

## NAFMII Related

### **First PPP ABN successfully issued in the interbank market**

On July 28, 2017, the first two PPP-ABN programs were successfully registered with NAFMII. On August 11, the PPP-ABN of Gu'an new-type urbanization was successfully issued by China Fortune Land Development Co., Ltd (CFLD), marking the official launch of the first PPP asset securitization program in the interbank market. As the first PPP ABN and the first municipal service PPP asset securitization program in China, CFLD's PPP-ABN was originated by City Service, jointly underwritten by CITIC Bank and CITIC Securities as lead underwriters, and managed by China Resources SZITIC Trust. The underlying assets of this program are the usufruct of Gu'an New-type Urbanization PPP Project municipal property management fees, and the issuing volume is RMB200 million, The product is divided into Priority 1, Priority 2 and a subordinated tranche with maturity of one year and two years respectively. Among them, Priority 1 and 2 are AAA-rated with an interest rate of 4.8%, lower than the comparable yield in the same period, indicating the investors' high recognition of the PPP model and the quality of the PPP project underlying assets.

[NAFMII News](#)(Currently Available in Chinese)

## Statistics

### **Financial statistics for July issued**

M2 and M1 increased by 9.2% and 15.3% respectively; RMB loan increased by RMB825.5 billion and foreign currency loan increased by USD5.2 billion; RMB deposit increased by RMB816 billion and foreign currency deposit increased by USD1.5 billion. The monthly weighted average interest rate of interbank lending in the interbank RMB market was 2.82% and that of pledged bond repo was 2.9%. RMB settlement for cross-border trade totaled RMB343.4 billion and that for direct investment was RMB111.5 billion.

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### **CBRC issued data of main regulatory indicators for Q2**

#### **Assets and debts of the banking industry increased steadily.**

At the end of Q2, the total assets of China's banking financial institutions in both home and foreign currencies at home and abroad were RMB243.2 trillion, increasing by 11.5% year-on-year. Among that, the total assets of large commercial banks were

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RMB 91 trillion, accounting for 37.4% of the total and increasing by 9.2% year-on-year; the total assets of joint-stock commercial banks were RMB44 trillion, accounting for 18.1% and increasing by 8.9% year-on-year.

Quality of credit assets remained generally stable. At the end of Q2, the NPL balance of commercial banks (legal entity, same below) was RMB1.64 trillion, with an increase of RMB56.3 billion from the end of the last quarter; and their NPL rate was 1.74%, on a par with that at the end of the last quarter.

Growth of profits picked up speed. At the end of Q2, commercial banks gained net profit of RMB970.3 billion accumulatively in the current year, increasing by 7.92% year-on-year and 3.31 percentage points from the end of the last quarter.

Capability for risk resistance and compensation was further enhanced. At the end of Q2, the balance of provisions for loss on loans of commercial banks was RMB2,898.3 billion, with an increase of RMB74.7 billion from the end of the last quarter.

Liquidity remained steady. At the end of Q2, commercial banks' liquidity ratio was 49.5%, increasing by 0.78 percentage point from the end of the last quarter.

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