

NAFMII Related

Announcement on evaluation results about prospective underwriter (banks)

According to the Regulations on Debt Financing Instruments of Non-financial Enterprises in the Inter-bank Bond Market and NAFMII Rules on Market Evaluation of Members Underwriting Debt Financing Instruments of Non-financial Enterprises, the following announcement on increasing the number of underwriters is hereby issued with the approval of People's Bank of China (PBC) and based on market evaluation results.

I. JP Morgan Chase Bank (China) Company Limited obtained the license to underwrite debt financing instruments of non-financial enterprises. BNP Paribas China obtained the license to underwrite debt financing instruments of non-financial enterprises.

II. According to the Regulations on Debt Financing Instruments of Non-financial Enterprises in the Inter-bank Bond Market, Rules on Agency Services for Debt Financing Instruments of Non-financial Enterprises in the Inter-bank Bond Market and other relevant self-regulatory rules, NAFMII members underwriting debt financing instruments of non-financial enterprises should set up underwriting-related departments, hire specialized underwriting staff members, and establish sound operating procedures of underwriting business, risk management system and internal control system, so as to underwrite debt financing instruments of non-financial enterprises in a standard way.

III. If an underwriter receives criminal penalty or major administrative penalty for breach of laws and rules, NAFMII will suspend or disqualify the underwriter according to NAFMII Rules on Market Evaluation of Members Underwriting Debt Financing Instruments of Non-financial Enterprises and other self-regulatory rules.

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Statistics

2016 financial statistic

M2 and M1 increased by 11.3% and 21.4% respectively; RMB loan increased by RMB 12.65 trillion and foreign currency loan decreased by USD 44.5 billion; RMB deposit increased by RMB14.88 trillion and foreign currency deposit increased by USD 84.5 billion. The monthly weighted average interest rate of interbank lending in the

interbank RMB market was 2.44% and that of pledge-style bond repo was 2.56% in December. The balance of national foreign exchange reserve stood at USD 3.01 trillion. RMB settlement for cross-border trade totaled RMB5.23 trillion and that for direct investment was RMB 2.46 trillion in 2016.

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Aggregate financing to the real economy in 2016

According to preliminary statistics, the aggregate financing to the real economy increased by RMB 17.8 trillion in 2016, RMB 2.4 trillion more than last year. Among that, RMB loan to the real economy increased by RMB 12.44 trillion, foreign currency loan to the real economy decreased by an equivalent of RMB 564 billion, and entrusted loan increased by RMB 2.19 trillion.

The aggregate financing to the real economy was RMB 155.99 trillion in 2016, up 12.8% year-on-year. Among that, the balance of RMB loan to the real economy was RMB 105.19 trillion, up 13.4% year-on-year, and the balance of foreign currency loan to the real economy was RMB 2.63 trillion equivalent, down 12.9% year-on-year.

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