

Global RMB Development

Developments of the offshore RMB clearing centres will support further increase of cross-border RMB trade settlements

In July 2014, the total amount of cross-border RMB trade settlement resulted in RMB 498bn, which grew by 39% year-on-year. From January to July 2014, trade settlement in RMB accounted for 25% of China's total trade.

This year, we have seen strong movements in the world's financial centres to support the greater use of RMB as global payment currency. RMB clearing banks were appointed in London, Frankfurt, and Seoul. Luxembourg and Paris have

also signed RMB clearing agreements with the People's Bank of China. In Hong Kong, Bank of China, the RMB clearing bank, announced early this month that effective from October 2014, it will extend RMB clearing services to 20.5 hours per day, from 8:30 am to 5:00 am of the next day, (currently until 11:30 pm) to cover trading hours in EMEA and the Americas. As the RMB payments become more convenient with extended service hours and RMB clearing centres operating globally, RMB usage will continue to gain momentum.

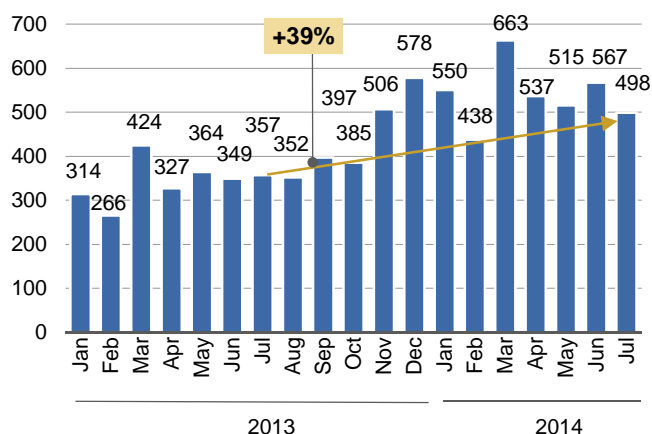
According to SWIFT, RMB is strengthening its position as the 7th most used currency for global payments compared to its 13th position in January 2013. This clearly shows rapid market growth.

Dim sum bond issuance shows remarkable growth

This year's total dim sum bond issuance amount exceeded RMB 150bn, more than doubled compared to the same period of the previous year. In particular, July's issuance was dominated by Chinese issuers.

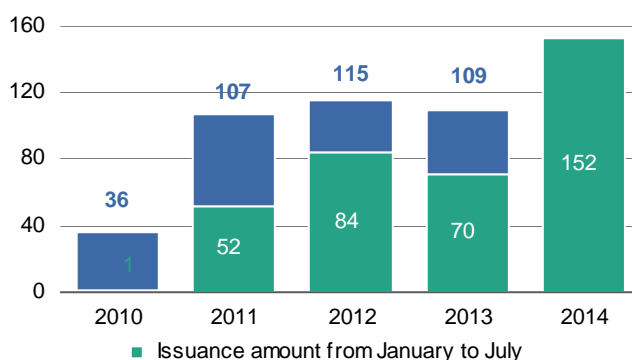
It is expected that this strong trend will continue in the market marked by refinancing of the outstanding bonds. The total amount of dim sum bonds maturing by the end of 2014 is RMB 39 bn.

Cross-Border RMB Settlement Amount (RMB Bn)



(Source) CEIC

Dim Sum Bond Issuance Volumes (RMB Bn)



(Source) Dealogic

Offshore RMB Loans Gaining Momentum in Hong Kong

RMB loans in Hong Kong

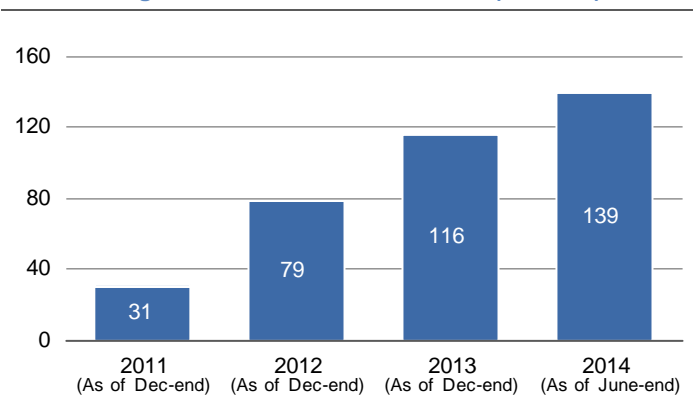
As of June-end 2014, outstanding RMB loan amounted to RMB 139bn, a 20% increase compared to the end of 2013.

Cross-border RMB loans to the Shanghai Pilot Free Trade Zone (PFTZ) and Qianhai are increasing.

BTMU has successfully executed RMB loans to companies incorporated in the PFTZ. These RMB loans have significance from the

perspective of diversifying the company's financing options at a relatively low cost. BTMU offers various types of RMB financing solutions to respond to clients' needs.

Outstanding Amount of RMB Loans in HK (RMB Bn)



(Source) HKMA

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