



Press Release

January 2021

Bank of China Manila is the Official RMB Clearing Bank of PH

In support of a growing local renminbi (RMB) market, Bank of China Manila has been officially established as the RMB Clearing Bank of the Philippines. This comes following the initial memorandum of understanding signed by the People's Bank of China and the Bangko Sentral ng Pilipinas in 2018.

As the designated clearing bank for RMB business in the Philippines, Bank of China Manila can process the settlement of accounts and other core RMB services such as remittance, foreign exchange, liquidity support, and banknotes for the local participating banks. It can also provide local market participants with access to mainland China's CNY onshore rates as an alternative to the more accessible CNH rate. CNY is the RMB rate that can only be traded on-shore (in mainland China) or through Clearing Banks appointed by the PBOC internationally. By making it easier to trade with counterparties in mainland China, Bank of China Manila can help improve the economic and trade partnership to promote development between Philippines and China.

On January 16, 2021, the Ceremonial launch of RMB Clearing Bank in the Philippines operated by Bank of China Manila was held at Shangrila The Fort in Taguig. H.E. Wang Yi, State Councilor and Minister of Foreign Affairs of China, and Chinese Ambassador Huang Xilian, together with Bangko Sentral Governor Benjamin Diokno and Department of Foreign Affairs Secretary Teodoro Locson Jr., unveiled the launch.

"We've seen tourists, traders, and investors grow more confident in using the currency in the local market," said Deng Jun. "As we work towards growing the market even further, this establishment will help us provide more focused RMB services to all the local participating banks." He further thanked the People's Bank of China and the Bangko Sentral ng Pilipinas for their great support and guidance in establishing the RMB Clearing Bank in the Philippines.

The Philippines is one of the fastest growing RMB markets in Southeast Asia. In June 2020 data from the Society for Worldwide Interbank Financial Telecommunication (SWIFT) network showed the Philippines ranked first in the region in terms of growth rate of RMB clearing volume this year, ahead of countries like Singapore, Indonesia, and Malaysia.

The total volume of RMB cleared in 2020 was CNY 447 billion, a 133.8 percent increase compared to 2019's total of CNY 191 billion.



The Bangko Sentral ng Pilipinas (BSP) also welcomed the establishment of the RMB clearing bank.

BSP Governor Benjamin E. Diokno said that the establishment of an RMB clearing bank in the country is an important step in the currency diversification of the local market. “This opens up a lot of opportunities for local business in the easing of transactions and reducing the cost of settlement between Philippine and Chinese companies. As we further diversify the currency basket in the local market, we move towards an environment with more choice, and that is good for business.” He further thanked Bank of China for this contribution to the development of the financial markets of the country.

###



(L-R) DFA Secretary Teodoro Locsin, Jr. and BSP Governor Benjamin Diokno together with Chinese Ambassador to the Philippines Huang Xilian and State Councilor and Minister of Foreign Affairs of China Wang Yi unveiled the RMB Clearing Bank launch of BOC Manila.

About Bank of China

Founded in 1912, Bank of China is China’s most international and diversified bank with operations in 61 countries and regions overseas where it provides a comprehensive range of financial services to customers. In the Philippines since 2002, Bank of China continues to pursue its mission of bridging Chinese and Philippine trade and investments through corporate banking, personal banking, and financial markets services, facilitating more Chinese investments in key sectors of the fast-growing Philippine economy, investing in a Renminbi (RMB) transfer system to encourage the settlement of payments in RMB.

About RMB development in the Philippines

2009 Bank of China was designated by the People’s Bank of China to to be the RMB Banknotes Clearing Bank in the Philippines, with the endorsement of BSP, which allowed local banks to start their RMB banknotes business.



- 2014 The RMB Transfer System was launched to facilitate the sending and receiving of RMB payments and transfers in real-time within the Philippines and to and from global payment systems.
- 2018 The Philippine government successfully issued CNY 1.46 billion worth of Panda Bonds, with Bank of China as the lead underwriter.
- 2018 13 of the country's biggest local banks, including Bank of China, signed a MOA to officially create the Philippine RMB Trading Community.
- 2019 Second Panda Bonds was successfully issued worth CNY2.5 billion
- 2019 Bank of China was appointed by the People's Bank of China as the RMB Clearing Bank in the Philippines.

For more information, visit bankofchina.com.ph