

NAFMII Related

Announcement of NAFMII on the Issuance of the “Guidelines on Information Disclosure of NPL Asset Backed Securities (Trial)”

According to the “Public Notice of the People’s Bank of China on Issues Related to Issuance Administration of Credit Assets Backed Securities” (Public Notice of PBC No. 7 [2015]) and related laws and regulations, NAFMII organized the members to draft the “Guidelines on Information Disclosure of NPL Asset Backed Securities (Trial)”, which was released for implementation after being reviewed and adopted by the 10th session of the third Bond Market Professional Committee of NAFMII and approved by the People's Bank of China (PBC).

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Macro & Financial

Procedures & FAQ for Foreign Central Banks and Similar Institutions to Enter China’s Inter-bank Bond Market (CIBM) and Foreign Exchange Market (CIFXM)

Market News

Procedures to enter CIBM:

Quota control: By introducing a registration system, the PBC has abolished quota control on institutional investments. Relevant institutions make their own decisions on the size of investments

Outbound transfer: There is no limitation on fund transfer related to bond investment.

Procedures to enter CIFXM:

No Quota Limit: There is no trading quota limit, but all trades shall abide by related Chinese laws and regulations.

Repatriation of Funds: Repatriation of funds is allowed. RMB funds exchanged by the Relevant Institutions from foreign currency to be invested in the Inter-bank FX Market must first be deposited in accounts opened in China. Afterward, the funds may either be used in China or be transferred overseas without prior approval.

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Statistics

Statistical Report on Aggregate Financing to the Real Economy in Q1, 2016

According to the preliminary statistics, the total social financing of first quarter in 2016 increased by 6.59 trillion yuan, 1.93 trillion yuan more than the number of the

same period of last year. The RMB-denominated loans issued to the real economy increased 4.67 trillion yuan, up by 1.06 trillion yuan on a YOY basis; the loans denominated in foreign currency issued to the real economy, converted into RMB, decreased by 229 billion yuan, fell by 235.1 billion yuan on a YOY basis. The entrusted loans grew by 548.5 billion yuan, 224.3 billion yuan were added on a YOY basis; the credit loans increased 159.3 billion yuan, 158 billion yuan more compared to the number of the same time of last year the undiscounted banker's acceptance declined by 220.5 billion yuan, a fall of 264.9 billion on a YOY basis. The net financing of corporate bonds reached 1.24 trillion yuan, rose by 842.7 billion yuan on a YOY basis; the domestic equity financing of non-financial enterprises was 284 billion yuan, grew by 113.2 billion yuan on a YOY basis. The aggregate social financing of March, 2016 rose by 2.34 trillion yuan, an increase of 1.51 trillion yuan and 1.09 trillion yuan respectively compared to the number of February, 2016 and March, 2015.

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Financial Statistics Report of Q1, 2016

According to the Financial Statistics Report published by the PBC, in the first quarter of 2016, M2 rose by 13.4% and M1 grew by 22.1%. RMB-denominated loans increased by 4.61 trillion yuan and loans denominated in foreign currency fell by US\$21.6billion. RMB deposit grew by 5.41 trillion yuan and foreign currency deposits increased by US\$38.6 billion. In March, the monthly weighted average interbank RMB lending rate registered 2.09%, and the monthly weighted average repo rate was 2.10%. Outstanding foreign exchange reserves reached US\$3.21 trillion.

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Report on the Use of Loans of Financial Institutions in Q1, 2016

According to the PBC statistics, the outstanding amount of all RMB-denominated loans of financial institutions was 98.56 trillion yuan by the end of March 2016, an increase of 14.7% on a YOY basis, and it grew 0.4 percentage point faster than the end of 2015. RMB-denominated loans in Q1 of 2016 increased by 4.61 trillion yuan with 930.1 billion yuan more compared to the number of the same period of last year.

The uses of loans took on the following features: 1. The corporate loans grew steadily, and growth of mid- and long- term (MLT) loans rebounded. 2. The loans issued to micro and small enterprises made up a larger share and grew more rapidly. 3. Growth of MLT loans grant to industrial and service sectors slowed down. 4. Growth rate of ending to farmers fell. 5. Housing loans continued to pick up. 6. Household consumption loans grew rapidly.

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