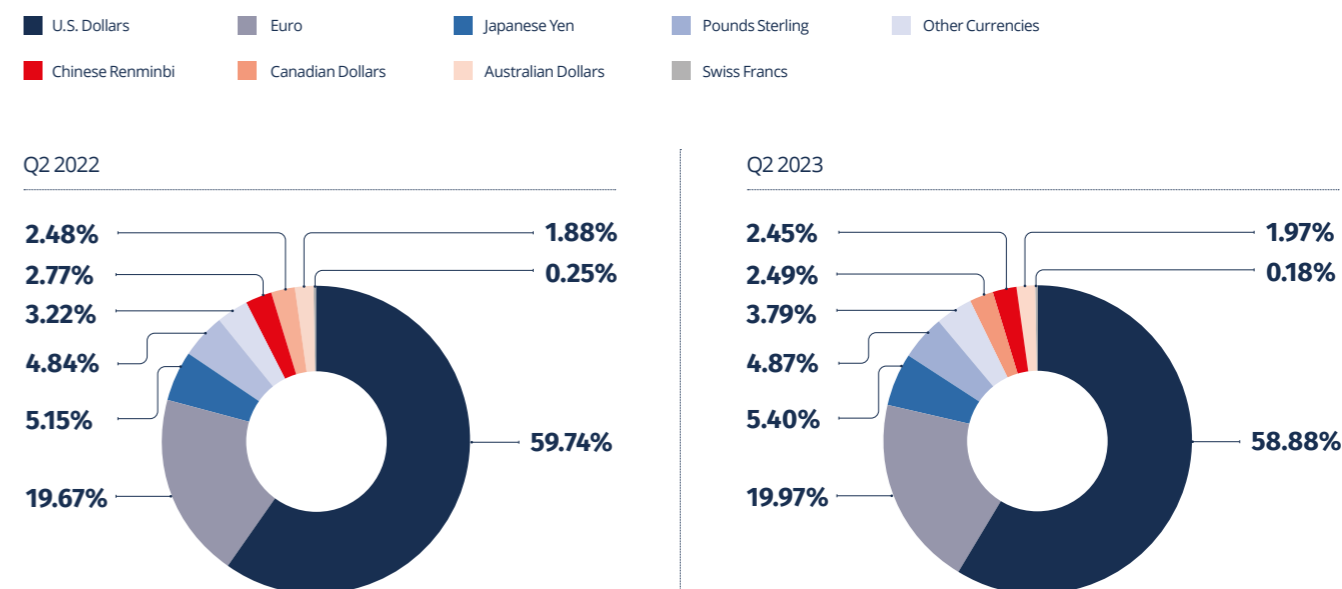
Source: SWIFT, watch

### RMB in global currency reserves

According to the IMF, RMB represented 2.45% of global currency reserves as of Q2 2023, down 0.32% from Q2 2022. When it was first included in the SDR basket, its initial share was 1.07% (Q4 2016). By comparison

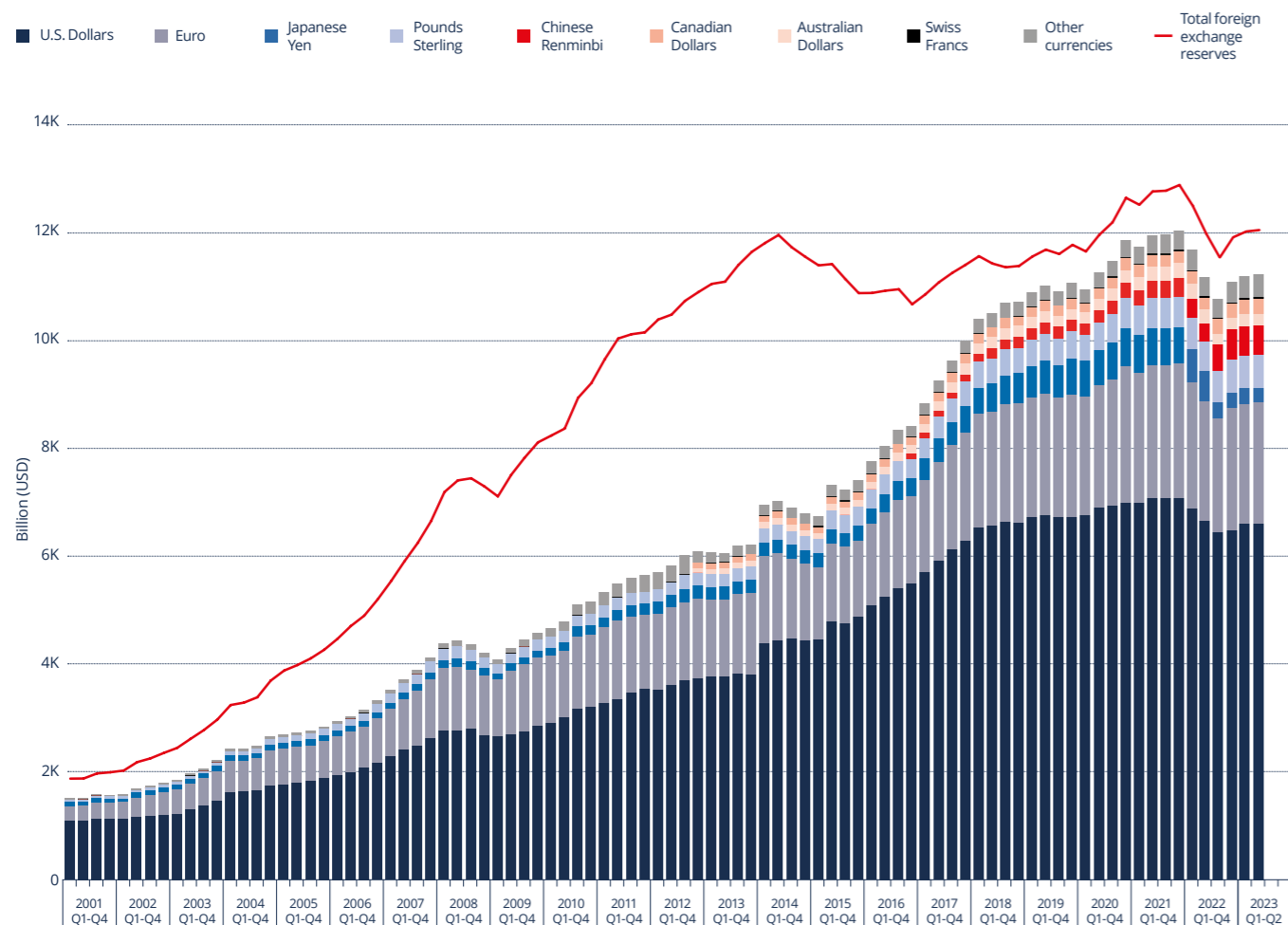
across the same time period, the USD's share of global reserves decreased from 59.74% to 58.88%, the share of Euro increased from 19.67% to 19.97% and the share of JPY increased from 5.15% to 5.4%.

### World currency composition of official foreign exchange reserves



Source: International Monetary Fund

Official foreign exchange reserves by currency (USD billion) as of Q2 2023 (as claims)



Source: International Monetary Fund

Offshore RMB derivatives: market development overview

ICBC London Branch

The growth of the offshore RMB derivatives market goes hand-in-hand with China's economic progress and its increasing presence in global finance. As China became more economically influential, leading financial hubs like Hong Kong, Singapore, and London developed their RMB derivatives markets.

Among the various instruments available, the most prominent in the RMB derivatives market are the FX derivatives. These financial tools derive their value from the RMB's exchange rate movements against other currencies. The main products in this category include Deliverable Forwards (DF), which are contracts for buying or selling a set currency amount at a predetermined price on a specific future date. There are also Non-Deliverable Forwards (NDF), which are essentially cash-settled contracts similar to DFs but without the delivery of the currency. Lastly, Futures are exchange-traded contracts specifying the buying or selling price of a currency on a future date.

Furthermore, to manage the fluctuations in the RMB interest rate, interest rate derivatives like interest rate swaps and forward rate agreements have also been introduced.

Hong Kong: the global premier RMB hub

Hong Kong stands tall as a leading hub for RMB trading. The Hong Kong Exchange (HKEX) saw a significant boost in liquidity in its RMB derivatives offerings with the introduction of CNH futures. This growth attracted a diverse set of market participants, from institutional investors to retail traders. The regulatory framework in Hong Kong is renowned for its robustness, ensuring transparent and secure RMB derivatives trading. A distinctive feature of the HKEX is its extensive range of RMB currency and rate derivatives, including but not limited to options and interest rate swaps.

At present, Hong Kong hosts the world's largest CNH interest rate derivatives and FX markets. In the three years from 2019 to 2022, the average daily turnover of FX transactions in Hong Kong increased by 9.8% to US\$694bn. During the same period, the average daily turnover of RMB-denominated transactions grew even more notably by 78% to over US\$190bn. As to interest rate derivatives, notwithstanding the drop in the turnover of most major currencies in leading markets in the past few years, RMB interest rate derivatives traded in Hong Kong increased by 15% to US\$14bn in 2022. The trading volume of CNH-related derivatives saw an eight-fold increase. This was partly due to the relatively low base of CNH derivatives in previous years, but it also reflects the market's growing demand for such derivatives products to properly manage associated risks.

Singapore: the rising RMB epicenter

Singapore, another dominant player in the Asian market, has witnessed a surge in demand for RMB hedging tools. The Singapore Exchange (SGX) responded by introducing RMB FX futures, which have since posted strong trading volumes. In March 2023, the trading volume of USD/CNH futures on the SGX increased by 78.9% year-on-year to US\$219.8bn, setting a new monthly record. The average daily trading volume reached US\$9.56bn. Notably, SGX offers RMB Interest Rate Futures, a tool that enables entities to manage the interest rate risks associated with their RMB holdings. The city state's stringent regulatory framework ensures that RMB derivatives trading is transparent, reliable, and in line with international standards.

London: the western gateway to RMB trading

London has cemented its position as the western hub for RMB FX trading. The city boasts significant liquidity and trading volumes for RMB derivatives, attracting global investors. The established regulatory framework in London, coupled with its vast financial expertise, ensures a safe and efficient trading environment. The depth of London's financial markets and its stature as a global FX trading center make it an ideal destination for RMB derivatives trading, especially for European entities looking to tap into the Chinese market.

The latest BIS's Triennial Central Bank Survey published in 2022 has highlighted the RMB's climb among the top ten most actively traded currencies. This recognition underscores the currency's increasing relevance in global trade. Additionally, BIS data sheds light on the crucial role played by the aforementioned hubs in the global RMB trading landscape, with Hong Kong, London and Singapore accounting for a vast portion of the global RMB trading volumes. According to BIS Triennial Central Bank Survey data, the largest three offshore RMB OTC foreign exchange trading markets are Hong Kong SAR, the United Kingdom and Singapore. Apart from Hong Kong SAR (US\$191.2bn) which is in the lead, the United Kingdom has become the second-largest offshore RMB foreign exchange trading market with a daily average of US\$148.8bn. Singapore ranks third with a daily average of US\$101.1bn.

In essence, the RMB derivatives market is a testament to the RMB's burgeoning role in the global financial arena. Each hub offers its unique advantages and specialties in RMB derivatives trading. As the market continues to evolve, we can expect the introduction of more sophisticated instruments and strategies that cater to the diverse needs of global investors.



## The Internationalization of China's gold market

Zhao Fanghua, General Manger, Shanghai Gold Exchange International

Shanghai Gold Exchange (SGE) was established by the People's Bank of China on 30 October 2002. It specializes in the trading of gold and other precious metals and related services and is an important symbol of the marketization of China's gold production, consumption, and circulation system. With a strategy of "marketization and internationalization", SGE launched the International Board on September 18 2014, becoming the first financial market in China which allows foreign investors to directly participate in trading.

### I. Scale and traction

International Board introduces offshore RMB funds to participate in SGE business, effectively connecting domestic and overseas gold markets. Foreign investors can use offshore RMB to trade on the SGE in products including gold, silver spot, deferred products, spot, forward, swaps, options. Trading methods include price matching, price asking and benchmark trading. SGE has four designated vaults in Shanghai and Shenzhen to provide physical deposit and load-in and load-out services. Over the past nine years since its inception, the market function of international board has gradually developed.

The scale of trading on the International Board has been growing steadily. The international market has increased from more than RMB¥45bn in 2014 to RMB¥2.1tn in 2022, with an average annual growth of more than 60%.

The membership base is also becoming increasingly diversified. As of now, SGE has 103 international members, including HSBC, Morgan Stanley, Standard Chartered, Goldman Sachs, DRW, Jane Street, Virtu and other institutions which are participants of London Gold Price. In addition, JPMorgan Chase, ICBC Standard, Bank of China and other major bullion banks, MKS, and well-known refiners including Metalor are also SGE international members.

The infrastructure system continues to improve. By working with customs, SGE has shortened time for gold import and storage. This has improved the efficiency of physical gold flow on International Board, creating a safe and efficient trading environment for domestic and foreign investors. At present, International Board has become one of the major channels for China's gold import, giving full play to the role of physical gold circulation hub.

Cross-border market cooperation has expanded effectively. Relying on China's advantages as the world's largest gold producer, consumer and processor, International Board launched the "Gold Road" project in 2019. With different business models such as "gold leasing + jewellery manufacturing", this project reduces the business costs of China's gold processing enterprises and extends China's high-quality gold processing and refining capacity to the countries and regions along the "Belt and Road". This effectively connects the gold industry chain, and promotes the sharing of gold resources, capital and technology

within the region. Meanwhile, SGE has deepened the cooperation with overseas gold markets. In October 2019, Chicago Mercantile Exchange (CME) listed Shanghai Gold futures contracts by using the "Shanghai Gold" benchmark price as the settlement price. This is the first RMB-denominated gold benchmark price in major international financial markets.

### II. Promoting RMB internationalisation

SGE International Board provides a growing number of overseas investors with investment channels for precious metal trading. This improves the payment and settlement function of RMB, promoting RMB-denominated gold price in the global market, and enhancing the RMB's international influence.

Offshore RMB utilisation return channels has expanded. Since RMB has been included in the Special Drawing Rights (SDR), the demand for RMB asset allocation by offshore institutions has continued to rise. International Board provides better choices for diversified asset allocation for foreign institutions, expands the channels for return of offshore RMB, and forms a closed-loop cycle for offshore RMB.

Offshore RMB payment and settlement function has also improved and enhanced. RMB remains the fifth most active currency of international payment. International Board is cleared and settled in RMB, the International Board's market share has increased, the transaction scale has grown steadily, the role of China's gold import as an important channel has been strengthened, and the amount of settlement funds has increased accordingly. These indicators reinforce the payment and settlement function of offshore RMB.

The pricing capacity of RMB assets in international market has enhanced. In 2016, SGE launched "Shanghai Gold" benchmark price, providing global investors with a fair, tradable and reliable RMB gold benchmark price. Shanghai gold is the world's first RMB-denominated gold benchmark price which enhanced the pricing ability of RMB in the financial market, providing an optional currency for asset valuation and risk management.

### III. Strengthening cooperation between China and the UK's gold markets

The Chinese government has been steadily promoting the opening up of China's markets, particularly around rules, regulations, management and standards. SGE will support this through the continued expansion of International Board, diversifying the participant base and optimising market infrastructure construction including delivery and clearing systems. It will also expand its product line, strengthen multi-level and wide-ranging cooperation in the international market, and set up an international asset allocation platform with more liquidity. All this will help to create a safer, more efficient and convenient trading platform for investors.

London is the most important gold trading hub in the world with a long history and extensive experience in pricing, trading, delivery and standards. China is the world's largest gold producer, consumer and processor, and China's gold market has also accumulated experience in constructing infrastructure, upgrading market function and creating a rules framework. Gold markets in China and UK have a good relationship, which can continue to be leveraged through cooperation. SGE is willing to build consensus and expand cooperation with London gold market participants. SGE will work with London Bullion Market Association to promote the construction of global gold market standards, and work with World Gold Council to strengthen communication and cooperation.



Shanghai Gold Exchange event

## Rise of China local government Dim Sum ESG bonds

HSBC

### Background

In November 2021, Shenzhen Municipal government became the first Chinese local government to issue offshore RMB (Dim Sum) green bond. One day apart, Guangdong Provincial Government became the first China Provincial government to issue offshore RMB (Dim Sum) bond. In 2022, one more local government, Hainan, joined Shenzhen and Guangdong to issue further offshore RMB (Dim Sum) sustainability bond, social bond and the first ever blue bond. China's local governments have created a new category of Dim Sum bonds for the offshore RMB market and international investors.

### Implications

This exciting market development has positive implications for issuers as well as to market stakeholders, particularly to international investors.

For Dim Sum bond issuers, the issuance will broaden funding channels for local governments, promote bond issuance innovation and advance the orderly opening-up of the government bond market in China. In addition, the issuance will also further diversify RMB bond products in offshore markets and strengthen financial competitiveness.

It is noted that both Shenzhen and Hainan governments have 'bold and strategic' visions on combining market-based financing with internationally-aligned ESG standards and frameworks to contribute to China's goal of peaking carbon emissions by 2030 and achieving carbon neutrality by 2060.

Post-issuance, both Shenzhen and Hainan governments will disclose information on those qualified projects receiving bond proceeds according to internationally-recognised disclosure practices, which will significantly raise both governments' ESG credentials. In addition, the issue will be an effective demonstration of how China's local governments manage and control implicit debts by improving transparency in managing public finance in front of international business and investment.

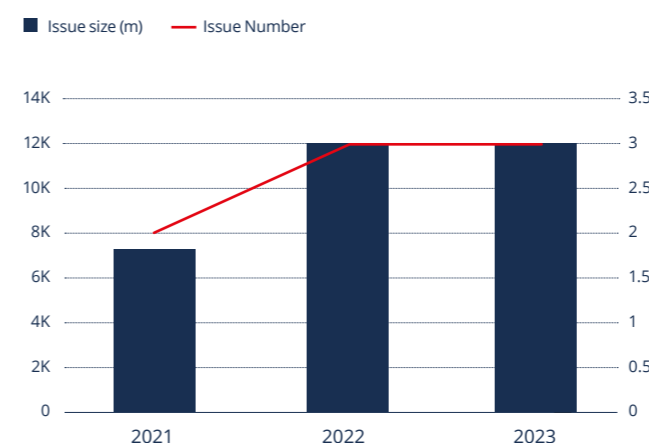
Consequently, the bond issue will help showcase the local business environment for the issuing local governments, which in turn might raise the local investment profile and attract potential business investors for onshore FDI opportunities.

For investors, the new category of China's local government Dim Sum bond has attractive investment features. This includes a top-notch investment grade with equivalent to sovereign credit rating, being eligible collateral for the RMB Liquidity Facility according to HKMA and being diversified and internationally recognised ESG assets.

### Market trend

Since its debut in 2021, China local government Dim Sum bonds have been growing steadily among three local government issuers with multiple issues each.

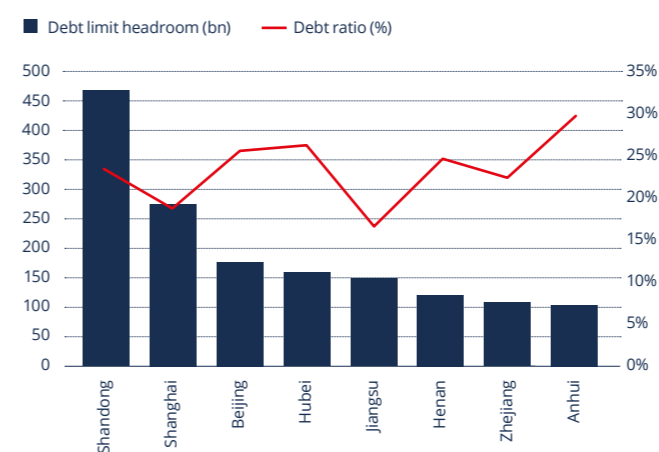
### China local government Dim Sum bond insurance (up to September 2023)



Source: HSBC

It is highly expected that more Chinese local governments will join the current issuers. Judging by China local governments' annual GDP, the debt limit set by the State Council and current outstanding debt balance, there are a few local governments such as Shandong, Shanghai, and Beijing, who have strong economic foundation, solid public finance condition and plenty of headroom under their official debt limits. Those Chinese local governments will have both potential and economic development needs of joining Shenzhen, Guangdong, and Hainan, in issuing Dim Sum bonds in offshore markets.

### Financial conditions of potential issuers



Source: CELMA, Provincial Finance Bureau

### London's ambition to host china local government dim sum bond issuance

Attracting Chinese local governments issuing Dim Sum bonds in the UK will further strengthen London's status as a global offshore RMB business centre, and a premier green and sustainable finance hub in Europe.

In recent years, the demand for RMB investment and reserves has been increasing. The UK government and the City of London Corporation (CoLC) shall lay out a clear strategy for optimising the construction of London's offshore RMB market from at least three aspects, including improving offshore RMB liquidity, promoting the development of offshore RMB products, and improving financial market infrastructure.

To improve the liquidity of offshore RMB in London, the UK government shall seek to expand and deepen connections with China to facilitate cross-border RMB investment and the flow of funds.

To promote the development of offshore RMB products, the CoLC has been working with PBC Representative Office for Europe as well as wider market stakeholders. This will provide investors with more diverse offshore RMB investment products and risk management tools, and further develop the offshore RMB capital market in London.

To improve financial market infrastructure, the UK Government (HM Treasury) together with the Bank of England (BoE) and London Clearing House (LCH) shall actively promote the improvement of existing debt instruments' settlement system and securities platforms in the UK. This will enable cross-border clearing, transaction settlement and custody of offshore RMB denominated assets.

## Latest policies and major events

### RMB-related policies

On 11 January 2023, the Ministry of Commerce (MOFCOM) and the PBC jointly issued a Notice on Further Supporting Foreign Economic and Trade Enterprises in Expanding the Cross-border Use of RMB to Facilitate Trade and Investment. It aims to create a favorable environment for the use of RMB in cross-border trade and investment.

In February, the PBC signed a memorandum of understanding (MoU) with the Banco Central do Brasil (BCB) on establishing RMB clearing arrangements in Brazil.

On 21 February, the PBC successfully issued one RMB¥10bn three-month central bank bill and one RMB¥15bn one-year central bank bill in Hong Kong. The bid-winning interest rates were 2.4% and 2.75% respectively.

On 21 March, the PBC successfully issued one RMB¥5bn six-month central bank bill in Hong Kong with a bid-winning interest rate of 2.2%.

In April, Euroclear announced that, from 17 April 2023, Yulan bonds would be eligible for use as collateral in Euroclear's Triparty collateral management services.

On 15 May, Swap Connect was officially launched, facilitating access between the Mainland and Hong Kong interest rate swap markets.

On 19 May, the PBC and the State Administration of Foreign Exchange (SAFE) launched pilot programs in Beijing, Guangdong, and Shenzhen. The programs are designed to improve centralised operation and management of cross-border RMB and foreign currency funds of multinational corporations (MNCs).

On 9 June, the PBC and the Central Bank of Argentina (BCRA) renewed their bilateral currency swap agreement. The size of the agreement is RMB¥130bn or ARS\$4.5tn. The agreement is valid for three years.



London skyline

On 20 July, the PBC and the SAFE decided to raise the macro-prudential adjustment parameter for cross-border financing for enterprises and financial institutions from 1.25 to 1.5, which came into effect that day.

On 31 July, the PBC and Bank of Mongolia (BOM) renewed a bilateral currency swap agreement worth RMB¥15bn (MNT₹7.25tn). The arrangement is valid for three years.

On 11 August, the China Securities Regulatory Commission (CSRC) and the Hong Kong Securities and Futures Commission (SFC) declared their consensus on promoting the inclusion of block trading (manual trades) in the Stock Connect program. The aim is to further deepen the Mainland-Hong Kong Stock Connect program, and promote the joint development of capital markets in both regions.

On 1 September, the PBC cut the reserve requirement ratio for foreign exchange deposits of financial institutions by 2% from 6% to 4%, effective from 15 September 2023.

On 11 September, the PBC, the Hong Kong Monetary Authority (HKMA) and the Monetary Authority of Macao (AMCM) jointly signed the MoU on Deepening Regulatory Cooperation on Fintech Innovation in the GBA.

On 19 September, the PBC announced that a tender of RMB¥15bn (six-month Bills). It appointed Bank of China (Hong Kong) Limited as the Issuing and Lodging Agent to administer the tender of the Bills on its behalf.

On 22 September, China and the US established the Economic Working Group and the Financial Working Group.

On 27 September, the PBC and Bank Indonesia signed the MoU on Cooperation between People's Bank of China and Bank Indonesia.

On 28 September, the PBC, the National Administration of Financial Regulation, the China Securities Regulatory Commission, State Administration of Foreign Exchange (SAFE), Hong Kong Monetary Authority (HKMA), Securities and Futures Commission of Hong Kong, and the Monetary Authority of Macao decided to further enhance the Cross-boundary Wealth Management Connect Pilot Scheme in the GBA.

On 25 October, China's finance ministry issued RMB¥16bn of treasury bonds in Hong Kong.

On 27 October, the PBC published the 2023 RMB Internationalization Report.

On 10 November 2023, the PBC and SAFE issued draft capital management rules on domestic securities and futures investments by Qualified Foreign Institutional Investors (QFII) and Renminbi Qualified Foreign Institutional Investors (RQFII).

On 20 November, the PBC and the Saudi Arabian Monetary Authority (SAMA) signed a bilateral currency swap agreement. The size of the agreement is RMB¥50bn (SAR₹26bn). The agreement is valid for three years and can be renewed upon mutual consent.

On 21 November, the PBC and the National Bank of Cambodia signed the MoU on Establishing Renminbi (RMB) Clearing Arrangements in Cambodia and MoU Between the People's Bank of China and the National Bank of Cambodia on Cooperation in the Area of Financial Innovation and Payment Systems.

On 28 November, the PBC and the Central Bank of the United Arab Emirates (CBUAE) renewed the Bilateral Local Currency Swap Agreement for another 5 years with the size of RMB¥35bn (AED₹18 billion) and signed the MoU on Enhanced Collaboration on CBDC between the PBC and the CBUAE.

## China onshore RMB market events

From 3 January 2023, China Foreign Exchange Trade System (CFETS) extended the trading hours of the interbank RMB/FX market to 3am the next day (Beijing time). The market boasted orderly quoting and trading on the first day. During these extended trading hours market makers continued to perform their mandates for executive streaming quotes. The bid-ask spread of spots registered some 30 bps and that of O/N swaps 0.01 bps. The total turnover of transactions executed by 16 member institutions hit US\$128m, covering spots, forwards, and swaps, etc. in the bilateral trading and matching modes.

On 17 January, Deutsche Bank issued its first Panda bond in China's interbank bond market, using CFETS bond issuance services. It raised RMB¥1bn via three-year maturity with a coupon rate of 3.21%. It was subscribed by different types of investors, including banks, securities companies, foreign banks, and overseas investors.

On 19 January, in order to optimize trading calendars, the Shanghai Stock Exchange (SSE) officially issued the Notice on Matters Related to New Trading Day of Hong Kong Stock Connect (hereinafter referred to as 'the Notice'). The Notice defines the new trading day of the Hong Kong Stock Connect, trades-related business arrangements, and risk control measures. It also explicitly requires members and other institutions using trading units to make advance arrangements for the settlement of funds in accordance with the provisions. Individual traders participating in Hong Kong Stock Connect have increased trading days but are not affected in terms of fund settlement and so on.

In February, CFETS RMB trading platform launched a new trading API for negotiation quoting in bond lending transactions. It also upgraded the API for post-trade allocation in X-Bond transactions. These changes have improved system functionality, creating greater trading efficiency and better market services.

On 3 March, the SSE released the Implementation Measures of the Shanghai Stock Exchange for Shanghai-Hong Kong Stock Connect Business (2023 Revision), which was implemented on 13 March.

On 16 March, the China Development Bank (CDB) issued an RMB¥3bn infrastructure financial bond, with a 3.29% coupon rate and an oversubscription multiple of 10.33.

On 20 March, CFETS and Shanghai Clearing House launched the central counterparty clearing of foreign currency pairs with the approval of the SAFE. The aim is to boost the interbank FX market, prevent clearing risks, and improve clearing efficiency. Transactions eligible for central counterparty clearing include foreign currency bilateral trades (covering RFQ, ESP, and negotiation trading) and foreign currency matching trades concluded through CFETS. The service currently supports spot, forward, and swap transactions of five currency pairs: EUR/USD, USD/JPY, USD/HKD, AUD/USD, and GBP/USD. As of market close on the launch day, 18 institutions concluded US\$1,057m of foreign currency pairs trades with the central counterparty



Shanghai skyline

clearing service. US\$483m of this was spot trades and US\$574 millions of swap trades.

On 20 March, in accordance with the Notice of Relevant Measures to Further Promote the Foreign Exchange Market to Serve the Real Economy issued by the SAFE, CFETS further upgraded its CFETS 2017 and iDeal FX platforms. For American options, the trading parties can now set an exercise cutoff time for the exercise date, and the buyer can exercise the option on any trading day between the transaction date (T+0) and the expiration date. For Asian options, the observation period setting now supports user-defined observation dates and the lookup of selected observation dates, which enables more granular terms and conditions around a trade. G10 barrier options and digital options now supports system-automated exercise in alignment with the international market. To prevent market risks, the same time can be set for the reference exchange rate and exercise cutoff time. iDeal FX smart assistant will send exercise/abandonment notifications to options sellers to keep them informed.

On 22 March, the Wanjia CFETS 0-3 Year Policy Financial Bond Index Investment Fund was launched, which tracks the CFETS 0-3 Year Policy Financial Bond Index. Raising RMB¥4.8bn at launch, it is the first public fund linked to a CFETS rate bond index. This fund provides bond market participants with a new investment choice and expands the application of CFETS's bond index products.

On 24 March, the SSE and the Stock Exchange of Thailand (SET) cooperated on mutual display of index quotations. On

Connect trading days, and May 25 was added to the Shanghai Stock Connect trading calendar.

On 28 April, CFETS released the CFETS Trading Rules for Interest Rate Swaps under Northbound Swap Connect to promote the development of a compliant and orderly market. Rules include investor management, general rules, quote-based trading, trading of centrally-cleared products, risk management, and market monitoring.

On 15 May, CFETS officially launched Northbound Swap Connect, allowing investors from Hong Kong and beyond to trade in the Mainland interest rate swap (IRS) market.

On 16 May, Hengfeng Bank successfully issued Series I of its green bond for 2023 through the CFETS bond issuance system. At 2.6 times oversubscribed, the bond had an issue size of RMB¥7.5bn, a maturity of 3 years, and a coupon rate of 2.83%. The proceeds will be directed toward green projects listed in the Green Bond Endorsed Projects Catalogue (2021 Edition) in accordance with applicable laws and the regulator approval.

On 19 May, the SSE and the Singapore Exchange (SGX Group) officially signed an MoU on ETF product connectivity. This reflected a new level of cooperation between the China and Singapore capital markets and a win for the cross-border product connectivity business. According to the MoU, the two exchanges will focus on strengthening cooperation in ETF product connectivity. This will help Chinese and Singaporean institutions to collaborate on ETF connectivity products and provide diversified cross-border investment choices for investors in both countries.

On 30 June, CFETS issued the Notice on Adjustments in the Interbank FX Market after LIBOR Cessation. As USD LIBOR ended on June 30, CFETS has made certain changes to ensure a smooth transition to the new benchmark rates, effective from July 3.

On 30 June, the Online One-stop Settlement Failure Reporting Service for the Northbound Trading of Bond Connect ('the Service') was officially launched, which is jointly provided by CFETS, the China Central Depository & Clearing Co., Ltd. (CCDC), the Shanghai Clearing House (SHCH) and the Bond Connect Company Limited (BCCL). The Service is part of PBC initiatives to meet offshore investors' needs and facilitate their activities in China's interbank bond market. Parties of the Northbound Trading of Bond Connect are no longer required to submit settlement failure reporting forms to CFETS, CCDC or SHCH if they choose to report the failed settlements online, making the process of settlement failure reporting far more efficient and convenient.

On the same day, CFETS, CCDC, SHCH and BCCL jointly issued the Notice on the Joint Launch of the Online One-Stop Settlement Failure Reporting Service for the Northbound Trading of Bond Connect, which specifies the service arrangements, requirements for onboarding the Service, reporting procedures, etc.

the same day, the first five index quotations of the SSE and CSI indices, namely SSE Composite Index, SSE 50 Index, CSI 300 Index, SSE Science and Technology Innovation Board 50 Index and CSI Small Cap 500 Index, were officially displayed on the SETRADE website of the SET. Meanwhile, three core index quotations of SET, namely SET Index, SET 50 Index and Thailand Sustainability Investment Index (THIS) were simultaneously launched on the official website of China Securities Index Co., Ltd.

On 8 April, CFETS rolled out upgrades for bond lending and credit default swap (CDS) transactions on the RMB trading platform to deliver improved functionality, trading efficiency, and market services. Specifically, the APIs for the bond lending market now support adjustment of collaterals, and those for CFETS Straight Through Process (CSTP) now support the transmission of cross-depository account information.

On 17 April, to facilitate more direct investment by overseas institutional investors, CFETS issued the Notice on the Enhanced Administrative Arrangements for Funds Invested by Overseas Institutional Investors in China's Bond Market.

On 24 April, the optimized trading calendar of Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect was officially launched. The calendar further improves the efficiency of cross-border investment, guarantees the continuity and convenience of investors' trading, and better meets the needs of domestic and foreign investors in Mainland and Hong Kong capital markets. April 27 and 28 were added as Hong Kong Stock

On 4 July, there were total 59 dealers under the Bond Connect scheme, with the addition of SMBC China, Société Générale China, and Fubon Bank (China). In the first half of 2023, 802 overseas institutional investors from nearly 40 countries and regions traded in China's interbank bond market through Bond Connect, contributing RMB¥4.8tn in turnover, up 26% from the first half of 2022.

On 12 July, Crédit Agricole successfully issued its 3-year Panda bond using CFETS cross-border subscription services, raising RMB¥1bn with an interest rate of 2.95%. The bond was underwritten and distributed to domestic and overseas investors through the interconnected iDeal-ePrime system.

On 17 July, Shanghai Rural Commercial Bank issued its 2023 Green Finance Bond (Series I) through CFETS bond issuance system. At 5.2 times oversubscribed, the bond has an issue size of RMB¥3bn, a maturity of 3 years, and a fixed coupon rate of 2.67%. The proceeds will be spent on green projects listed in the Green Bond Endorsed Projects Catalogue (2021 Edition) in accordance with applicable laws and regulatory approvals. This green bond, issued through online bookkeeping, received an enthusiastic response from all types of investors, with non-bank institutions accounting for more than 30% of the subscribers.

On 17 July, CFETS launched negotiation trading for spot bilateral transactions in the interbank FX market. Within this, a transaction is concluded as soon as the counterparty confirms the terms and conditions proposed by the initiating party. This trading mode, available to all spot members, supports spot RMB/FX and G10 currency pair transactions; the emergency confirmation service is also expanded to cover spot products accordingly. Parties may use CFETS FX2017 to directly conclude a transaction through negotiation trading. They can also first agree on the terms of the spot transaction within iDeal FX and then confirm them within FX2017. The current arrangements for spot bilateral transactions regarding trading hours, trade confirmation, clearing method, and fees apply.

From 1 August, to support the high-quality development of the Belt and Road Initiative and to align the financial sector with the real economy, CFETS agreed to continue to exempt the transaction fees for anonymous and bilateral trading in SGD/CNY, CNY/RUB, CNY/MYR, NZD/CNY, CNY/ZAR, CNY/SAR, CNY/AED, CNY/PLN, CNY/HUF, CNY/TRY, CNY/KRW, and CNY/THB for three years.

On 1 August, CFETS established a direct link to the China Foreign Exchange Payment System (CFXPS). This link enables straight-through processing of FX trades and settlement and means that an FX trade can be completed in just a few minutes, from execution through post-trade processing to foreign currency settlement. This has greatly improved the interconnectivity of China's FX market infrastructure, increasing market safety and efficiency. It also helps to mitigate the risks associated with FX trading and settlement. Thirteen members used the direct link to conclude 36 foreign currency lending and RMB/FX spot and swap deals for a total of US\$1bn. CFXPS successfully processed 63 transaction-related settlement instructions.

On 28 August CFETS introduced three major changes to bond yield curves, to better reflect the conditions of the interbank bond market and address the need for more bond curves and valuations:

- Consolidation of short- and medium-term note curves. The original yield curves for medium term notes, commercial papers, and short-term commercial papers are combined into “CP and MTN” curves for the AAA+, AAA, AAA-, AA+, AA, AA-, A+, A, and A- rating grades. Three standard maturities—0.019Y (7D), 0.038Y (14D), and 0.167Y (2M)—are also added.
- Release of private placement note (PPN) curves. The newly added curves encompass bonds such as private placement notes and private project revenue notes for the AAA, AAA-, AA+, AA, and AA- rating grades, with standard maturities of 0.083Y (1M), 0.25Y (3M), 0.5Y (6M), 0.75Y (9M), 1Y, 3Y, 5Y, 7Y, and 10Y.
- Retirement of the international development organizations SDR bond curves. After a prudent evaluation of the components, these curves are discontinued to better reflect the current market conditions.

On 25 October, the China Central Depository & Clearing Co., Ltd. (CCDC) and the International Capital Market Association (ICMA) jointly released the white paper Promoting the Involvement of Renminbi Bonds as Collateral in Global Repurchase Transactions at the 2023 CCDC Collateral Management International Forum.



London buildings

## London offshore RMB market events

### London RMB Business Monitoring Group plenary meeting

On 26 May, the London RMB Business Monitoring Group conducted its first bi-annual meeting for the year, focusing on policy updates, market developments and policy recommendations regarding RMB-denominated products, sustainable RMB market and RMB infrastructures.

### RMB-denominated products

On 29 March, CCB London branch and Standard Chartered Bank held their first quarterly meeting of the RMB-denominated Products Sherpa Group, attended by members including CICC UK, CLSA and HSBC Bank. Other guests were BoC London, ICBC London. Observers included the PBC Representative Office for Europe, HM Treasury, and the City of London.

On 20 June, the second meeting of the group was held. In the meeting, participants shared key offshore market development and updates, cross-border repo using CGB as collateral, China Free Trade Zone Bonds, and other items.

On 10 October, the third meeting of the group was held. 22 guests from 10 major financial institutions attended. Discussions were held on the RMB money market, FX trading, debt instruments and derivatives according to the market view. The main theme of the meeting is to promote trading activity with RMB-denominated financial instruments, thereby promoting London's position as an offshore RMB centre.

### RMB market infrastructure

On 17 April, China Central Depository & Clearing Co. Ltd. (CCDC) Beijing office held the kick-off meeting of RMB Market Infrastructure Sherpa Group online.

Participants from financial institutions, market associations and market infrastructures discussed potential priorities and outcomes for the group. The group agreed that market infrastructures are crucial for enhancing the liquidity of RMB-denominated assets in London. Cooperation and information exchange between Chinese and UK financial market regulators will be crucial for the future development of RMB-denominated assets. Financial innovation, collaboration on cross-border clearing services, and qualification of Chinese financial market infrastructure by BoE also play an important role.

### Sustainable RMB market

On 30 March, CICC UK and HSBC held the first quarterly meeting of Sustainable RMB Sherpa Group. Members in attendance included ICBC Standard, CITIC CLSA and S&P Global Sustainable1. Observers included the PBC Representative Office for Europe and the City of London. All meeting attendees confirmed on the terms of reference and the progress paper. They also discussed and exchanged views on Sustainable RMB product development, CNY green bond standards and disclosure, China GDR, etc.

On 26 July, the second meeting was held with participants sharing updates on China-EU collaboration on carbon and ESG policies, sustainable RMB product development and new GDR Regulation for SSE issuers.

On 1 November, the third meeting of the group was held. Participants shared updates on sustainable RMB bonds, emerging markets and commodities, the voluntary carbon market, and company assessment tools for greenness of corporate activities.

## Hong Kong offshore RMB market update

Hong Kong Monetary Authority (HKMA) statistics show that RMB deposits in Hong Kong decreased by 1% from August to RMB¥952.6bn at the end of September. The total remittance of renminbi for cross-border trade settlement amounted to RMB¥1,002.5bn in September, compared with RMB¥1,121.2bn in August. Over the decade, Hong Kong has reinforced its position as the largest offshore RMB market and RMB business centre, and is growing in line with RMB internationalisation.

In September, the RMB has retained its position as the fifth most active currency for global payments by value, with a share of 3.71%. Overall, RMB payment value increased by 2.77% compared to the previous month. The value of all payments currencies increased by 3.96%, according to SWIFT. Hong Kong remained the dominant offshore RMB market, with a share of 75.26%, far ahead of the UK in the second place (5.32%).

Hong Kong made big progress in RMB business development in 2023. First, the HKD-RMB Dual Counter Model launched on 19 June. The Model covers securities listed in both HKD and RMB counters only, with 24 securities in the first phase. Investors can trade and settle in both HKD and RMB. All shares of the same securities in different trading counters are generally of the same class, with the same holder rights and entitlements. They are also fully interchangeable between counters. This Model facilitates the use of offshore RMB and expands the depth of RMB investment channels.

The launch of Northbound Trading of Swap Connect on 15 May provides a convenient and secure channel for international investors to trade interest-rate swap products in the Mainland by bridging Hong Kong and Mainland infrastructure. According to Eddie Yue, Chief Executive of HKMA, the scheme will help more global investors to participate in the onshore bond market. It will also help to enhance the recognition of and confidence in RMB bonds in the international market.

In addition to the business opportunities, Hong Kong economic recovery will support RMB business and investment. The Half-Yearly Economic Report shows GDP grew by 2.2% YoY in H1. Private consumption was the largest driving force, followed by a significant increase in the number of tourists.

# Appendix I

## List of Dim Sum Bond (RMB Bond) issuance in London as of June 2023

Issuer	Amount issued (RMB million)	Coupon (%)	Issue date	Maturity
"THE GOVERNMENT OF THE HONG KONG SPECIAL ADMINISTRATIVE, REGION OF THE PEOPLE'S REPUBLIC OF CHINA"	6000	2.95%	08/06/2023	07/06/2028
"THE GOVERNMENT OF THE HONG KONG SPECIAL ADMINISTRATIVE, REGION OF THE PEOPLE'S REPUBLIC OF CHINA"	6000	2.70%	08/06/2023	07/06/2025
"THE GOVERNMENT OF THE HONG KONG SPECIAL ADMINISTRATIVE, REGION OF THE PEOPLE'S REPUBLIC OF CHINA"	3000	3.30%	08/06/2023	07/06/2033
CHINA CONSTRUCTION BANK CORPORATION, LONDON BRANCH	2000	2.80%	01/06/2023	31/05/2025
CITIGROUP GLOBAL MARKETS FUNDING LUXEMBOURG S.C.A.	3	0.00%	31/05/2023	05/06/2025
EUROPEAN BANK FOR RECONSTRUCTION & DEVELOPMENT	100	2.45%	13/04/2023	13/04/2025
WESTPAC BANKING CORPORATION	110	3.50%	10/03/2023	10/03/2026
WESTPAC BANKING CORPORATION	300	3.53%	09/02/2023	09/02/2026
QNB FINANCE LIMITED	190	3.97%	18/01/2023	18/01/2026
"THE GOVERNMENT OF THE HONG KONG SPECIAL ADMINISTRATIVE, REGION OF THE PEOPLE'S REPUBLIC OF CHINA"	5000	3.30%	12/01/2023	11/01/2028
"THE GOVERNMENT OF THE HONG KONG SPECIAL ADMINISTRATIVE, REGION OF THE PEOPLE'S REPUBLIC OF CHINA"	5000	3.00%	12/01/2023	11/01/2025
WESTPAC BANKING CORPORATION	200	3.40%	29/12/2022	29/12/2025
COMMONWEALTH BANK OF AUSTRALIA	100	3.30%	30/09/2022	30/09/2025
EUROPEAN BANK FOR RECONSTRUCTION & DEVELOPMENT	500	2.65%	23/09/2022	23/09/2025
COMMONWEALTH BANK OF AUSTRALIA	130	3.46%	23/09/2022	23/09/2025
EUROPEAN BANK FOR RECONSTRUCTION & DEVELOPMENT	490	2.72%	20/09/2022	19/09/2025
WESTPAC BANKING CORPORATION	159	3.57%	25/07/2022	25/07/2025
SNB FUNDING LIMITED	200	4.07%	21/07/2022	21/07/2025
QNB FINANCE LIMITED	132	4.30%	20/07/2022	20/07/2027
COMMONWEALTH BANK OF AUSTRALIA	630	3.78%	14/07/2022	14/07/2025
BANK OF MONTREAL	385	3.30%	13/07/2022	13/07/2023
FIRST ABU DHABI BANK P.J.S.C.	600	4.05%	28/06/2022	28/06/2025
BANK OF MONTREAL	512	3.85%	17/06/2022	17/06/2025
STANDARD CHARTERED BANK	350	3.40%	09/06/2022	09/06/2024
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED	2000	3.20%	06/06/2022	01/06/2024
COMMONWEALTH BANK OF AUSTRALIA	400	3.71%	31/05/2022	02/06/2025
QNB FINANCE LIMITED	150	4.25%	27/05/2022	27/05/2025
QNB FINANCE LIMITED	250	4.35%	27/05/2022	27/05/2025

Issuer	Amount issued (RMB million)	Coupon (%)	Issue date	Maturity
COMMONWEALTH BANK OF AUSTRALIA	70	3.72%	26/05/2022	26/05/2025
STANDARD CHARTERED BANK	300	3.65%	25/05/2022	25/05/2024
QNB FINANCE LIMITED	300	4.30%	25/05/2022	25/05/2025
QNB FINANCE LIMITED	500	4.00%	24/05/2022	23/05/2024
QNB FINANCE LIMITED	300	4.30%	20/05/2022	20/05/2025
QNB FINANCE LIMITED	220	4.25%	20/05/2022	20/05/2025
CHINA CONSTRUCTION BANK CORPORATION, LONDON BRANCH	1000	3.40%	18/05/2022	17/05/2024
QNB FINANCE LIMITED	150	4.35%	11/05/2022	10/05/2025
FIRST ABU DHABI BANK P.J.S.C.	133	4.00%	27/04/2022	27/04/2025
COMMONWEALTH BANK OF AUSTRALIA	202	3.92%	21/04/2022	21/04/2025
STANDARD CHARTERED BANK	600	4.15%	19/04/2022	19/04/2025
COMMONWEALTH BANK OF AUSTRALIA	156	3.68%	01/04/2022	01/04/2025
STANDARD CHARTERED BANK	1000	4.18%	01/04/2022	01/04/2025
STANDARD CHARTERED BANK	500	4.00%	31/03/2022	31/03/2024
QNB FINANCE LIMITED	600	4.10%	31/03/2022	31/03/2025
FIRST ABU DHABI BANK P.J.S.C.	150	3.80%	22/03/2022	21/03/2027
STANDARD CHARTERED PLC	1100	4.35%	18/03/2022	18/03/2026
NORDIC INVESTMENT BANK	300	3.15%	18/03/2022	18/03/2024
QNB FINANCE LIMITED	1250	4.00%	17/03/2022	14/03/2027
QNB FINANCE LIMITED	141	3.91%	11/03/2022	09/03/2025
WESTPAC BANKING CORPORATION	250	3.07%	25/02/2022	23/02/2029
QNB FINANCE LIMITED	125	3.64%	24/02/2022	23/02/2027
QNB FINANCE LIMITED	147	3.40%	22/02/2022	22/02/2025
NORDIC INVESTMENT BANK	350	2.72%	21/02/2022	21/02/2024
QNB FINANCE LIMITED	380	3.53%	30/12/2021	30/12/2024
QNB FINANCE LIMITED	300	3.60%	23/12/2021	23/12/2026
"THE GOVERNMENT OF THE HONG KONG SPECIAL ADMINISTRATIVE, REGION OF THE PEOPLE'S REPUBLIC OF CHINA"	2500	3.00%	01/12/2021	30/11/2026
"THE GOVERNMENT OF THE HONG KONG SPECIAL ADMINISTRATIVE, REGION OF THE PEOPLE'S REPUBLIC OF CHINA"	2500	2.80%	01/12/2021	30/11/2024
BANK OF CHINA LIMITED, MACAU BRANCH	1000	2.75%	11/11/2021	29/09/2023
FIRST ABU DHABI BANK P.J.S.C.	150	3.40%	10/11/2021	10/11/2025
AGRICULTURAL DEVELOPMENT BANK OF CHINA	1700	3.05%	03/11/2021	02/11/2026
AGRICULTURAL DEVELOPMENT BANK OF CHINA	550	3.35%	03/11/2021	02/11/2031
AGRICULTURAL DEVELOPMENT BANK OF CHINA	1750	2.90%	03/11/2021	02/11/2024
QNB FINANCE LIMITED	312	3.62%	29/10/2021	30/10/2025
QNB FINANCE LIMITED	130	3.58%	13/10/2021	13/10/2026
QNB FINANCE LIMITED	130	3.42%	30/09/2021	30/09/2024
FIRST ABU DHABI BANK P.J.S.C.	128	3.10%	14/09/2021	14/09/2026
FIRST ABU DHABI BANK P.J.S.C.	128	3.10%	10/09/2021	10/09/2026
QNB FINANCE LIMITED	500	3.30%	12/08/2021	12/08/2026

Issuer	Amount issued (RMB million)	Coupon (%)	Issue date	Maturity
QNB FINANCE LIMITED	1000	3.15%	20/07/2021	20/07/2023
QNB FINANCE LIMITED	170	3.30%	14/07/2021	14/07/2024
QNB FINANCE LIMITED	130	3.35%	14/07/2021	14/07/2026
EUROPEAN BANK FOR RECONSTRUCTION & DEVELOPMENT	650	2.20%	29/06/2021	06/12/2023
HSBC HOLDINGS PLC	2750	3.40%	29/06/2021	29/06/2027
NORDIC INVESTMENT BANK	500	2.30%	18/06/2021	18/06/2024
STANDARD CHARTERED BANK	750	2.80%	11/06/2021	11/06/2024
QNB FINANCE LIMITED	150	3.41%	02/06/2021	01/06/2026
INTERNATIONAL FINANCE CORPORATION	635	2.20%	18/05/2021	01/09/2023
QNB FINANCE LIMITED	130	3.42%	28/04/2021	27/04/2024
QNB FINANCE LIMITED	1100	3.50%	22/04/2021	22/04/2024
QNB FINANCE LIMITED	140	3.18%	09/04/2021	09/04/2026
QNB FINANCE LIMITED	220	3.50%	31/03/2021	31/03/2026
QNB FINANCE LIMITED	150	3.30%	26/02/2021	25/02/2026
QNB FINANCE LIMITED	260	2.80%	24/02/2021	24/02/2028
QNB FINANCE LIMITED	150	3.28%	23/02/2021	23/02/2024
QNB FINANCE LIMITED	500	3.28%	18/02/2021	18/02/2024
QNB FINANCE LIMITED	405	3.30%	05/02/2021	05/02/2026
QNB FINANCE LIMITED	1500	3.15%	04/02/2021	04/02/2026
FIRST ABU DHABI BANK P.J.S.C.	1500	3.15%	29/01/2021	29/01/2026
EUROPEAN BANK FOR RECONSTRUCTION & DEVELOPMENT	740	2.00%	21/01/2021	21/01/2025
QNB FINANCE LIMITED	176	3.30%	13/01/2021	13/01/2026
QNB FINANCE LIMITED	240	3.73%	23/12/2020	23/12/2025
QNB FINANCE LIMITED	200	3.97%	11/12/2020	11/12/2030
QNB FINANCE LIMITED	240	3.10%	04/12/2020	04/12/2023
QNB FINANCE LIMITED	150	4.00%	02/12/2020	02/12/2030
INTERNATIONAL FINANCE CORPORATION	20	2.35%	27/11/2020	27/11/2027
QNB FINANCE LIMITED	500	3.95%	17/11/2020	17/11/2027
QNB FINANCE LIMITED	150	3.67%	06/11/2020	04/11/2023
AGRICULTURAL DEVELOPMENT BANK OF CHINA	2200	3.05%	28/10/2020	27/10/2023
AGRICULTURAL DEVELOPMENT BANK OF CHINA	1500	3.25%	28/10/2020	27/10/2025
AGRICULTURAL DEVELOPMENT BANK OF CHINA	2000	3.80%	28/10/2020	27/10/2030
QNB FINANCE LIMITED	140	3.00%	16/10/2020	16/10/2025
QNB FINANCE LIMITED	138	3.63%	24/09/2020	24/09/2023
INTERNATIONAL FINANCE CORPORATION	1850	2.55%	16/09/2020	18/09/2023
QNB FINANCE LIMITED	750	3.80%	15/09/2020	15/09/2025
QNB FINANCE LIMITED	750	3.50%	09/09/2020	09/03/2026
QNB FINANCE LIMITED	140	3.40%	18/08/2020	18/08/2025
FIRST ABU DHABI BANK P.J.S.C.	3600	3.40%	18/08/2020	18/08/2025
AGRICULTURAL DEVELOPMENT BANK OF CHINA	2500	2.60%	12/08/2020	11/08/2023
AGRICULTURAL DEVELOPMENT BANK OF CHINA	1800	2.85%	12/08/2020	11/08/2025

Issuer	Amount issued (RMB million)	Coupon (%)	Issue date	Maturity
FIRST ABU DHABI BANK P.J.S.C.	189	3.50%	15/07/2020	15/07/2025
QNB FINANCE LIMITED	1200	3.85%	10/07/2020	10/07/2025
FIRST ABU DHABI BANK P.J.S.C.	200	3.30%	02/07/2020	02/07/2025
FIRST ABU DHABI BANK P.J.S.C.	1400	3.50%	02/07/2020	02/07/2025
QNB FINANCE LIMITED	1200	3.80%	17/06/2020	17/06/2025
QNB FINANCE LIMITED	235	3.90%	17/06/2020	17/06/2025
QNB FINANCE LIMITED	445	3.60%	05/06/2020	05/06/2025
QNB FINANCE LIMITED	130	4.00%	06/05/2020	05/05/2025
QNB FINANCE LIMITED	250	4.08%	24/04/2020	24/04/2025
WELLS FARGO FINANCE LLC	100	4.05%	07/04/2020	07/04/2025
WELLS FARGO FINANCE LLC	70	4.00%	07/04/2020	06/04/2025
WELLS FARGO BANK N.A.	100	3.95%	07/04/2020	06/04/2025
WELLS FARGO FINANCE LLC	70	4.35%	02/04/2020	01/04/2025
WELLS FARGO BANK N.A.	260	4.22%	02/04/2020	01/04/2025
WELLS FARGO BANK N.A.	200	4.30%	02/04/2020	01/04/2025
WELLS FARGO & COMPANY	145	2.72%	13/03/2020	12/03/2027
QNB FINANCE LIMITED	200	3.32%	11/03/2020	11/03/2025
QNB FINANCE LIMITED	200	3.35%	11/03/2020	11/03/2027
FIRST ABU DHABI BANK P.J.S.C.	139	3.35%	13/02/2020	13/02/2025
COMMONWEALTH BANK OF AUSTRALIA	200	3.26%	22/01/2020	22/01/2025
QNB FINANCE LIMITED	500	4.00%	21/01/2020	21/01/2030
QNB FINANCE LIMITED	135	3.91%	14/01/2020	14/01/2025
QNB FINANCE LIMITED	219	3.89%	10/01/2020	10/01/2025
NATWEST MARKETS PLC	35	3.48%	31/12/2019	31/12/2024
FIRST ABU DHABI BANK P.J.S.C.	150	3.50%	12/12/2019	12/12/2024
QNB FINANCE LIMITED	350	4.05%	04/12/2019	04/12/2026
FIRST ABU DHABI BANK P.J.S.C.	240	3.50%	29/11/2019	29/11/2024
AUSTRALIA & NEW ZEALAND BANKING GROUP LD	200	3.21%	21/11/2019	21/11/2024
FIRST ABU DHABI BANK P.J.S.C.	458	3.42%	20/11/2019	20/11/2024
AGRICULTURAL DEVELOPMENT BANK OF CHINA	4500	3.40%	07/11/2019	06/11/2024
NATWEST MARKETS PLC	200	3.69%	05/11/2019	05/11/2024
FIRST ABU DHABI BANK P.J.S.C.	845	3.22%	23/10/2019	23/10/2024
QNB FINANCE LIMITED	165	3.60%	22/10/2019	22/10/2024
FIRST ABU DHABI BANK P.J.S.C.	140	3.44%	19/09/2019	19/09/2024
LLOYDS BANK PLC	200	3.31%	03/09/2019	03/09/2024
QNB FINANCE LIMITED	155	3.82%	03/07/2019	03/07/2024
QNB FINANCE LIMITED	140	4.30%	20/06/2019	20/06/2024
WESTPAC BANKING CORPORATION	140	3.60%	18/06/2019	18/06/2026
NATWEST MARKETS PLC	10	4.35%	10/06/2019	10/06/2024
NATWEST MARKETS PLC	105	4.39%	10/06/2019	10/06/2024
QNB FINANCE LIMITED	100	4.18%	29/03/2019	28/03/2024
WESTPAC BANKING CORPORATION	150	3.68%	27/03/2019	27/03/2024

Issuer	Amount issued (RMB million)	Coupon (%)	Issue date	Maturity
FIRST ABU DHABI BANK P.J.S.C.	140	3.96%	26/03/2019	26/03/2024
AUSTRALIA & NEW ZEALAND BANKING GROUP LD	135	3.68%	25/03/2019	25/03/2024
WESTPAC BANKING CORPORATION	150	3.67%	22/03/2019	22/03/2024
NATWEST MARKETS PLC	40	4.62%	20/03/2019	20/03/2024
FIRST ABU DHABI BANK P.J.S.C.	300	4.00%	19/03/2019	19/03/2024
AUSTRALIA & NEW ZEALAND BANKING GROUP LD	300	3.70%	18/03/2019	18/03/2024
COMMONWEALTH BANK OF AUSTRALIA	250	3.81%	11/03/2019	11/03/2024
COMMONWEALTH BANK OF AUSTRALIA	150	3.81%	05/03/2019	05/03/2024
WESTPAC BANKING CORPORATION	150	3.76%	04/03/2019	04/03/2024
FIRST ABU DHABI BANK P.J.S.C.	200	4.12%	11/02/2019	11/02/2024
QNB FINANCE LIMITED	135	4.60%	23/01/2019	23/01/2024
BANK OF MONTREAL	155	4.72%	19/09/2018	19/09/2023
AUSTRALIA & NEW ZEALAND BANKING GROUP LD	270	4.80%	14/09/2018	14/09/2023
AUSTRALIA & NEW ZEALAND BANKING GROUP LD	140	4.61%	13/09/2018	13/09/2023
AUSTRALIA & NEW ZEALAND BANKING GROUP LD	145	4.62%	11/09/2018	11/09/2023
AUSTRALIA & NEW ZEALAND BANKING GROUP LD	137	4.60%	11/09/2018	11/09/2023
ROYAL BANK OF CANADA	160	4.48%	07/09/2018	07/09/2023
WESTPAC BANKING CORPORATION	190	4.60%	07/09/2018	07/09/2023
WESTPAC BANKING CORPORATION	160	4.62%	07/09/2018	07/09/2023
COMMONWEALTH BANK OF AUSTRALIA	80	4.52%	07/09/2018	07/09/2023
AUSTRALIA & NEW ZEALAND BANKING GROUP LD	140	4.60%	04/09/2018	04/09/2023
AUSTRALIA & NEW ZEALAND BANKING GROUP LD	138	4.63%	24/08/2018	24/08/2023
WESTPAC BANKING CORPORATION	270	4.65%	23/08/2018	23/08/2023
WESTPAC BANKING CORPORATION	140	4.35%	15/08/2018	15/08/2023
WESTPAC BANKING CORPORATION	627	4.42%	14/08/2018	14/08/2023
WESTPAC BANKING CORPORATION	140	4.51%	01/08/2018	01/08/2028
ROYAL BANK OF CANADA	135	4.30%	17/07/2018	17/07/2023
LLOYDS BANK PLC	54	4.53%	24/07/2015	24/07/2025
CHINA DEVELOPMENT BANK	900	4.35%	10/10/2014	19/09/2024
LLOYDS BANK PLC	200	4.62%	17/01/2014	17/01/2024
WESTPAC BANKING CORPORATION	140	4.35%	15/08/2018	15/08/2023
WESTPAC BANKING CORPORATION	627	4.42%	14/08/2018	14/08/2023
WESTPAC BANKING CORPORATION	140	4.51%	01/08/2018	01/08/2028
ROYAL BANK OF CANADA	135	4.30%	17/07/2018	17/07/2023
WESTPAC BANKING CORPORATION	200	4.77%	30/05/2018	30/05/2023
CREDIT AGRICOLE CORP & INV BANK	200	4.72%	29/05/2018	29/05/2023
COMMONWEALTH BANK OF AUSTRALIA	340	4.62%	26/04/2018	26/04/2023
LLOYDS BANK PLC	54	4.53%	24/07/2015	24/07/2025
CHINA DEVELOPMENT BANK	900	4.35%	10/10/2014	19/09/2024
LLOYDS BANK PLC	200	4.62%	17/01/2014	17/01/2024

Source: London Stock Exchange



## Appendix II

### List of bond issuance by oversea issuers in China interbank bond market as of June 2023

Issuer	Amount issued (RMB100M)	Coupon (%)	Issue date	Maturity
COSCO	20	5.05	21/03/2017	23/03/2022
CHINA MERCHANT PORT	25	4.89	19/04/2017	21/04/2022
LONGFOR PROPERTIES	3	5	19/07/2017	21/07/2022
HUARONG INTERNATIONAL	12	4.7	21/07/2017	25/07/2022
GLP	10	4.99	12/10/2017	16/10/2022
AIR LIQUIDE S.A	8	6.4	05/03/2018	07/03/2023
HUARONG INTERNATIONAL	35	5.23	02/04/2018	04/04/2023
BEWG	20	4.92	23/05/2018	25/05/2023
BEWG	10	5.1	23/05/2018	25/05/2025
BEWG	10	4.45	18/07/2018	20/07/2023
BEWG	20	4.72	18/07/2018	20/07/2025
CHINA GAS	20	4.38	22/10/2018	24/10/2023
GLP	15	4.64	09/11/2018	13/11/2021
CHINA GAS	13	4.15	05/12/2018	07/12/2023
HUNGARY	20	4.3	17/12/2018	19/12/2021
BOCGI	20	4.13	18/12/2018	19/12/2021
BEWG	10	3.95	09/01/2019	11/01/2026
BEWG	10	4.49	09/01/2019	11/01/2029
NEW DEVELOPMENT BANK	20	3	22/02/2019	26/02/2022
NEW DEVELOPMENT BANK	10	3.32	22/02/2019	26/02/2024
SMIC	15	3.57	28/02/2019	04/03/2022
BMW FINANCE	30	4	06/03/2019	08/03/2022
UNITED OVERSEAS BANK	20	3.49	12/03/2019	14/03/2022
PHILIPPINE	25	3.58	15/05/2019	20/05/2022
TRAFIGURA GROUP	5.4	5.49	17/05/2019	20/05/2022
PORTUGAL	20	4.09	30/05/2019	03/06/2022
MALAYAN BANKING BERHAD	10	3.58	19/06/2019	21/06/2022
BMW FINANCE	20	3.98	10/07/2019	12/07/2022
CDP	10	4.5	31/07/2019	01/08/2022
DAIMLER	30	3.84	07/08/2019	12/08/2022
CHINA POWER	20	3.55	03/09/2019	05/09/2022
BMW FINANCE	10	3.57	17/10/2019	21/10/2021
DAIMLER	20	3.68	08/11/2019	13/11/2021
DAIMLER	30	4.04	08/11/2019	13/11/2022
CHINA MENGNIU	10	3.67	20/11/2019	22/11/2022
YUEXIU TRANSPORT	10	3.58	28/11/2019	02/12/2022
CRÉDIT AGRICOLE	10	3.4	04/12/2019	05/12/2022

Issuer	Amount issued (RMB100M)	Coupon (%)	Issue date	Maturity
DAIMLER INTERNATIONAL FINANCE	30	3.5	07/01/2020	09/01/2022
YUEXIU TRANSPORT	10	3.47	08/01/2020	10/01/2023
BMW FINANCE	15	2.9	02/03/2020	04/03/2021
BMW FINANCE	20	3.35	02/03/2020	04/03/2023
CHINA GAS	10	3.38	06/03/2020	10/03/2025
NEW DEVELOPMENT BANK	50	2.43	01/04/2020	03/04/2023
BOCGI	15	2.7	06/05/2020	08/05/2023
BEWG	10	4	11/05/2020	13/05/2025
DAIMLER INTERNATIONAL FINANCE	30	3.25	03/06/2020	05/06/2023
CHINA TCM	22	3.28	03/06/2020	05/06/2023
SUMITOMO MITSUI BANKING CORPORATION	10	3.2	04/06/2020	08/06/2023
CEB GREENTECH	10	3.68	10/06/2020	12/06/2025
AIIB	30	2.4	11/06/2020	15/06/2023
VEOLIA ENVIRONMENT	7.5	3.85	22/06/2020	24/06/2023
VEOLIA ENVIRONMENT	7.5	3.85	22/06/2020	24/06/2023
NEW DEVELOPMENT BANK	20	3	06/07/2020	07/07/2025
BMW FINANCE	25	3.19	14/07/2020	16/07/2021
GLP	20	3.9	21/07/2020	23/07/2023
EVERBRIGHT WATER	10	3.6	03/08/2020	05/08/2023
YUEXIU TRANSPORT	5	3.54	12/08/2020	14/08/2023
ANTA SPORTS	10	3.95	20/08/2020	24/08/2023
CRÉDIT AGRICOLE	10	3.5	10/09/2020	11/09/2023
CHINA POWER	15	4.35	03/11/2020	05/11/2023
CHINA POWER	15	4.6	16/11/2020	18/11/2023
VEOLIA ENVIRONMENT	7.5	4.45	14/12/2020	16/12/2023
VEOLIA ENVIRONMENT	7.5	4.45	14/12/2020	16/12/2023
EVERBRIGHT WATER	10	3.75	13/01/2021	15/01/2024
YUEXIU TRANSPORT	10	3.78	26/01/2021	28/01/2026
ADB	20	3.2	09/03/2021	11/03/2026
DAIMLER	20	3.7	16/03/2021	19/03/2023
DAIMLER	20	3.8	16/03/2021	19/03/2024
CRÉDIT AGRICOLE	10	3.5	17/03/2021	18/03/2024
GLP	15	4.4	18/03/2021	18/03/2024
NDB	50	3.22	23/03/2021	25/03/2024
BEWG	15	3.98	21/04/2021	23/04/2026
HENGAN INTERNATIONAL	20	3.54	21/04/2021	23/04/2023
DAIMLER	20	3.6	18/05/2021	21/05/2023
DAIMLER	20	3.77	18/05/2021	21/05/2024
CHINA POWER	10	2.9	21/05/2021	23/11/2021
CHINA TCM	10	2.65	28/05/2021	25/02/2022
EVERBRIGHT ENVIRONMENT	20	3.6	10/06/2021	15/06/2024
BMW FINANCE	15	3.03	10/06/2021	15/06/2022

Issuer	Amount issued (RMB100M)	Coupon (%)	Issue date	Maturity
BMW FINANCE	20	3.44	10/06/2021	15/06/2024
CHINA EVERBRIGHT	40	3.7	16/06/2021	18/06/2024
CHINA MENGNIU	8	2.65	21/06/2021	16/12/2021
BOCGI	25	3.64	22/06/2021	24/06/2024
FAR EAST HORIZON	5	3.98	08/07/2021	12/07/2023
LUSO BANK	15	3.28	22/07/2021	27/07/2024
CHINA MENGNIU	20	2.6	26/07/2021	09/12/2021
CEB GREENTECH	10	3.5	26/07/2021	28/07/2026
SPIC	5	2.63	02/08/2021	01/03/2022
CHINA MENGNIU	5	2.5	03/08/2021	29/10/2021
EVERBRIGHT WATER	8	2.4	09/08/2021	08/12/2021
FAR EAST HORIZON	7	3.78	26/08/2021	30/08/2023
CHINA MENGNIU	25	2.55	27/08/2021	19/11/2021
CHINA MENGNIU	25	2.55	27/08/2021	26/11/2021
BMW FINANCE	15	3.1	14/09/2021	16/09/2023
BMW FINANCE	20	3.15	14/09/2021	16/09/2024
CRÉDIT AGRICOLE	10	3.14	15/09/2021	17/09/2024
NDB	20	3.02	16/09/2021	17/09/2026
DAIMLER	20	3.1	23/09/2021	27/09/2023
DAIMLER	20	3.3	23/09/2021	27/09/2024
CHINA MENGNIU	15	2.55	27/09/2021	22/12/2021
SPIC	20	3.47	11/10/2021	13/10/2024
REPUBLIC OF POLAND	30	3.2	13/10/2021	15/10/2024
SPIC	10	3.39	20/10/2021	22/10/2024
FAR EAST HORIZON	3	4.06	25/10/2021	27/10/2023
SPIC	10	2.88	01/11/2021	29/07/2022
FAR EAST HORIZON	1.5	4.04	16/11/2021	18/11/2023
BMW FINANCE	15	3.28	23/11/2021	25/11/2024
BMW FINANCE	10	2.9	23/11/2021	25/11/2022
ADB	10	2.78	23/11/2021	25/11/2026
BOCGI	20	3.19	06/12/2021	08/12/2024
TRAFIGURA GROUP	7	5	08/12/2021	13/12/2024
HUNGARY	10	3.28	14/12/2021	16/12/2024
EVERBRIGHT WATER	10	2.5	12/01/2022	12/06/2022
BEWG	10	2.97	20/01/2022	21/01/2025
BEWG	10	3.38	20/01/2022	21/01/2027
CHINA MENGNIU	25	2.35	21/01/2022	22/04/2022
NDB	30	2.45	26/01/2022	27/01/2025
CHINA TCM	10	2.4	16/02/2022	22/04/2022
BMW FINANCE	15	2.89	17/02/2022	21/01/2025
BMW FINANCE	25	3.1	17/02/2022	21/01/2027
CHINA MENGNIU	25	2.33	23/02/2022	12/06/2022

Issuer	Amount issued (RMB100M)	Coupon (%)	Issue date	Maturity
HENGAN INTERNATIONAL	10	2.5	01/03/2022	30/08/2022
HENGAN INTERNATIONAL	10	2.5	01/03/2022	30/08/2022
HENGAN INTERNATIONAL	15	2.4	16/03/2022	14/09/2022
YUEXIU TRANSPORT	10	3.29	16/03/2022	18/03/2027
CHINA TCM	10	2.32	18/03/2022	17/10/2022
CHINA MENGNIU	25	2.2	21/03/2022	10/06/2022
CEB GREENTECH	12	3.27	06/04/2022	08/04/2027
EVERBRIGHT WATER	10	3.1	14/04/2022	18/04/2025
EVERBRIGHT ENVIRONMENT	15	3.47	18/04/2022	20/04/2025
NDB	70	2.7	18/05/2022	20/05/2025
YUEXIU TRANSPORT	5	2.1	19/05/2022	17/02/2023
AIIB	15	2.4	24/05/2022	26/05/2025
CEB GREENTECH	7	3.35	25/05/2022	27/05/2025
HENGAN INTERNATIONAL	10	2.1	08/06/2022	07/12/2022
EVERBRIGHT WATER	7	3.3	09/06/2022	13/06/2025
SPIC	20	3	10/06/2022	14/06/2025
SPIC	10	2.1	14/06/2022	12/03/2023
CHINA EVERBRIGHT	30	3.09	15/06/2022	17/06/2025
DAIMLER	10	2.98	15/06/2022	20/06/2024
DAIMLER	30	3.25	15/06/2022	20/06/2025
SPIC	20	2.99	16/06/2022	20/06/2025
ANTA SPORTS	5	2.8	11/07/2022	13/07/2025
CHINA POWER	20	2.87	18/07/2022	20/07/2025
CHINA POWER	10	1.75	25/07/2022	22/01/2023
CHINA MENGNIU	25	1.75	03/08/2022	02/11/2022
CHINA MENGNIU	25	1.75	04/08/2022	07/12/2022
YUEXIU TRANSPORT	5	1.77	05/08/2022	28/04/2023
CHINA MENGNIU	29	1.6	16/08/2022	09/12/2022
DAIMLER	20	2.55	23/08/2022	26/08/2024
ICBC (MACAU)	20	2.58	25/08/2022	29/08/2024
CHINA POWER	20	2.71	30/08/2022	01/09/2025
EVERBRIGHT WATER	10	1.72	22/09/2022	18/03/2023
CHINA MENGNIU	29	1.6	28/09/2022	22/12/2022
CHINA MENGNIU	25	1.56	28/09/2022	08/12/2022
NDB	30	2.53	25/10/2022	26/10/2025
CHINA TCM	10	1.88	26/10/2022	24/07/2023
YUEXIU TRANSPORT	5	1.81	28/10/2022	28/07/2023
HUNGARY	20	3.75	16/11/2022	17/11/2025
DAIMLER	5	2.9	24/11/2022	29/11/2024
CHINA SHENGMU	1	3.95	23/12/2022	27/03/2023
DEUTSCHE BANK AG	10	3.21	17/01/2023	18/01/2026
YUEXIU TRANSPORT	5	2.3	06/02/2023	05/11/2023

Issuer	Amount issued (RMB100M)	Coupon (%)	Issue date	Maturity
BMW FINANCE	30	3.69	08/02/2023	10/02/2026
HENGAN INTERNATIONAL	15	2.4	27/02/2023	27/08/2023
EVERBRIGHT ENVIRONMENT	20	3.1	02/03/2023	03/03/2026
CSSC (HONG KONG) SHIPPING	10	3.3	03/03/2023	06/03/2026
EVERBRIGHT WATER	10	2.6	08/03/2023	05/09/2023
CONCH VENTURE	12	2.99	16/03/2023	20/03/2026
BEWG	5	2.98	22/03/2023	23/03/2028
BEWG	10	3.5	22/03/2023	23/03/2028
BEIJING ENTERPRISES	40	2.95	23/03/2023	24/03/2026
CHINA MENGNIU	29	2.1	27/03/2023	28/06/2023
HENGAN INTERNATIONAL	20	2.4	31/03/2023	28/09/2023
CHINA MENGNIU	29	2.26	04/04/2023	28/06/2023
CHINA MENGNIU	25	2.26	04/04/2023	29/06/2023
EVERBRIGHT WATER	10	3.2	13/04/2023	17/04/2026
YUEXIU TRANSPORT	8	2.36	19/04/2023	17/10/2023
ICBC (MACAU)	30	3.09	19/04/2023	21/04/2026
CHINA MENGNIU	25	2.23	23/04/2023	29/06/2023
CHINA MENGNIU	25	2.23	23/04/2023	30/06/2023
AIIB	15	2.93	24/04/2023	26/04/2028
BOCGI	15	3.1	26/04/2023	28/04/2026
CHINA MENGNIU	22	2.14	09/05/2023	27/06/2023
CHINA MENGNIU	25	2.14	09/05/2023	30/06/2023
HENGAN INTERNATIONAL	10	2.39	10/05/2023	08/11/2023
CEB GREENTECH	10	3.2	12/05/2023	15/05/2026
CHINA TCM	10	2.3	18/05/2023	05/12/2023
CHINA TCM	12	3.04	18/05/2023	22/05/2026
HENGAN INTERNATIONAL	5	2.39	19/05/2023	17/11/2023
BEWG	10	3.03	22/05/2023	24/05/2025
EVERBRIGHT ENVIRONMENT	20	3.5	24/05/2023	26/05/2026
NWS HOLDINGS	15	3.9	25/05/2023	29/05/2026
NDB	85	2.86	29/05/2023	30/05/2026
BEWG	10	3.06	31/05/2023	02/06/2026
CONCH VENTURE	15	3.1	02/06/2023	06/06/2026
DAIMLER	10	2.78	07/06/2023	12/06/2025
TOWNGAS CHINA	10	3.1	08/06/2023	12/06/2024
TOWNGAS CHINA	5	3.6	08/06/2023	12/06/2026
AIIB	25	2.7	12/06/2023	14/06/2028
3SBIO INC.	12	4.2	20/06/2023	26/06/2025

Source: London Stock Exchange

## Appendix III

### Agreements on RMB business between China and the UK

#### Currency swap

In June 2013, the PBC and BoE signed a bilateral currency swap agreement of RMB¥200bn (£20bn). In October 2015, the PBC and BoE renewed the agreement, increasing it to RMB¥350 bn (£35bn) effective for three years. This was renewed again with the same terms in November 2018. In November 2021, the agreement was renewed and increased to RMB¥350bn (£40bn), effective for five years.

#### Clearing bank

In March 2014, the PBC and BoE signed a Memorandum of Understanding (MoU) to establish RMB clearing arrangements in London. In June 2014, the PBC authorized China Construction Bank (London) to serve as the RMB clearing bank in the capital. In July 2016, the PBC approved the transfer of clearing

functions from China Construction Bank (London) to China Construction Bank, London branch. By the end of June 2022, Cross-Border Inter-Bank Payments System (CIPS) had 1,307 participating banks. Twenty of these were from the UK, accounting for 1.5% of the total.

#### RQFII

In October 2013 China announced the Renminbi Qualified Foreign Institutional Investor (RQFII) program for the UK with a quota of RMB¥80bn.

On 10 September 2019, the PBC and State Administration of Foreign Exchange (SAFE) removed QFII / RQFII investment quotas to promote further openness in China's financial market.

## Appendix IV

### UK RMB business in CIPS

In the six months to June 2023, CIPS cleared and settled a cumulative volume of RMB¥5tn in the UK RMB¥2.9tn of this was paid and RMB¥2.1tn was received. As of

June 2023, CIPS has 20 participants from the UK: two as direct participants and 18 as indirect participants.

1	China Construction Bank Corporation London Branch
2	Bank of China Limited London Branch
1	The Access Bank UK Limited
2	Agricultural Bank of China Limited London Branch
3	Barclays Bank PLC
4	The Bank of East Asia Limited, London Branch
5	MUFG Bank, Ltd., London Branch
6	China Merchants Bank Co., Ltd, London Branch
7	Bank of Communications Co., Ltd. London Branch
8	Crown Agents Bank Limited
9	FBN Bank (UK) Ltd
10	ICBC (London) PLC
11	HSBC Bank PLC, United Kingdom
12	Oversea-Chinese Banking Corporation Ltd, UK Branch
13	China Construction Bank (London) Limited
14	ICBC Standard Bank PLC
15	Standard Chartered Bank London
16	Shanghai Pudong Development Bank Co., Ltd., London Branch
17	Zenith Bank (UK) Ltd.
18	Commonwealth Bank of Australia, London Branch

\*The name of the institution is the name registered when the CIPS participant joined the system.

<sup>1</sup>The CIPS RMB clearing volume is different from China-UK RMB cross-border settlement volume in terms of statistic scale. The calculation of CIPS RMB clearing volume encompasses all types of payments cleared through the CIPS system, including interbank position transfer, foreign exchange transactions, etc. The calculation of China-UK RMB cross-border settlement volume encompasses payments under current and capital account while excluding interbank position transfer, foreign exchange transactions etc. The China-UK RMB cross-border settlement data comes from RMB CrossBorder Payment&Receipt Management Information System (RCPMIS).

<sup>2</sup>The CIPS RMB clearing volume is different from CCB London clearing volume in terms of statistic scale. The calculation of CIPS RMB clearing volume encompasses all types of payments cleared through the CIPS system but doesn't encompass payments cleared outside the CIPS system. The calculation of CCB London clearing volume encompasses all payments cleared by CCB London, with clearing channels including CIPS, CCB London book-transfer(for UK local business), CCB head office book-transfer, etc.

## London RMB Business Monitoring Group

The London RMB Business Monitoring Group is an industry-led working group co-chaired by City of London Corporation and the People's Bank of China Representative Office for Europe. This working group acts as a platform for financial institutions in the UK to discuss how to drive the London RMB business and encourage further innovation and diversification for offshore RMB products.

The working group members consist of the leading financial institutions, with HM Treasury, UK Department for Business and Trade and Bank of England joining as observer:

Agricultural Bank of China Ltd London	IHS Markit
Bank of China Limited London Branch	International Swaps and Derivatives Association (ISDA)
Bank of Communications Co Ltd. (London Office)	KPMG
Bloomberg	Legal and General Investment Management
China Central Depository & Clearing Co., Ltd (London Representative Office)	London Clearing House
China Construction Bank (London Branch), UK RMB Clearing Bank	London Metal Exchange
China Development Bank (London Branch)	London Stock Exchange Group
ChinaFICC	National Association of Financial Market Institutional Investors (NAFMII)
China Financial Futures Exchange (CFFEX)	Ninety One
China Foreign Exchange Trade System (CFETS)	People's Bank of China Representative Office for Europe
China International Capital Corporation (UK)	PwC
China Minsheng Banking Corporation (London Representative Office)	R5FX
Cross-Border Inter-Bank Payments System (CIPS)	Refinitiv
CITIC Securities	Shanghai Clearing House (London Representative Office)
DBS	Shanghai Pudong Development Bank (London Branch)
EBS	Shanghai Stock Exchange London Office
Enodo Economics	Standard Chartered Bank
Enterprai	SWIFT
EVIA	TheCity UK
HSBC	Tradeweb
ICBC London Branch	Wind Financial
ICBC Standard Bank	



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