

**Regulatory
Developments**

PBC releases financial market operation data for May 2015

PBC released the financial market operation data for May 2015 on 24 June. In January-May 2015, the financial market was generally smooth and steady. Compared to the previous month, the issuance volume in the bond market continues to increase; transaction volume in the money market increased evidently; average daily turnover of spot bond trading increased moderately; interbank bond index and exchange bond index increased slightly; both the Shanghai Composite Index and the Shenzhen Component Index continue to rise. The average daily turnover in the Shanghai Stock Exchange decreased slightly, while that of the Shenzhen Stock Exchange increased moderately.

[PBC News](#)(Currently Only Available in Chinese)

CBRC declares CDB's credit risk weighting to be zero

China Banking Regulatory Commission (CBRC) has officially defined the regulatory policies on bond credit of China Development Bank (CDB). CDB's financial bonds invested by the banking financial institutions are deemed as bonds of policy banks and the risk weighting is zero. CBRC makes it clear that bond credit policies of CDB will remain stable over the long term and no expiration date will be set, which indicates that the Government will continue to give credit support to CDB. Meanwhile, the bond credit policies of CDB apply to both RMB and foreign currency financial bonds.

[CDB News](#) (Currently Only Available in Chinese)

Loan-to-deposit ratio governing commercial banks is removed

Chinese Premier Li Keqiang chaired a State Council Executive Meeting on June 24, during which "Amendments to the Law of the People's Republic of China on Commercial Banks (Draft)" was adopted. The Draft removes the provision that the loan-to-deposit ratio shall not exceed 75% and the ratio will be seen as a liquidity-monitoring indicator rather than statutory monitoring indicators. The meeting decided to have the draft amendment submit to the NPC Standing Committee for approval.

[GOV News](#)(Currently Only Available in Chinese)

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