



THE PEOPLE'S BANK OF CHINA

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2023

Editor in chief **RESEARCH INSTITUTE OF THE PEOPLE'S BANK OF CHINA**



China Financial Publishing House

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MESSAGE FROM THE GOVERNOR

In 2023, the People's Bank of China (PBOC), under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, implemented the decisions of the Communist Party of China (CPC) Central Committee and the State Council, and launched a mix of policy tools. It strengthened countercyclical adjustments when necessary, effectively forestalled and defused financial risks, continued to deepen financial reform, improved financial services, actively participated in international economic and financial governance and cooperation, and comprehensively strengthened Party building, creating a favorable monetary and financial environment for the sustained recovery and high-quality development of the Chinese economy.

The sound monetary policy was targeted and effective

The PBOC employed several monetary policy tools to keep liquidity abundant at a reasonable level and maintain stable money and credit growth. It cut the required reserve ratio (RRR) in March and September 2023, releasing over RMB1 trillion of long-term liquidity. It lowered policy rates in June and August, driving down market interest rates including the loan prime rate (LPR). The PBOC guided down the interest rates on existing first-home mortgages, benefiting around 160 million individuals in 53.25 million households and saving approximately RMB170 billion in annual interest cost. The PBOC provided guidance to financial institutions when necessary to ensure that the aggregate credit supply was appropriate and grew at a stable pace. At the end of 2023, broad money supply (M_2), aggregate financing to the real

economy (AFRE), and outstanding RMB loans increased by 9.7 percent, 9.5 percent, and 10.6 percent year-on-year, respectively, providing solid financial support for the real economy. As the PBOC redoubled efforts to guide and manage expectations, cut the RRR for foreign currency deposits in financial institutions, and raised macroprudential adjustment parameters for cross-border financing, the RMB exchange rate remained basically stable at an adaptive and equilibrium level.

The quality and efficiency of financial services for key areas and weak links were improved

The PBOC increased the central bank lending and discount quota for agriculture and small businesses by RMB250 billion to support micro and small businesses (MSBs) as well as disaster relief and reconstruction efforts in some provinces (municipalities). It continued to provide the inclusive MSB loan facility and the carbon emission reduction facility (CERF). It convened two meetings on supporting private enterprises, and led the development of 25 measures for providing financial support for growing the private sector. An additional quota of RMB500 billion in pledged supplementary lending (PSL) was made available to support the construction of government-subsidized housing, the development of public infrastructure for both normal and emergency uses, and the renovation of urban villages, all intended to foster a new development pattern for the real estate sector. At the end of 2023, outstanding inclusive loans to MSBs, outstanding loans to small and medium-sized tech companies, outstanding



medium- and long-term loans to manufacturing enterprises, and outstanding green loans increased by 23.5 percent, 21.9 percent, 31.9 percent, and 36.5 percent year-on-year, respectively, all well above the average growth rate of all loans.

Financial risks in key areas were resolved in a prudent manner

The PBOC cooperated with related departments and local governments to properly manage risks in key regions and institutions. It optimized the financial policy for the real estate sector, reduced the minimum down payment ratio across the country, lowered the floor on mortgage rates for second homes, and extended the 16 financial measures adopted in 2022 to ensure the steady development of the real estate sector. The PBOC stepped up financial support for the timely delivery of presold homes through special loans and a loan support program for such efforts. The PBOC pushed forward in an orderly manner the work on financial support for the mitigation of debt risks associated with financing vehicles. It strengthened the financial safety net, as well as institution building for deposit insurance and the financial stability guarantee fund.

Progress was made in international financial cooperation

In line with the deployment of the CPC Central Committee, the PBOC proactively participated in international economic and financial governance and cooperation,

pushing forward global macroeconomic policy coordination. It played a leading role in setting up the China-US and China-EU financial working groups and the work under the working groups progressed smoothly. It strengthened dialogue and communication with the International Monetary Fund (IMF) and the central banks of other major economies to address key concerns. It developed an RMB liquidity arrangement with the Bank for International Settlements (BIS). The Plenary Meeting of the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG) was successfully convened. Additionally, the PBOC co-led the efforts to advance the work of the Group of 20 (G20) Sustainable Finance Working Group (SFWG).

Reform and opening-up of the financial sector was further deepened

The PBOC continued to improve the framework for monitoring and analyzing systemic financial risks and the macro economy, tracking and monitoring risks in key areas. It released the 2023 list of systemically important banks (SIBs) based on assessment, and consolidated additional supervision and regulation. It published the *Measures for the Assessment of Systemically Important Insurers*. It promoted the institution building and high-quality development of the financial market, strengthened the management of bond market valuation business, and accelerated the development of over-the-counter bond business. The PBOC also implemented a package of measures to facilitate investment in the bond



market, and optimized the Bond Connect and the China Interbank Bond Market (CIBM) Direct. The PBOC issued a bank card clearing license to Mastercard-NetsUnion Clearing Corporation Information Technology (Beijing) Co., Ltd, according to the law. It launched the mutual access between the mainland and Hong Kong interest rate swap markets (Swap Connect). It introduced a package of cross-border trade and investment facilitation measures nationwide, and expanded the pilot of high-level opening-up of cross-border trade and investment. The PBOC also promoted the international use of the RMB in a prudent and steady manner. In 2023, the share of the RMB in cross-border receipts and payments in trade in goods increased by 6.6 percentage points year-on-year to 24.8 percent, making it the largest cross-border receipt and payment currency in China. In November, the RMB became the fourth most active currency for global payments by value.

Financial management and services continued to improve

The PBOC expedited the making and amendment of major laws, including the *Law on the People's Bank of China*, the *Financial Stability Law*, the *Anti-Money Laundering Law*, and the *Regulations on Foreign Exchange Administration*. It issued the *Regulations on the Supervision and Administration of Non-Bank Payment Institutions*. It expanded the data sharing of the national basic financial database, and enhanced its quality and efficiency. The RMB Cross-Border Interbank Payment System (CIPS) now has 139 direct participants, a year-on-year increase of 80.5 percent, and it provided services as usual for the first time during the 2023 National Day holiday. The PBOC steadily pushed forward the e-CNY pilot, and focused on enhancing payment services for both Chinese

MESSAGE FROM THE GOVERNOR

residents and foreign visitors. It strengthened the management of cash services and launched a targeted campaign against refusal to accept cash payments in RMB. It persisted in advancing the state treasury project, enabling 206 banking institutions to offer cross-provincial electronic tax payment services. It facilitated the establishment of 31 provincial credit reporting platforms, as well as launched the national credit rating quality supervision information platform. The three-year initiative to combat and control money laundering and related illegal activities yielded significant results.

The year 2024 marks the 75th anniversary of the founding of the People's Republic of China. Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the PBOC will implement the decisions of the 20th CPC National Congress and the second plenary session of the 20th CPC Central Committee, earnestly put into action the decisions of the Central Economic Work Conference and the Central Financial Work Conference, uphold the centralized and unified leadership of the CPC Central Committee over financial undertakings, stay on the path of financial development with Chinese characteristics, accelerate efforts to transform China into a financial powerhouse, and contribute to Chinese modernization with high-quality financial development.

Pan Gongsheng
Governor of the People's Bank of China

MANAGEMENT OF THE PEOPLE’S BANK OF CHINA



Pan Gongsheng

Governor of the PBOC and Secretary of
the CPC Committee of the PBOC

Note: Management information disclosed in this report is as of end-2023.

MANAGEMENT OF THE PEOPLE'S BANK OF CHINA



Zhu Hexin

Deputy Governor and Member of
the CPC Committee of the PBOC
Administrator of the SAFE and Secretary of
the CPC Leadership Group of the SAFE



Qu Jishan

Chief Inspector of the Discipline
Inspection Team Stationed at
the PBOC and Member of
the CPC Committee of the PBOC



Zhang Qingsong

Deputy Governor and Member of
the CPC Committee of the PBOC



Xuan Changneng

Deputy Governor and Member of
the CPC Committee of the PBOC



Lu Lei

Deputy Governor and Member of
the CPC Committee of the PBOC

MEMBERS OF THE MONETARY POLICY COMMITTEE OF THE PBOC

Chairman	Pan Gongsheng	Governor, the People’s Bank of China
Members	Xu Shouben	Deputy Secretary-General, the State Council
	Li Chunlin	Vice Chairman, the National Development and Reform Commission
	Liao Min	Vice Minister, the Ministry of Finance
	Liu Guoqiang	Deputy Governor, the People’s Bank of China
	Zhang Qingsong	Deputy Governor, the People’s Bank of China
	Li Yunze	Minister, the National Financial Regulatory Administration
	Yi Huiman	Chairman, the China Securities Regulatory Commission
	Kang Yi	Commissioner, the National Bureau of Statistics
	Zhu Hexin	Administrator, the State Administration of Foreign Exchange
	Tian Guoli	President, the China Banking Association
	Liu Shijin	Vice Chairman, the China Development Research Foundation
	Cai Fang	Chief Expert, the National Think Tank, the Chinese Academy of Social Sciences
	Wang Yiming	Vice Chairman, the China Center for International Economic Exchanges

Note: Information on members of the Monetary Policy Committee disclosed in this report is as of end-2023. Liu Guoqiang served as deputy governor of the PBOC and member of the CPC Committee of the PBOC until December 2023.

ORGANIZATIONAL STRUCTURE OF THE PBOC

ORGANIZATIONS OF THE PBOC (NUMBER)

Departments and Bureaus of the Headquarters	22
Enterprises and Institutions Directly under the PBOC	21
Overseas Offices	11
Departments of the Shanghai Head Office	14
Provincial-Level Branches	31
Branches in Cities Specifically Designated in the State Plan	5
Branches in Prefectural-Level Cities	317
County-Level Sub-Branches	1 761

THE PBOC HEADQUARTERS

General Administration Department (General Office of the CPC Committee of the PBOC)
Legal Affairs Department
Research Bureau
Monetary Policy Department
Macroprudential Management Bureau
Financial Market Department
Financial Stability Bureau
Statistics and Analysis Department
Payment and Settlement Department
Technology Department
Currency, Gold, and Silver Bureau (Security Bureau)
State Treasury Bureau
International Department (Office of Hong Kong, Macao, and Taiwan Affairs)
Credit Information Management Bureau
Anti-Money Laundering Bureau
Accounting and Treasury Department
Internal Auditing Department (Office of Leading Group for Inspection Work of the CPC Committee of the PBOC)
Human Resources Department (Organization Division of the CPC Committee of the PBOC)
Education Department of the CPC Committee of the PBOC (Mass Work Division of the CPC Committee of the PBOC)
Office of Senior Advisors
CPC Committee of the PBOC Headquarters
Retired Staff Service Bureau

Note: Organizational structure disclosed in this report is as of end-2023.



GOVERNMENT AGENCY DIRECTLY UNDER THE PBOC

State Administration of Foreign Exchange

THE PBOC SHANGHAI HEAD OFFICE (PBOCSHO)

General Administration Department (General Office of
the CPC Committee of the PBOCSHO)
Open Market Operations Department
Financial Market Department
Financial Stability Department
Statistics and Research Department
International Department
Financial Services Department I
Financial Services Department II
Foreign Exchange Department
Human Resources Department (Organization and
Education Division of the CPC Committee of the PBOCSHO)
Discipline Inspection and Supervision Office (Internal
Auditing)
RMB Cross-Border Business Department
Financial Consumer Protection Department
On-Site Inspection Department

ORGANIZATIONAL STRUCTURE OF THE PBOC

THE PBOC PROVINCIAL-LEVEL BRANCHES

The PBOC Shanghai Branch (the SAFE Shanghai Bureau)

The PBOC Beijing Branch (the PBOC Operation Office, and the SAFE Beijing Bureau)

The PBOC Tianjin Branch (the SAFE Tianjin Bureau)

The PBOC Hebei Branch (the SAFE Hebei Bureau, and the PBOC Hebei Branch Operation Office)

The PBOC Shanxi Branch (the SAFE Shanxi Bureau, and the PBOC Shanxi Branch Operation Office)

The PBOC Inner Mongolia Autonomous Region Branch (the SAFE Inner Mongolia Autonomous Region Bureau, and the PBOC Inner Mongolia Autonomous Region Branch Operation Office)

The PBOC Liaoning Branch (the SAFE Liaoning Bureau, and the PBOC Liaoning Branch Operation Office)

The PBOC Jilin Branch (the SAFE Jilin Bureau, and the PBOC Jilin Branch Operation Office)

The PBOC Heilongjiang Branch (the SAFE Heilongjiang Bureau, and the PBOC Heilongjiang Branch Operation Office)

The PBOC Jiangsu Branch (the SAFE Jiangsu Bureau, and the PBOC Jiangsu Branch Operation Office)

The PBOC Zhejiang Branch (the SAFE Zhejiang Bureau, and the PBOC Zhejiang Branch Operation Office)

The PBOC Anhui Branch (the SAFE Anhui Bureau, and the PBOC Anhui Branch Operation Office)

The PBOC Fujian Branch (the SAFE Fujian Bureau, and the PBOC Fujian Branch Operation Office)

The PBOC Jiangxi Branch (the SAFE Jiangxi Bureau, and the PBOC Jiangxi Branch Operation Office)

The PBOC Shandong Branch (the SAFE Shandong Bureau, and the PBOC Shandong Branch Operation Office)

The PBOC Henan Branch (the SAFE Henan Bureau, and the PBOC Henan Branch Operation Office)

The PBOC Hubei Branch (the SAFE Hubei Bureau, and the PBOC Hubei Branch Operation Office)

The PBOC Hunan Branch (the SAFE Hunan Bureau, and the PBOC Hunan Branch Operation Office)

The PBOC Guangdong Branch (the SAFE Guangdong Bureau, and the PBOC Guangdong Branch Operation Office)

The PBOC Guangxi Zhuang Autonomous Region Branch (the SAFE Guangxi Zhuang Autonomous Region Bureau, and the PBOC Guangxi Zhuang Autonomous Region Branch Operation Office)

The PBOC Hainan Branch (the SAFE Hainan Bureau, and the PBOC Hainan Branch Operation Office)

The PBOC Chongqing Branch (the SAFE Chongqing Bureau)

The PBOC Sichuan Branch (the SAFE Sichuan Bureau, and the PBOC Sichuan Branch Operation Office)

The PBOC Guizhou Branch (the SAFE Guizhou Bureau, and the PBOC Guizhou Branch Operation Office)

The PBOC Yunnan Branch (the SAFE Yunnan Bureau, and the PBOC Yunnan Branch Operation Office)

The PBOC Xizang Autonomous Region Branch (the SAFE Xizang Autonomous Region Bureau, and the PBOC Xizang Autonomous Region Branch Operation Office)

Note: The PBOC Shanghai Branch and the PBOC Shanghai Head Office share the premises.



The PBOC Shaanxi Branch (the SAFE Shaanxi Bureau, and the PBOC Shaanxi Branch Operation Office)

The PBOC Gansu Branch (the SAFE Gansu Bureau, and the PBOC Gansu Branch Operation Office)

The PBOC Qinghai Branch (the SAFE Qinghai Bureau, and the PBOC Qinghai Branch Operation Office)

The PBOC Ningxia Hui Autonomous Region Branch (the SAFE Ningxia Hui Autonomous Region Bureau, and the PBOC Ningxia Hui Autonomous Region Branch Operation Office)

The PBOC Xinjiang Uygur Autonomous Region Branch (the SAFE Xinjiang Uygur Autonomous Region Bureau, and the PBOC Xinjiang Uygur Autonomous Region Branch Operation Office)

THE PBOC BRANCHES IN CITIES SPECIFICALLY DESIGNATED IN THE STATE PLAN

The PBOC Dalian Branch (the SAFE Dalian Bureau)

The PBOC Ningbo Branch (the SAFE Ningbo Bureau)

The PBOC Xiamen Branch (the SAFE Xiamen Bureau)

The PBOC Qingdao Branch (the SAFE Qingdao Bureau)

The PBOC Shenzhen Branch (the SAFE Shenzhen Bureau)



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GLOBAL ECONOMIC AND FINANCIAL DEVELOPMENTS

Economic and financial developments in major economies

Economic recovery diverged across regions. The US economy was stable, as its gross domestic product (GDP) grew by 2.5 percent in 2023, up from 1.9 percent in 2022. The Manufacturing Purchasing Managers' Index (PMI) of the Institute for Supply Management (ISM) remained below 50 throughout the year. The European economy was sluggish, with the GDP in the euro area expanding by 0.4 percent in 2023, significantly below the 3.4 percent in 2022. The UK economy grew by 0.1 percent in 2023. The manufacturing PMI in the euro area and the UK both remained below 50 in 2023. The services PMI in the euro area had also been under 50 since August. Japan's economy slowed down significantly in the second half-year, and its GDP grew by 1.9 percent in 2023.^①

Inflationary pressures eased. As monetary tightening continued to bite, inflationary pressures in major advanced economies eased in 2023. In December, the US consumer price index (CPI) increased by 3.4 percent year-on-year, down by 3.1 percentage points from the 6.5 percent in December 2022. The CPI in the euro area and the UK rose by 2.9 percent and 4 percent year-on-year, respectively. The core CPI was sticky,

as wages grew fast when the labor market remained tight. In December, the core CPI in the US, the euro area, and the UK increased by 3.9 percent, 3.4 percent, and 5.1 percent year-on-year, respectively, all dropping by less than 2 percentage points from the end of 2022.

The labor market remained solid. In 2023, the unemployment rate in the US and the euro area fluctuated within 3~4 percent and 6.4~6.5 percent, both at historic lows. The labor force participation rate in the US slightly increased by 0.1 percentage point from the end of 2022 to 62.5 percent at the end of 2023, which was still below pre-COVID levels. In December, the number of job openings in the US was 8.89 million, a slight decrease from the monthly average of around 10 million in 2022, but was still significantly higher than pre-COVID levels. In the fourth quarter of 2023, the job vacancy rate in the euro area was 2.7 percent, also a historic high.

High volatility in global financial markets

The major stock market indexes increased. In 2023, the US S&P 500, EURO STOXX50, and Nikkei 225 grew by 24.23 percent, 19.19 percent, and 28.24 percent, respectively. Global stock markets fluctuated sharply between August and October, with the above three indexes

① The external data cited in this report are primarily sourced from the National Bureau of Statistics, statistical departments and central banks of major economies, and the IMF.



showing significant corrections. However, the stock market then resumed gains. By the end of 2023, the three major indexes had gained by 13.74 percent, 11.34 percent, and 8.44 percent respectively from the end of October.

Bond market yields experienced significant fluctuations. Prior to mid-October 2023, yields on government bonds issued by major advanced economies fluctuated upward. In November, as global inflationary pressures eased and economic activities weakened, expectations for interest rate cuts intensified, leading to a significant decline in the yields on 10-year government bonds in major advanced economies. At the end of 2023, the 10-year US Treasury bond yield reached 3.88 percent, same as the end of the previous year. The yields on the 10-year German and UK government bonds were 2.10 percent and 3.62 percent, respectively, a decrease of 41 and 18 basis points (bps) from the end of the previous year.

The US dollar index fluctuated downward, and non-US currencies showed mixed performance. In 2023, the US dollar index mostly fluctuated significantly above 100. In the first three quarters, the US economy outperformed expectations, and markets expected the Federal Reserve (Fed) to continue interest rate hikes. As a result, the US dollar index fluctuated upward, reaching an annual high of 107.07 in early October. However, the Fed kept rates on hold in the fourth quarter amid weaker-than-expected non-farm payrolls. This caused the US dollar index to decline. At the end of 2023, it settled at 101.38, falling by 2.09 percent in 2023. The euro closed at 1.1 dollar per euro, appreciating by 2.8 percent in the year, and the British pound strengthened by nearly 5 percent to 1.27 dollar per pound sterling, while

the Japanese yen depreciated by 7.56 percent to 141.03 yen per dollar.

Commodity prices experienced large swings. In 2023, a confluence of factors including moderating global inflation, a slowing economy, the pause in rate hikes by major economies, and geopolitical tensions increased the volatility of commodity prices. Due to significant production cuts by major oil-producing countries beginning in the second quarter, coupled with a gloomy global economic outlook that threatened to undermine oil demand, the prices of West Texas Intermediate (WTI) crude oil futures and Brent crude oil futures dropped by 10.7 percent and 10.3 percent in 2023, respectively. As the impact of the COVID-19 receded and global production of major agricultural products recovered, corn and wheat prices fell by 30.5 percent and 20.7 percent, respectively. Gold prices rose by a cumulative 13.8 percent amid ongoing geopolitical conflicts and growing global risk aversion. Copper prices were stable, rising slightly by 1 percent.

Global economic and financial outlook

The momentum for economic growth is abating. In 2023, the global economy exhibited resilience, largely due to the lingering effects of prior economic stimulus measures. As these effects fade and implications of unilateralism, geopolitical tensions, and industrial chain restructuring continue to weigh on growth, the global economy is likely to weaken further down the road. The IMF projected that the global economic growth would stabilize at 3.2 percent in 2024 and 2025, slower than the annual average of 3.8 percent from 2000 to 2019. The World Bank and the Organization for Economic Co-operation and

GLOBAL ECONOMIC AND FINANCIAL DEVELOPMENTS

Development (OECD) also anticipated a more subdued global economic growth. They projected the global economy to grow by 2.4 percent and 3.1 percent in 2024, respectively.

Inflation is expected to fall further. In 2023, inflation in major advanced economies fell significantly from a high of around 10 percent in the previous year to 3~4 percent. The bottlenecks in global supply chains have been largely resolved, and consumer demand is expected to cool down a bit. Therefore, inflation in major economies is likely to continue its downward trend. Given the stickiness of services inflation and the potential rebound in commodity prices triggered by geopolitical factors, bringing down inflation remains a gradual process. According to the IMF forecast, global inflation will gradually decline from 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025, and the core inflation will fall even more slowly.

There is substantial uncertainty regarding the timing of interest rate cuts by central banks in major advanced economies. During this round of interest rate hikes, the US Fed, the European Central Bank (ECB), and the Bank of England (BOE) swiftly increased rates by 525 450 and

515 bps, respectively. Since the fourth quarter of 2023, the Fed, the ECB, and the BOE have paused their rate hikes. Given the unclear economic and inflation outlooks, central banks must weigh the risk of inflation going up again due to cutting rates too early against the risk of an economic downturn caused by easing too late. The timing and path of future interest rate cuts are highly uncertain.

Geopolitical risks are on the rise. First, over 70 countries and regions, including the US as well as major emerging economies such as Russia and India, will hold elections in 2024. Not only will the election results affect the global political and economic landscapes, but the uncertainty surrounding electoral processes will also disrupt the global economy. Second, the Russia-Ukraine conflict has raged on for nearly two years, with both sides locked in a stalemate and no progress made in negotiations, signaling potential for the conflict to become protracted. Third, although the resurgence of the Israeli-Palestinian conflict is confined to the Gaza Strip, the possibility of broader escalation cannot be ruled out. All these risks may add to uncertainties in global economic development.

ECONOMIC DEVELOPMENTS IN CHINA

In 2023, confronted with a complex and challenging environment abroad and the daunting tasks of pursuing reform, development, and stability at home, the Chinese government adhered to the general principle of seeking progress while maintaining stability, and intensified macroeconomic adjustments, with focus on expanding domestic demand, optimizing economic structure, boosting confidence, and preventing and defusing risks. Thanks to these efforts, the national economy recovered, supply and demand steadily improved, industries were optimized through transformation and upgrading, and high-quality development advanced in a solid manner.

Economic growth picked up and high-quality development advanced in a solid manner

China's GDP reached RMB126.06 trillion in 2023, up by 5.2 percent year-on-year in real terms, which was 2.2 percentage points higher than the previous year. The quarterly growth rates were 4.5 percent, 6.3 percent, 4.9 percent, and 5.2 percent, respectively. By sector, the value-added of the primary, secondary, and tertiary industries reached RMB8.98 trillion, RMB48.26 trillion, and RMB68.82 trillion, up by 4.1 percent, 4.7 percent, and 5.8 percent, respectively.

In terms of the industrial value-added as a share of GDP, the primary industry registered 7.1 percent, a decline of 0.2 percentage point from the previous year; the secondary industry posted 38.3 percent, a drop of 1.0 percentage point from the previous year; and the tertiary industry was 54.6 percent, up by 1.2 percentage points from the previous year. In terms of their contribution to

economic growth, the three sectors' contribution rates were approximately 5.9 percent, 33.9 percent, and 60.2 percent, respectively. The contribution of the primary industry decreased by 4.9 percentage points from the previous year, while that of the tertiary industry increased by 4.9 percentage points.

Industrial production accelerated, albeit with a slight dip in corporate profits

The total industrial value-added reached RMB39.9 trillion in 2023, up by 4.2 percent year-on-year, which was 1.5 percentage points higher than the previous year. The value-added of statistically large enterprises (SLEs) rose by 4.6 percent, 1.0 percentage point higher than the previous year. By sector, mining grew by 2.3 percent, manufacturing by 5.0 percent, and the electricity, thermo power, gas, and water production and supply sector by 4.3 percent. In 2023, SLEs generated a profit of RMB7.69 trillion, down by 2.3 percent year-on-year. By sector,

the mining sector reported a profit of RMB1.2392 trillion, down by 19.7 percent year-on-year; the manufacturing sector achieved a total profit of RMB5.7644 trillion, down by 2.0 percent year-on-year; and the electricity, thermo power, gas, and water production and supply sector posted a total profit of RMB682.2 billion, up by 54.7 percent year-on-year. In 2023, the operating profit margin for SLEs stood at 5.76 percent, a 0.2-percentage-point drop from the previous year, pointing to a modest decline in industrial profitability. Among the 41 major industrial categories, 27 reported a year-on-year increase in total profits, while 14 suffered a decline.

Consumption emerged as the primary driver of growth, with a declining contribution from external demand

Final consumption expenditure contributed 82.5 percent to economic growth in 2023, boosting the GDP growth by 4.3 percentage points. The total retail sales of consumer goods for the year amounted to RMB47.15 trillion, up by 7.2 percent year-on-year. By residence, urban retail sales of consumer goods hit RMB40.75 trillion, up by 7.1 percent year-on-year, while rural retail sales reached RMB6.40 trillion, representing a year-on-year increase of 8.0 percent. By types of consumption, merchandise retail sales hit RMB41.86 trillion, up by 5.8 percent year-on-year, and food and beverage revenue reached RMB5.29 trillion, a surge of 20.4 percent. Annual online retail sales totaled RMB15.43 trillion, up by 11.0 percent compared with the prior year. In particular, online retail sales of physical goods alone went up by 8.4 percent year-on-year to RMB13.02 trillion, accounting for 27.6 percent of total retail sales of consumer goods, an increase of 0.4 percentage point from the previous year.

The contribution of total capital formation to economic growth stood at 28.9 percent, boosting the GDP growth by 1.5 percentage points. Annual fixed asset investment (excluding rural households) posted RMB50.30 trillion, up by 3.0 percent year-on-year. By breakdown, investment in the primary sector stood at RMB1.01 trillion, down by 0.1 percent year-on-year, while investment in the secondary and tertiary sectors amounted to RMB16.21 trillion and RMB33.08 trillion, respectively, up by 9.0 percent and 0.4 percent year-on-year. More specifically, infrastructure investment grew by 5.9 percent year-on-year, manufacturing investment increased by 6.5 percent year-on-year, and real estate development investment fell by 9.6 percent year-on-year. Private investment decreased by 0.4 percent, but increased by 9.2 percent when real estate development investment is excluded. Investment in hi-tech industries showed strong growth, up by 10.3 percent year-on-year, outpacing total investment growth by 7.3 percentage points.

The contribution of net exports of goods and services to economic growth was -11.4 percent, subtracting 0.6 percentage point from the GDP growth. Total annual exports and imports of goods were valued at RMB41.76 trillion, up by 0.2 percent year-on-year. Exports reached RMB23.77 trillion, up by 0.6 percent year-on-year, while imports totaled RMB17.98 trillion, down by 0.3 percent year-on-year. There was a trade surplus of RMB5.79 trillion, an increase of RMB193.8 billion from the previous year. The exports and imports by private enterprises grew by 6.3 percent, and accounted for 53.5 percent of the total trade value, 3.1 percentage points higher than the previous year. The total trade value between China and countries and regions



participating in the Belt and Road Initiative (BRI) increased by 2.8 percent year-on-year, constituting 46.6 percent of China's total trade value, an increase of 1.2 percentage points from the previous year. The exports of mechanical and electrical products rose by 2.9 percent to account for 58.6 percent of the total export value.

Consumer prices rose moderately, whereas industrial production prices fell year-on-year

In 2023, the CPI increased by 0.2 percent year-on-year, 1.8 percentage points lower than that in 2022. By category, food prices decreased by 0.3 percent year-on-year, compared with an increase of 2.9 percent in the previous year; non-food prices rose by 0.4 percent year-on-year, 1.4 percentage points lower than the increase in the previous year; prices of consumer goods fell by 0.3 percent year-on-year, compared with a rise of 2.7 percent in the previous year; and services prices increased by 1.0 percent year-on-year, 0.2 percentage point higher than that in the previous year. The core CPI, which excludes food and energy prices, remained generally stable, rising by 0.7 percent year-on-year, 0.2 percentage point lower than the increase in the previous year.

The Producer Price Index (PPI) for industrial goods dropped by 3.0 percent year-on-year, compared with an increase of 4.1 percent in the previous year. By category, consumer goods saw a year-on-year price drop of 0.1 percent, compared with an increase of 1.5 percent in the previous year; and capital goods experienced a year-on-year price drop of 3.8 percent, compared with an increase of 5.1 percent in the previous year. The purchasing price index of raw

materials (PPIRM) fell by 3.6 percent year-on-year, compared with an increase of 6.3 percent in the previous year.

Employment remained generally stable, and the urban-rural income gap further narrowed

In 2023, 12.44 million jobs were created in urban areas, an increase of 380 000 over the previous year. The national average urban surveyed unemployment rate was 5.2 percent, a decrease of 0.4 percentage point from the previous year, and the year-end rate was 5.1 percent. The national per capita disposable income was RMB39 218, up by 6.1 percent in real terms, an increase of 3.2 percentage points from the previous year. Specifically, the per capita disposable income of urban residents was RMB51 821, a real increase of 4.8 percent, and that of rural residents was RMB21 691, a real increase of 7.6 percent. The per capita income ratio between urban and rural residents stood at 2.39, down by 0.06 from the previous year.

Fiscal revenue growth accelerated, while expenditure growth moderately decelerated

In 2023, national general public budget revenue amounted to RMB21.68 trillion, up by 6.4 percent year-on-year, 5.8 percentage points higher than the previous year. By breakdown, central general public budget revenue stood at RMB9.96 trillion, up by 4.9 percent year-on-year to constitute 45.9 percent of total national general public budget revenue, while local general public budget revenue went up by 7.8 percent year-on-year to RMB11.72 trillion, accounting for 54.1 percent of the total. By revenue structure, tax revenue was

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up by 8.7 percent year-on-year to RMB18.11 trillion, comprising 83.6 percent of the total, while non-tax revenue was down by 3.7 percent to RMB3.57 trillion, accounting for 16.4 percent of the total.

National general public budget expenditure for the year totaled RMB27.46 trillion, up by 5.4 percent from the previous year, with the growth rate decelerating by 0.7 percentage

point from the previous year. Central and local general public budget expenditure went up by 7.4 percent and 5.1 percent from the prior year, respectively, to RMB3.82 trillion and RMB23.64 trillion. By expenditure structure, spending on social security and employment, science and technology (sci-tech), and education saw rapid growth, increasing by 8.9 percent, 7.9 percent, and 4.5 percent year-on-year, respectively.

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The broad money supply grew at a reasonable pace

At end-2023, outstanding M_2 , narrow money supply (M_1), and currency in circulation (M_0) grew by 9.7 percent, 1.3 percent, and 8.3 percent year-on-year to RMB292.27 trillion, RMB68.05 trillion, and RMB11.34 trillion, respectively. The net cash supply hit RMB881.5 billion.

The AFRE grew at a steady pace

Outstanding AFRE reached RMB378.08 trillion at end-2023, up by 9.5 percent from the previous year. The total increase for the year amounted to RMB35.58 trillion, which was RMB3.57 trillion more than that in the previous year. The main structural features were as follows: First, RMB loans continued to grow at a reasonable pace. Second, compared with the previous year, government bond financing grew faster, while enterprise bond financing decelerated. Third, in off-balance-sheet financing, trust loans grew faster year-on-year, entrusted loans grew more slowly, and undiscounted banker's acceptances fell at a slower pace.

Lending by financial institutions grew fast, and the credit structure continued to improve

At end-2023, outstanding loans by financial institutions in domestic and foreign currencies

reached RMB242.24 trillion, up by 10.1 percent year-on-year. Outstanding RMB loans grew by 10.6 percent, or by RMB22.75 trillion, to RMB237.59 trillion, RMB1.31 trillion more than that in the previous year. At end-2023, inclusive loans to MSBs maintained a robust growth rate of over 20 percent year-on-year. The year-on-year growth rates of medium- and long-term loans to the manufacturing sector and green loans exceeded 30 percent. The growth of loans to small and medium-sized tech companies and enterprises that use special and sophisticated technologies to produce novel and unique products outpaced the overall loan growth. These developments point to further optimization in the allocation of credit resources.

Deposits with financial institutions grew steadily

At end-2023, outstanding domestic and foreign currency deposits with financial institutions amounted to RMB289.91 trillion, up by 9.6 percent year-on-year. Outstanding RMB deposits reached RMB284.26 trillion, up by 10 percent year-on-year. Throughout the year, RMB deposits rose by RMB25.74 trillion, a year-on-year decrease of RMB510.1 billion from the previous year. Outstanding deposits in foreign currencies reached US\$797.8 billion, a year-on-year decline of 6.6 percent. Foreign currency deposits dropped by US\$56.1 billion in 2023, US\$86.9 billion less than the decrease in the

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previous year.

Money market interest rates continued to decline

At end-2023, the overnight and 7-day Shanghai Interbank Offered Rate (Shibor) were 1.75 percent and 1.87 percent, respectively, a decrease of 21 bps and 35 bps year-on-year.

The weighted average interest rates on loans were at lowest levels since records began

At end-2023, the 1-year and 5-year LPR stood at 3.45 percent and 4.2 percent, respectively, a decrease of 0.2 percentage point and 0.1 percentage point from the corresponding period of the previous year. In December, the weighted average interest rate for loans was 3.83 percent, a year-on-year decline of 0.31 percentage point. Specifically, the weighted average interest rate on general loans was 4.35 percent, a year-on-year decrease of 0.22 percentage point, and that on corporate loans was 3.75 percent, down by 0.22 percentage point from the previous year.

Bond yields dropped

At end-2023, the yields on 1-year, 3-year, 5-year, 7-year, and 10-year government bonds were 2.08 percent, 2.29 percent, 2.40 percent, 2.53 percent, and 2.56 percent, respectively, decreasing by 2 bps, 11 bps, 24 bps, 29 bps, and 28 bps from the end of the previous year. The term spread between 1-year and 10-year government bonds was 48 bps, falling by 26 bps compared with end-2022.

Main bond indexes rose year-on-year, while stock indexes fell

At end-2023, the ChinaBond Treasury Bond Aggregate Index closed at 224.51, up by 5.05 percent year-on-year; the ChinaBond New Composite Index (Full Price) closed at 124.64, up by 2.06 percent year-on-year; and the Interbank Aggregate Index closed at 231.99, up by 4.73 percent year-on-year. The Shanghai Stock Exchange Composite Index closed at 2 974.9 points, down by 114.3 points or 3.7 percent from the end of 2022; the Shenzhen Stock Exchange Component Index closed at 9 524.7 points, down by 1 491.3 points or 13.5 percent from end-2022; and the Growth Enterprise Board Index closed at 1 891.4 points, down by 455.4 points or 19.4 percent from the end of the previous year.

The RMB exchange rate remained basically stable at an adaptive and equilibrium level

Throughout the year, the RMB exchange rate, determined by market supply and demand, remained largely stable against a basket of currencies. At end-2023, the China Foreign Exchange Trade System (CFETS) RMB exchange rate index stood at 97.42, depreciating by 1.3 percent from the end of the previous year. The RMB exchange rate index based on the Special Drawing Rights (SDR) currency basket was 93.23, depreciating by 3.0 percent from end-2022. From 2005 when the RMB exchange rate regime reform was launched to December 2023, the nominal effective exchange rate (NEER) and the real effective exchange rate (REER) of the RMB appreciated by 42.3 percent



and 37.5 percent, respectively, according to the BIS. At end-2023, the central parity rate of the RMB against the US dollar stood at 7.0827, weakening by 1.7 percent compared with end-2022 and appreciating by 16.9 percent on a cumulative basis since the 2005 reform. In 2023, the annualized volatility of the RMB exchange rate against the US dollar was 4.9 percent.

The balance of payments maintained a basic equilibrium

In 2023, China's current account surplus was US\$253 billion, about 1.4 percent of the GDP, remaining within a reasonable and balanced range. By breakdown, trade in goods recorded a surplus of US\$593.9 billion, the second highest in history, reflecting the effectiveness of China's continuous promotion of industrial upgrading and diversified development of foreign trade. Trade in services recorded a deficit of US\$207.8 billion. Outbound travels and studying abroad recovered

in an orderly manner, but were still below pre-COVID levels. The development momentum of producer services trade was good. The financial account excluding reserve ran a deficit of US\$209.9 billion, creating a self-sustained equilibrium together with the current account surplus. In particular, different types of investment in China showed a recovery trend. Foreign direct investment (FDI) continued to see a net inflow and rebounded steadily in the fourth quarter. Portfolio investment shifted from a net outflow in 2022 to a net inflow, and foreign holdings of domestic bonds grew significantly in the fourth quarter. The change in foreign debt was steady in general. Given the overall equilibrium of the balance of payments, China's foreign exchange reserves were stabilized at US\$3.238 trillion at the end of the year. Both external assets and liabilities remained at high levels at the end of the year, with net external assets increasing by 20 percent over the end of 2022 to US\$2.9 trillion.

MONETARY POLICY

In 2023, the PBOC, under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, implemented the decisions and deployment of the CPC Central Committee and the State Council. It pursued a sound monetary policy that was targeted and effective; strengthened countercyclical and intertemporal adjustments; and focused on maintaining steady growth, stable employment, and stable prices, creating a favorable monetary and financial environment for sustained economic recovery.

Maintained moderate and stable aggregate credit growth

The PBOC used a mix of monetary policy tools in 2023. It cut the RRR in March and September, each by 0.25 percentage point, releasing more than RMB1 trillion in long-term funds. It provided a total of over RMB2.5 trillion into the market via the medium-term lending facility (MLF). The intensity and pace of open market operations (OMOs) were precisely calibrated to swiftly address the short-term effects on liquidity of factors such as the massive issuance of government bonds. Several symposiums were convened to analyze financial support for the real economy and credit situations, urging and guiding financial institutions to keep credit expansion stable in support of steady economic growth. At end-2023, outstanding AFRE grew by 9.5 percent, M_2 by 9.7 percent, and RMB loans by 10.6 percent, all outpacing nominal economic growth, thus rendering robust financial support for the real economy. In 2023, RMB loans increased by RMB22.75 trillion, RMB1.3 trillion

more than the increase in the previous year.

Steadily lowered the financing cost of the real economy

The PBOC facilitated the falling of lending rates. As the interest rates on open market reverse repurchase operations (repos) and MLF were guided down, the 1-year and 5-year LPR decreased by 0.2 percentage point and 0.1 percentage point, respectively. In 2023, the weighted average interest rate on new corporate loans stood at 3.88 percent, a year-on-year decline of 0.29 percentage point. The PBOC also guided down interest rates on outstanding and new mortgages. By the end of October, the interest rates on over RMB23 trillion of outstanding mortgage loans had been reduced by an average of 0.73 percentage point. In 2023, the weighted average interest rate on new mortgage loans was 4.1 percent, a year-on-year decrease of 0.75 percentage point. The PBOC continued to leverage the market-oriented mechanism for adjusting deposit rates,



guiding major banks to lower their deposit rates, thereby stabilizing the cost of bank liabilities and creating favorable conditions for banks to pass on benefits to the real economy. Efforts were made to enhance the market-oriented interest rate formation mechanism and ensure domestic banks complete the transition away from the London InterBank Offered Rate.

Leveraged the role of structural monetary policy tools

The PBOC stepped up the intensity of existing policy tools in supporting the real economy. It increased central bank lending and discount quotas in support of agriculture and MSBs by RMB250 billion, and made another RMB500 billion available for PSL in support of three key projects: the construction of affordable housing, the development of public infrastructure for both normal and emergency uses, and the renovation of urban villages. The PBOC extended the inclusive MSB loan facility, carbon emission reduction facility, and rental housing loan support plan through end-2024.

Kept the RMB exchange rate basically stable at an adaptive and equilibrium level

The RMB exchange rate had been under

pressure since May 2023, due to external factors such as the aggressive rate hikes by the Fed. The PBOC resolutely implemented the decisions and deployment of the CPC Central Committee and the State Council, and took comprehensive steps to effectively cope with challenges. It strengthened the guidance and management of market expectations, lowered the RRR for foreign currency deposits of financial institutions, and raised the macroprudential adjustment parameter for cross-border financing. As a result, the RMB remained stable against a basket of currencies, depreciated moderately against the US dollar, and showed steady performance among major currencies. The RMB exchange rate remained basically stable at an adaptive and equilibrium level. At end-2023, the CFETS RMB exchange rate index stood at 97.42, down by 1.3 percent from the end of the previous year; and the central parity rate of the RMB against the US dollar was 7.0827, depreciating by 1.7 percent from the end of 2022.

MACROPRUDENTIAL POLICY

In 2023, the PBOC implemented the key decisions and deployment of the CPC Central Committee and the State Council, further strengthened the macroprudential policy framework, continuously enhanced the systemic financial risk monitoring framework, coordinated the supervision of systemically important financial institutions (SIFIs), and completed the transfer of its daily responsibilities in supervising financial holding companies (FHCs) to the National Financial Regulatory Administration (NFRA).

Enhanced the macroprudential policy framework

The PBOC continued to enhance the systemic financial risk monitoring framework, focusing on marginal changes in systemic financial risks within the macroeconomic and financial context. It intensified tracking, monitoring, and in-depth analysis of risks in critical areas like leverage ratios, financial markets, and cross-border capital flows, thereby improving the capability for systemic risk identification and early warning. In light of China's national conditions, the PBOC refined the design of the risk contagion mechanism in macroprudential stress test, and conducted the 2023 macroprudential stress test in an orderly manner. It strengthened macroprudential management in key areas, such as cross-border capital flows, and made countercyclical adjustments when necessary.

Improved the oversight of systemically important financial institutions

The PBOC released the 2023 list of SIBs based

on assessment. It continued to strengthen additional regulation of SIBs, conducted scheduled reviews on their recovery and resolution plans, and explored liquidity stress tests for SIBs. It issued the *Measures for the Assessment of Systemically Important Insurers*, expanding additional regulation of SIFIs to non-bank institutions.

Transferred responsibilities for FHC supervision

The PBOC enhanced the system for supervising FHCs. It released and implemented the *Administrative Measures for Related-Party Transactions of Financial Holding Companies*. In line with the *Plan on the Reform of Party and State Institutions*, the PBOC transferred its responsibilities for supervising FHCs and other financial conglomerates to the NFRA.

CREDIT POLICY

In 2023, in line with the decisions and deployment of the CPC Central Committee and the State Council, the PBOC continued to strengthen the guiding role of credit policies, continuously improved the quality and efficiency of financial support for the real economy, and stepped up support for key areas and weak links to stabilize the economy.

Provided financial support for technological innovation and manufacturing development

The PBOC continued to provide financial support for technological innovation and high-quality development of manufacturing. It strengthened top-level institutional design and promoted the establishment of a diversified relay-style financial service system that suits technology-based enterprises through enriching financial tools, developing financial markets, and improving policy support. It used central bank lending in support of technological innovation to incentivize and guide financing, urged banks to establish specialized organizational structures, risk control systems, product series, and assessment mechanisms for supporting technological innovation, and strengthened credit support for technology-based enterprises. It guided banks to make full use of special central bank lending for equipment upgrading and renovation, and to increase medium- and long-term loans to the manufacturing sector. By end-2023, the year-on-year growth rates of medium- and long-term loans to the manufacturing sector and to hi-tech

manufacturing had both exceeded 30 percent. The growth rates of loans to small and medium-sized tech firms and enterprises that use special and sophisticated technologies to produce novel and unique products were both considerably higher than the overall loan growth rate.

Coordinated financial support for green development

The PBOC enhanced the CERF and special central bank lending for the clean and efficient use of coals, and extended them to end-2024 and end-2023, respectively. It included locally incorporated banks and foreign banks as eligible banks for the CERF, and steered banks to intensify support for low-carbon development and energy supply. It refined the standards for green bond information disclosure, among other measures. At end-2023, China's outstanding green loans stood at RMB30.08 trillion, up by 36.5 percent year-on-year; green bonds totaled more than RMB3.4 trillion, of which more than RMB1.9 trillion was outstanding; and the two carbon reduction tools leveraged approximately RMB1.3 trillion in qualified bank loans, resulting

in an annual carbon reduction exceeding 150 million tons.

Improved financial support for private enterprises and MSBs

The PBOC convened a symposium and a work conference centered on financial support for the growth of private enterprises, exploring measures to bolster financial support for the private economy. In conjunction with the NFRA, the China Securities Regulatory Commission (CSRC), the SAFE, the National Development and Reform Commission (NDRC), the Ministry of Industry and Information Technology (MIIT), the Ministry of Finance (MOF), and the All-China Federation of Industry and Commerce, the PBOC issued the *Notice on Strengthening Financial Support Measures to Boost the Development and Growth of the Private Economy*, guiding and urging financial institutions to intensify their support for the private sector. It continued to implement the inclusive MSB loan facility, extended it to end-2024, and guided locally incorporated banks to increase inclusive loans to MSBs. It launched comprehensive initiatives to enhance capabilities for providing financial services to micro, small and medium-sized businesses (MSMBs). It guided financial institutions to enhance their internal resource allocation, policy frameworks, and use of technology, and expedited the creation of a long-term mechanism whereby banks will have the confidence, willingness, ability, and professionalism to provide loans so that financial institutions will be more willing and able to sustainably serve MSBs. By end-2023, outstanding inclusive loans to MSBs had reached RMB29.4 trillion, a year-on-year increase of 23.5 percent. The number of MSBs receiving inclusive loans had reached 61.66 million, up by 9.1

percent year-on-year. The weighted average interest rate on newly-issued inclusive loans to MSBs in December stood at 4.68 percent, a relatively low level.

Enhanced the quality and efficiency of financial support for building up strength in agriculture

The PBOC, in collaboration with the NFRA, the CSRC, the MOF, and the Ministry of Agriculture and Rural Affairs, released the *Guiding Opinions on Providing Financial Support for Comprehensively Promoting Rural Revitalization and Accelerating the Building-up of Strength in Agriculture*, aiming to bolster financial support for critical areas such as stabilizing the production and supply of grains and other key agricultural products, and consolidating and expanding the achievements of the poverty alleviation campaign. The move was also an effort to facilitate the development of a multi-tiered, extensive and sustainable modern rural financial services system. The PBOC strengthened communication and collaboration with the Ministry of Agriculture and Rural Affairs, continued to match agricultural and rural infrastructure needs with financing, and stepped up support for key projects. As of end-2023, outstanding agriculture-related loans had reached RMB56.6 trillion, a year-on-year increase of 14.9 percent.

Beefed up financial support for employment and other areas related to people's well-being

The PBOC, in collaboration with the Ministry of Education, issued the *Notice on Adjusting and Improving Policies on Student Loans*, which raised the credit line for student loans, adjusted the



interest rates on student loans, and introduced commercial student loans for graduate students, to better meet students' needs for loans, all the while continuing the policy of waiving interest and deferring student loan principal repayment to ease employment pressures on college graduates from financially challenged families. The PBOC stepped up the implementation of the collateralized entrepreneurship loan policy, raised the credit line for collateralized entrepreneurship loans, optimized interest rates and interest subsidy standards, and stepped up support for targeted groups such as college graduates in seeking jobs and starting businesses. By end-2023, outstanding collateralized entrepreneurship loans had reached RMB281.7 billion, a year-on-year increase of 5.2 percent. Outstanding student loans had reached RMB218.4 billion, a year-on-year growth of 22.4 percent.

Ensured robust financial support for stabilizing investment

In 2023, the PBOC guided policy and development financial institutions to enhance management over the lifespan of financial instruments, and expedited the payout and utilization of funds. Major banks promptly followed up with ancillary loans. As of end-2023, nearly 90 percent of the funds under financial instruments had been paid out, and banks had issued over RMB810 billion in ancillary loans. The PBOC explored the use of PSL to support the construction of public infrastructure for both normal and emergency uses, collaborated with the NFRA to develop ancillary financing methods for such infrastructure, and accelerated the growth of effective investments.

Enhanced financial services in sectors such as transportation, logistics and civil aviation

The PBOC coordinated the drafting of the *Notice on Further Enhancing Financial Support and Services for Transportation and Logistics Industries*, and introduced a package of financial policies aimed at fostering high-quality development in transportation and logistics industries and building up China's strength in transportation. It optimized central bank lending for transportation and logistics by expanding its coverage, simplifying application requirements, and promoting its extension. By the end of the second quarter of 2023, special central bank lending for transportation and logistics had totaled RMB60 billion, incentivizing eligible banks to extend over RMB160 billion in transportation and logistics loans and directly assisting over 100 000 business entities. In collaboration with the NFRA, the PBOC ensured the full granting of the third batch of civil aviation emergency loans totaling RMB150 billion, and rolled over central bank lending for key aviation companies.

Accelerated the establishment of a new real estate development model

The PBOC tailored housing credit policies to individual cities. It continuously guided down the actual down payment ratios and interest rates on personal mortgages. It collaborated with housing and urban-rural development authorities to refine standards for counting housing units owned by every household, thus better supporting both residents' essential demand for housing and needs for better housing. The PBOC extended the 16 measures to support the stable and healthy development of the real

estate market. It continued to support private real estate developers in raising funds through bond issuance (“the second arrow”), guided financial institutions to equally meet the reasonable financing needs of real estate developers regardless of ownership, and bolstered support for ensuring the delivery of presold homes and mitigating risks facing the real estate sector. In conjunction with related departments, the PBOC

introduced policies in support of the construction of affordable housing, the development of public infrastructure for both normal and emergency uses, and the renovation of urban villages. It allocated an additional RMB500 billion in PSL, provided low-cost medium- and long-term financial support, and accelerated the establishment of a new real estate development model.

LEGAL AND LEGISLATIVE DEVELOPMENTS IN THE FINANCIAL SECTOR

In 2023, under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and Xi Jinping Thought on the Rule of Law, the PBOC studied and implemented the decisions of the 20th CPC National Congress and the Second Plenary Session of the 20th CPC Central Committee. It also thoroughly studied the decisions of the Central Economic Work Conference and the Central Financial Work Conference, and resolutely carried out the decisions and plans made by the CPC Central Committee and the State Council as well as the arrangements by the Central Financial Commission. Achievements were made in promoting financial legislation and law-based governance in the central bank. The PBOC forestalled and defused financial risks in an orderly manner, and made solid progress in the research and popularization of financial laws, providing a strong legal support for building a modern central bank and pursuing high-quality economic development.

Enhanced financial legislative and regulatory framework

The PBOC continued to push forward the enactment and amendment of important laws in the financial sector. It expedited the legislative process for the *Financial Stability Law*, and called for including the amendment of the *Law on the People's Bank of China*, the *Anti-Money Laundering Law*, the *Law on Commercial Banks*, and the *Insurance Law* on the legislative agenda of the Standing Committee of the 14th National People's Congress (NPC) as well as the 2023 legislative plans of the NPC Standing Committee and the State Council. Additionally, the PBOC promoted the inclusion of the *Regulations on Local Financial Supervision and Administration* in the State Council's 2023 legislative plan.

It collaborated with the Ministry of Justice to facilitate the amendment of the *Anti-Money Laundering Law* and the *Law on Commercial Banks*. The *Regulations on the Supervision and Administration of Non-Bank Payment Institutions* was adopted after deliberation and promulgated. The PBOC enhanced coordination in legislative affairs and, in conjunction with relevant departments, achieved substantial progress in amending several major financial laws and regulations, including the *Insurance Law*, the *Trust Law*, and the *Regulations on Foreign Exchange Administration*.

The PBOC actively assisted in the overhaul of institutions, norms, and rules within the financial domain. It revised administrative regulations pertaining to institutional reforms, and organized

LEGAL AND LEGISLATIVE DEVELOPMENTS IN THE FINANCIAL SECTOR

a meticulous review of the central bank's normative documents.

Promoted law-based governance in the central bank and the financial sector

The PBOC continued to optimize the business environment. It thoroughly assessed the current business environment in the financial sector, reinforced financial support for the development of the private economy, introduced multiple policies to benefit businesses and the general public, and persistently improved the business environment in China's financial sector.

The PBOC continuously enhanced the law-based administration system and standardization of administrative penalties. It systematically sorted out and compiled the PBOC's list of powers and obligations and its list of items requiring administrative approval, clearly defining rights and responsibilities. The PBOC refined its systems and mechanisms, expedited the establishment of benchmarks for discretion in imposing administrative penalties, and adopted multiple approaches when guiding and overseeing PBOC-wide administrative law enforcement. It continuously strengthened the coordination of law enforcement inspections, effectively addressing the issues of duplicate inspections. Under the principle of imposing punishment commensurate with offence, the PBOC imposed administrative penalties on 654 entities in 2023, with fines and confiscations totaling approximately RMB7.212 billion.

The PBOC diligently managed legal affairs. It studied and implemented the newly-revised *Law on Administrative Reconsideration*, efficiently handled administrative reconsideration cases

according to the law, and fully leveraged administrative reconsideration as the primary mechanism for resolving administrative disputes. It enhanced the legal affairs system, advanced the development of information platforms, strengthened the ranks of legal counselors and public lawyers, and elevated the standard of legal service provision.

Provided a solid legal basis for preventing and defusing financial risks

The PBOC proactively forestalled and defused financial risks. Upholding the rule-of-law and market principles, the PBOC facilitated the resolution of financial risks arising from major high-risk institutions and regions in accordance with the law. It provided legal support for reforming and mitigating the risks of small and medium-sized financial institutions, offering legal counsel on resolution plans. In collaboration with the Ministry of Public Security, the PBOC continued to conduct special campaigns to prevent and crack down on outbound transfers of illegal proceeds through offshore firms and underground money shops.

Promoted research on the rule of law in the financial sector and raised public awareness of financial laws

The PBOC continued to strengthen research on the rule of law in the financial sector. Centering on central bank mandates, the PBOC took stock of critical and challenging issues in financial legislation, law-based administration and other legal affairs, organized research on identified issues, and achieved a number of outcomes. It integrated these outcomes into the systematic findings on the legislation of the *Financial*



Stability Law and the amendment of the *Law on Commercial Banks*, and compiled research outcomes on the rule of law in the financial sector into annals. The PBOC remained committed to implementing the 8th Five-Year Plan (2021–2025) on raising public legal literacy. It adhered to the principle that those who enforce the law also promote it, continuously enhancing the

effectiveness of legal publicity campaigns and legal education. The PBOC conducted outreach activities such as “Finance for the People, and Bringing the Law to Rural Areas”, to foster a favorable legal environment for financial reform and development during the 14th Five-Year Plan (2021–2025) period.

FINANCIAL STABILITY

Pushed forward the disposal of risks

The PBOC adopted targeted measures to further defuse the risks of high-risk enterprise groups. It wrapped up the risk disposal of Mingtian Group, HNA Group, and Founder Group, and forged ahead with the risk mitigation of high-risk enterprise groups such as UCF Group. The PBOC cooperated with related departments and local governments to orderly resolve the risks of China Huarong Asset Management Corporation, Evergrande Group, Cedar Holdings Group, China Fortune Land Development Co. Ltd., and Sino-Ocean Group. The PBOC facilitated the risk disposal of several high-risk small and medium-sized financial institutions. It continued to advance the reform and risk mitigation as well as asset recovery and collection for the Bank of Jinzhou. It advanced the completion of non-performing assets divestment related to Evergrande Group by Liaoning Province. It cooperated with local governments and regulatory authorities in handling the aftermaths of the risk events of village and township banks in Henan and Anhui provinces. The PBOC defused financial risks in key regions, and actively supported and urged local governments in provinces (autonomous regions) where high-risk institutions concentrate to formulate comprehensive reform and risk-defusing plans. It cooperated with related departments to mitigate local government debt and real estate risks, and promoted the use of special local government bonds to replenish the capital of small and medium-sized banks. The PBOC continued

to tackle financial chaos. It pushed forward the transformation of asset management business and rectification of problems on a case-by-case basis, strengthened risk monitoring and warning for supply chain finance platforms, and urged financial regulatory authorities to shut down financial assets exchanges and to dissolve pseudo financial assets exchanges. The PBOC regulated third-party wealth management companies, urged cross-border Internet securities brokerages to rectify their illegal financial activities, and cooperated with related departments to deal with the financial liabilities of local government financing vehicles.

Enhanced the system for monitoring, assessing, and preventing financial risks

The PBOC improved the financial risk monitoring and assessment framework. It established a comprehensive financial stability monitoring and assessment system, published the *China Financial Stability Report*, and improved the analytical framework for determining the systemic impact of financial institution risks. The PBOC improved its rating of financial institutions and the system for bank risk monitoring and early warning. Given institutional reforms, the PBOC optimized the central bank rating mechanism, adjusted the frequency and scope of ratings, and continuously improved rating indicators and systems. In 2023, the PBOC continued to pilot prompt corrective action with strict requirements. It urged emerging high-risk banks to make corrections before a certain deadline to prevent



risk accumulation. The PBOC optimized the stress testing framework. It completed stress tests covering nearly 4 000 banking institutions nationwide, while optimizing solvency and liquidity risk stress tests. It monitored capital market and cross-market risks in a timely manner, and actively conducted climate risk stress tests. The PBOC strengthened regulatory coordination in the asset management industry, and tracked and assessed the risks of cross-cutting financial services.

Strengthened the financial stability protection system

The PBOC improved the financial risk resolution mechanism. It expedited the enactment of the *Financial Stability Law*. The PBOC continued to facilitate the establishment of the Financial Stability Guarantee Fund. The basic framework of the fund took shape with some accumulation of funds. The PBOC promoted the stable operation of the deposit insurance scheme, leveraging its core functions in bank run prevention, rate differentiation, early intervention and risk disposal. The PBOC intensified the

reform of financial institutions and promoted the development of capital market mechanisms. It advanced the reform of separating the policy activities of policy and development banks from their commercial activities.

Actively participated in international cooperation on financial stability

The PBOC actively participated in international rule-making. It took an active part in the work of the Financial Stability Board (FSB), the Basel Committee on Banking Supervision (BCBS), and its working groups. The PBOC worked to strengthen the resilience of global SIBs. It urged these banks to meet the total loss-absorbing capacity (TLAC) standards, and encouraged the Industrial and Commercial Bank of China, the Agricultural Bank of China, the Bank of China, and the China Construction Bank to issue TLAC bonds to increase the resilience of large banks. The PBOC launched the 3rd China Financial Sector Assessment Program (FSAP). The PBOC strengthened international exchange on climate risks.

FINANCIAL MARKET

Performance of the money market

In general, the volume of trading increased. The cumulative trading volume of the interbank money market posted RMB1 817.19 trillion in 2023, surging by 19.01 percent from the previous year. Among this, trading on the interbank funding market decreased by 2.63 percent to RMB142.96 trillion, and trading on the pledged repo market jumped by 21.40 percent to RMB1 668.80 trillion, whereas outright repo market trading dropped by 2.67 percent to RMB5.42 trillion.

Short-term trading still dominated the money market. 7-day and shorter-term trading accounted for 97.47 percent of the total, up by 0.61 percentage point over 2022. Among this, overnight funding took up 87.66 percent, 1.03 percentage points higher than that in 2022, while the share of 7-day funding dropped by 0.41 percentage point to 10.22 percent.

The interest rates dropped across the board. The PBOC kept liquidity in the banking system reasonably abundant through two RRR cuts, two interest rate cuts, MLFs, reverse repos, and other monetary policy tools. At end-2023, the weighted average 7-day interbank offered rate (IBO007) and the weighted average rate on 7-day pledged repos by depository institutions (DR007) were 2.26 percent and 1.91 percent, respectively,

dropping by 16 bps and 45 bps. Throughout the year, the interest rates on interbank lending, pledged repos, and outright repos moved around the policy rate, and the annual weighted average rates were 1.69 percent, 1.79 percent, and 1.83 percent, respectively.

Large Chinese banks were the major fund providers. During the year, large commercial banks, policy banks, and joint-stock commercial banks were the biggest fund providers on the money market, with net lending of RMB727.4 trillion, RMB148.11 trillion, and RMB58.03 trillion, respectively, accounting for 77.1 percent, 15.7 percent, and 6.15 percent of total net lending. Fund managers, securities firms, and separate account products for funds were the major borrowers, with net borrowing of RMB281.95 trillion, RMB270.55 trillion, and RMB100.38 trillion, representing 29.89 percent, 28.68 percent, and 10.64 percent of the total net borrowing.

Performance of the bond market

The bond market saw steady growth. In 2023, bond issuance totaled RMB71.0 trillion, jumping by 14.8 percent year-on-year. Of this total, central government bond issuance was RMB11.0 trillion, while the issuance of local government bonds amounted to RMB9.3 trillion. The issuance of financial bonds^① was RMB10.2 trillion, that

① Financial bonds include China Development Bank and policy bank bonds, commercial bank bonds, capital replenishment bonds by insurance companies, bonds issued by non-bank financial institutions, and short-term financing bills issued by securities firms, among others.



of corporate debenture bonds^① was RMB14.0 trillion, that of credit asset-backed securities was RMB348.52 billion, and that of interbank negotiable certificates of deposit was RMB25.8 trillion. At the end of the year, outstanding bonds under custody in China went up by 9.1 percent from a year ago to RMB157.9 trillion, and 86.8 percent of it, or RMB137.0 trillion, was on the interbank market, while RMB20.9 trillion was on the exchange market.

The trading volume of cash bonds rose, and the bond yields fluctuated downward. Among them, cash bond trade on the interbank market was RMB307.3 trillion, up by 13.3 percent year-on-year, with an average daily turnover of RMB1.23416 trillion, while that on the exchange market went up by 21.9 percent year-on-year to RMB46.4 trillion, with an average daily turnover of RMB191.93 billion. A total of 1.051 million transactions were done over the counter (OTC), with a total turnover of RMB196.14 billion. At the end of the year, the yields on 1-year and 10-year government bonds were 2.08 percent and 2.56 percent, respectively, down by 2 bps and 28 bps year-on-year.

The PBOC continued to open up the bond market in a solid and orderly manner. At end-2023, overseas institutions held RMB3.72 trillion, or 2.4 percent, of the outstanding bonds under custody on China's bond market. Among them, their holdings on the interbank bond market amounted to RMB3.67 trillion. By bond type, overseas institutions held RMB2.29 trillion government bonds and RMB0.80 trillion policy financial bonds, accounting for 62.4 percent and

21.8 percent of the total, respectively.

The investor structure of the bond market remained diversified. At end-2023, by legal entity status, there were 2 162 holders of debt financing instruments issued by non-financial enterprises (non-financial debt financing instruments). By the size of bond holdings, the top 50 investors, mainly including public funds, large state-owned commercial banks, and joint-stock commercial banks, held 50.6 percent of the total. By the size of trading, the top 50 investors took up 62.4 percent of the total trading of non-financial debt financing instruments. They mainly included securities companies, fund companies, and joint-stock commercial banks. The top 200 investors accounted for 89.8 percent of the total trading.

Performance of financial derivatives market

Interest rate swap transactions remained stable. Throughout the year, the number of transactions on the RMB interest rate swap market reached 352 300 and the notional principal totaled RMB31.71 trillion, an increase of 44.1 percent and 50.8 percent over the previous year, respectively. By term structure, 1-year and shorter-term transactions were the most active, and their notional principal was about RMB21.72 trillion, accounting for 68.50 percent of the total. The 7-day fixed repo rate and the Shibor served as the main reference rates for the floating leg of RMB interest rate swaps. The notional principal of swaps using these two rates as a reference accounted for 91.46 percent and 7.36 percent of the total, respectively. Interest

^① Corporate debenture bonds include non-financial enterprise debt financing instruments, asset-backed notes, corporate bonds, enterprise bonds, and exchange asset-backed securities, among others.

rate swaps anchored to the LPR witnessed 1 256 transactions throughout the year with a total notional principal of RMB231.929 billion. Standard interest rate swaps linked to the rate on interbank certificates of deposit were launched in November 2023, and 103 transactions were made during the year, with a notional principal of RMB3.19 billion.

Interest rate options and standard bond forwards developed steadily. The number of RMB interest rate options transactions totaled 1 007, with a notional principal of RMB160.68 billion. Among them, 11 were interest rate swap options, with a notional principal of RMB2 billion; and 1 003 were interest rate collar options, with a notional principal of RMB158.68 billion. There were 3 849 deals of standard bond forwards, with a notional principal of RMB308.82 billion.

The trading of credit risk mitigation instruments stayed generally stable, and the market size continued to grow. The year saw 317 transactions with a notional principal of RMB65.813 billion, a year-on-year increase of 24 percent. Broken down by product, credit risk mitigation warrants and credit risk mitigation agreements were dominant instruments, reaching RMB35.754 billion and RMB25.113 billion, respectively. Broken down by term structure, the maturity of credit risk mitigation warrants was largely consistent with the remaining maturity of the underlying bond, and was mostly less than one year, which accounted for about 41 percent of the total. In terms of reference underlying bonds, the reference entities of credit risk mitigation warrants were mainly

assigned AA and AA+ ratings, and the underlying bonds were mostly corporate debenture bonds and credit asset-backed securities. Credit risk mitigation warrants provided credit support to 95 enterprises in their issuance of RMB70.279 billion of bonds, an increase of 21 percent year-on-year.

Performance of the foreign exchange market

Trading on the RMB/foreign exchange (FX) market reached US\$35.8 trillion in 2023 with an average daily trading of US\$148.1 billion, up by 3.9 percent compared with the prior year. In particular, transactions between banks and their clients and those on the interbank FX market stood at US\$5.3 trillion and US\$30.6 trillion, respectively^①. Spot and derivatives trading volumes amounted to US\$12.7 trillion and US\$23.1 trillion, respectively, and derivatives accounted for 64.5 percent of the total trading volume on the FX market.

Trading on the spot FX market grew steadily. In 2023, cumulative trading on the spot FX market hit US\$12.7 trillion, a year-on-year gain of 1.1 percent. Specifically, spot FX purchases and sales at banks (excluding delivery of forward contracts) amounted to US\$4.0 trillion, down by 6.0 percent over 2022, while cumulative spot trading on the interbank FX market stood at US\$8.7 trillion, up by 4.8 percent.

Trading of FX derivatives expanded. In 2023, the trading volume on the FX derivatives market totaled US\$23.1 trillion, up by 5.5 percent from

^① Transactions between banks and their clients calculate the total amount of FX bought and sold by clients. Transactions on the interbank FX market serve as a gauge for unilateral trading volume. Same below.



the previous year. In terms of product mix, trading of FX forwards amounted to US\$626.7 billion, that of FX and currency swaps hit US\$21.0 trillion, and that of options stood at US\$1.5 trillion. In terms of market distribution, trading of derivatives between banks and their clients, and that on the interbank market, was US\$1.3 trillion and US\$21.8 trillion, respectively.

The structure of FX market participants was more optimized. At end-2023, there were 672 banks and 117 non-bank financial institutions on the interbank FX market, forming a natural and rational stratification with large banks as market makers and providing liquidity to small and medium-sized banks and other institutions. The trading activities of overseas institutions increased, with foreign institutions' RMB/FX transactions accounting for 2.4 percent of the total trading on the interbank FX market in the year, the spot trading volume increased by 25.7 percent compared with 2022, and the derivatives trading volume increased by 32.5 percent year-on-year. As of end-2023, 147 overseas institutions had become members of the interbank FX market.

Performance of the gold market

The gold market remained generally stable in 2023, and gold prices showed an upward trend. At end-2023, the Shanghai Gold Exchange (SGE) Au9999 closed at RMB479.59 per gram, climbing by 16.83 percent year-on-year. The SGE saw an increase in trading in 2023, with trading volume growing by 7.09 percent over the prior year to 41 500 tons and turnover hitting RMB18.57 trillion, up by 22.31 percent year-on-year.

Financial market institutions building and policy measures

The PBOC stepped up the development of bond market. It strengthened the management of the valuation business on the bond market, and issued the *Measures for the Administration of Bond Valuation Business on the Interbank Bond Market* to promote reasonable pricing in the market. It improved standards for bond underwriting and pricing, and introduced self-regulatory rules for bond underwriting, pricing, and book building. It actively conducted OTC bond business, improved the inclusiveness of the bond market, and upgraded the multi-tiered market system. It established a linkage mechanism between market makers and primary dealers in the OMOs, promoted the launch of central bond lending business, and increased market liquidity. It implemented a package of measures to facilitate bond market investment, optimized the reporting process of Northbound Trading settlement failure, added foreign institutions in China as Northbound Trading market makers, optimized market entry, and launched portfolio trading. It improved the institutional arrangements for the securitization of credit assets and gave better play to the role of credit asset securitization in mobilizing the stock market. It strengthened the management of investors' qualification and supervision throughout and after business activities.

The PBOC tightened the regulation of derivatives market. It steadily promoted business innovation and supporting institutional arrangements on the derivatives market. Measures adopted by the PBOC included launching standard interest rate swaps linked to the rates on interbank certificates of deposit with centralized clearing, as well as

introducing a central clearing contract transfer transaction for interest rate swaps. It improved the supporting institutional arrangements for credit derivatives. The National Association of Financial Market Institutional Investors (NAFMII) issued the *Rules for Determining Credit Matters in the Trading of Credit Risk Mitigation Instruments on China's Interbank Market*. It steadily promoted the opening-up of derivatives market. On May 15, 2023, the mutual access between the mainland and Hong Kong interest rate swap markets, or the Swap Connect for short, was officially launched. It allows domestic and overseas investors to conveniently trade and clear RMB interest rate swaps, without changing their existing trading and settlement practices, through mutual access between the mainland and Hong Kong financial market infrastructures in terms of trading, clearing, and settlement, subject to the laws and regulations of both markets.

The PBOC strengthened coordinated

supervision of financial infrastructures. It accelerated the formulation of the *Measures for the Supervision and Regulation of Financial Market Infrastructures* and the *Decision of the State Council on Implementing Access Administration of Financial Market Infrastructures*, establishing and improving a unified regulatory framework and access system for financial infrastructures. It conducted law enforcement inspections on related financial infrastructures and urged them to perform their duties according to the law. It guided financial infrastructures of the interbank market to reduce fees and yield profits, and effectively reduced the investment and financing costs of business entities, private enterprises in particular. It strengthened the day-to-day supervision of financial infrastructures and guided financial infrastructures of the interbank market to ensure business continuity during holidays and key points of time.

INTERNATIONAL USE OF THE RMB

In 2023, under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the PBOC implemented the decisions and deployment by the CPC Central Committee and the State Council. It upheld the general principle of pursuing progress while ensuring stability, insisted on reform and opening-up, as well as on mutual benefit to achieve win-win results, promoted the opening-up of financial markets, optimized policies on cross-border RMB business, and promoted trade and investment facilitation. Thanks to these efforts, the international use of the RMB saw new progress and positive developments.

Promoted trade and investment facilitation and supported the real economy

The PBOC, together with the Ministry of Commerce (MOFCOM), issued the *Notice on Further Supporting Foreign Economic and Trade Enterprises in Expanding the Cross-Border Use of the RMB to Promote Trade and Investment Facilitation*. Together with the SAFE, the PBOC continued to optimize policies for the centralized operation and management of cross-border funds in both foreign and local currencies by multinational corporations, and promoted the digitalization of cross-border fund settlement by banks under capital account. In 2023, the total amount of RMB cross-border payments handled by Chinese banks on behalf of clients reached RMB52.3 trillion, a year-on-year increase of 23.8 percent. In particular, RMB settlements accounted for 24.8 percent of the total cross-border receipts and payments in trade in goods, the highest level in recent years, increasing by

6.6 percentage points year-on-year.

Further improved the infrastructure and supporting service capabilities for the international use of the RMB

In countries such as Brazil, Cambodia, and Serbia, new RMB clearing banks were established to optimize the overseas RMB clearing network, making the global RMB clearing service network more efficient and convenient. By end-2023, the PBOC had designated 33 RMB clearing banks in 31 countries and regions, covering major international financial centers. The coverage and level of service of the CIPS were expanded.

Enhanced cooperation and steadily advanced bilateral currency swaps

With approval from the CPC Central Committee and the State Council, the PBOC signed a bilateral currency swap agreement with the

Saudi Central Bank, marking an important step in financial cooperation with countries in the Middle East. The PBOC renewed bilateral currency swap agreements with the central banks of Egypt, Argentina, Laos, Mongolia, and the United Arab Emirates, and signed a revised bilateral currency swap agreement with the Central Bank of the Republic of Turkey. As of end-2023, there were a total of 31 effective bilateral currency swap agreements, with a total amount of more than RMB4 trillion. The PBOC supported the use of swap funds by the Hong Kong Monetary Authority (HKMA) and the Monetary Authority of Singapore (MAS) on a regular basis.

Deepened the high-level opening-up of financial markets and supported the healthy development of offshore RMB market

Together with financial regulatory authorities from the Chinese mainland, the Hong Kong Special Administrative Region (SAR) and the Macao SAR, the PBOC released optimized measures for implementing the pilot Cross-Boundary Wealth

Management Connect in the Guangdong-Hong Kong-Macao Greater Bay Area, making it more convenient for investors. Together with the SAFE, the PBOC revised the *Provisions on Managing the Funds Invested by Overseas Institutional Investors in Domestic Securities and Futures*, and explored to streamline the entry process for overseas institutions looking to invest in China's interbank bond market. As of end-2023, financial assets held by overseas institutions, including stocks, bonds, loans, and deposits, had reached RMB9.4 trillion. According to data from the IMF, the share of the RMB in global reserves was 2.3 percent at the year-end, up by 1.2 percentage points compared with 2016 when the RMB was included in the SDR basket. The PBOC supported the development of offshore RMB markets and implemented important initiatives to strengthen Hong Kong's status as an international financial center. It also supported and encouraged domestic companies to use the RMB in dividend payout when listing overseas, and supported Hong Kong's introduction of the HKD-RMB Dual Counter Model.

FOREIGN EXCHANGE ADMINISTRATION

Deepened the development and opening-up of the FX market

The SAFE released the list of interbank FX market makers for the year 2023–2024 and optimized the structure of market makers. The SAFE guided the CFETS to extend trading hours for the G10 currency pairs market and FX money market, increase options trading methods, and undertake the listing of the Macao's Pataca. It provided guidance to the CFETS and the Shanghai Clearing House to enhance the efficiency and security capabilities of FX infrastructure. The SAFE developed evaluation plans for financial institutions to implement the *Guidelines on Code of Conduct for the Foreign Exchange Market* and completed the first such assessment of financial institutions. The SAFE ensured effective management of exchange rate risks and compiled the *Case Studies on Exchange Rate Risk Scenarios and the Use of Foreign Exchange Derivatives* to help banks and enterprises better understand policy essentials, guide banks in establishing sound long-term mechanisms for exchange rate risk management services, and collaborate across multiple sectors to reduce exchange rate hedging costs for small and medium-sized enterprises (SMEs).

Promoted cross-border trade and investment financing facilitation

The SAFE supported the high-level opening-up of key regions. It continuously monitored the pilot operations of four areas, including the Lin-

gang Special Area of China (Shanghai) Pilot Free Trade Zone, and under the premise of manageable risks, expanded the pilot operations to all places in eight regions covering Shanghai, Jiangsu, Guangdong, and Beijing. It supported the nationwide implementation of facilitation policies for four current account items such as trade balance settlements for enterprises undertaking imported processing counterparty contracts and five capital account items including the facilitation of cross-border financing. The SAFE promoted the expansion and enhancement of trade facilitation. It supported more credible and compliant entities to benefit from convenient trade-related FX settlements. In 2023, over 10 000 high-quality enterprises were added, with SMEs accounting for over 80 percent. Enterprises that use special and sophisticated technologies to produce novel and unique products accounted for nearly 20 percent, handling transactions exceeding US\$1 trillion. The SAFE facilitated the flow of funds for new formats and models in foreign trade. It implemented innovative services such as overseas government payments and logistics transport fee settlements, and promoted the continuous expansion of cross-border e-commerce FX payment services. It supported banks to integrate with market-based procurement and trade networking platforms, and facilitated self-service FX receipts and payments for platform operators. The SAFE facilitated bidirectional convenience for personal FX transactions. It advanced the online business document review at 11 banks, processing over

20 000 transactions. It supported banks in opening service portals on third-party platforms, facilitating the sales of small-value cross-border FX inflows by individuals. The SAFE also supervised banks to improve non-appointment-based small cash withdrawal services, ensuring adequate access to cash for individuals. Additionally, it implemented payment services by linking foreign cards for overseas individuals to Chinese apps, facilitating small-value daily consumption by foreign visitors to China.

Guarded against the risk of abnormal cross-border capital flows

The SAFE strengthened the analysis of cross-border capital flows and import-export situations, continuously improved major regular monitoring mechanisms, closely monitored international economic and financial developments, conducted targeted researches on key areas, critical business and topical issues, and enhanced macroeconomic risk monitoring and early warning capabilities. The SAFE focused on the risk characteristics of key entities and main channels, strengthened the list-based management of key entities in risk business, enhanced the ex-ante, interim and ex-post correlation analysis of cross-border transactions, improved the precision of FX monitoring and verification, and built a robust “firewall” against risks of abnormal cross-border fund flows. The SAFE reinforced cooperation with departments such as commerce, customs, and tax authorities on abnormal information sharing and management, and strengthened alerts for abnormal risks and joint disciplinary actions against non-compliance.

Deepened reforms and advanced high-level opening-up of the capital account

The SAFE continued to help deepen the two-way opening-up of financial markets. It optimized the management of Qualified Foreign Institutional Investors (QFII) and RMB Qualified Foreign Institutional Investors (RQFII) by removing administrative approvals related to their registrations, allowing custodian banks to directly manage fund registrations. It initiated the revision of the *Provisions on Managing the Funds Invested by Overseas Institutional Investors in Domestic Securities and Futures*. It progressively promoted the development of Qualified Domestic Institutional Investors (QDII) scheme, with a total quota issuance of US\$5.79 billion for the year. It issued policy Q&As for overseas institutions issuing bonds in China and for overseas institutional investors investing in the Chinese bond market, further fine-tuning the policies on opening up domestic bond market. The SAFE iteratively innovated the cash-pooling service for multinational corporations, integrating domestic and foreign currency management. To enhance the interplay between domestic and international markets, further improve the efficiency of cross-border fund operations for multinational corporations, and better support the development of the headquarters economy, the SAFE, together with related departments, developed the standard and advanced versions of the cash-pooling service framework for the integration of local and foreign currencies for multinational corporations. The standard version was adopted on a trial basis first in Beijing and Guangdong Province (including Shenzhen),



optimizing and integrating existing policies for centralized cross-border fund management of multinational corporations, and maintaining relatively low entry thresholds and broad policy benefits. The advanced version was tailored to large multinationals with higher credit ratings, featuring more convenient policies for cross-border trade and investment. Based on market research and common practices of treasury centers for multinational corporations in overseas markets, preparations are underway for a new round of upgrades and phased promotion.

Promoted facilitation to foster high-quality development

The SAFE aligned with and served the national strategy for major regional development. It actively implemented the 30 measures to deepen financial reforms and opening-up in Hengqin and another 30 similar measures in Qianhai, facilitated payment, settlement, and currency exchange under pilot projects like the Macao New Neighborhood (MNN), and eased policies for residents of Hong Kong and Macao to purchase housing in the Greater Bay Area. It introduced a pilot loan program to facilitate cross-border financing by Hong Kong-funded MSBs in Qianhai. It launched the Science and Technology Innovation Corridor pilot program in the Hetao Shenzhen-Hong Kong Science and Technology Innovation Cooperation Zone, supporting cross-border allocation of research funds for scientific institutions within the zone. Additionally, it supported the development of high-end shipping services in Shanghai, formulated comprehensive support policies for Xiong'an New Area based on studies, and supported the Zhongguancun Science Park in establishing a pilot zone for sci-tech innovation finance reform. The SAFE

focused on enhancing the capabilities to process capital account business online. It promoted digital services for capital account business nationwide and expanded the types of activities under capital account that could be processed digitally. It supported banks to improve the convenience and efficiency of capital account business by reviewing electronic documents online. This can save enterprises and individuals much time, as they can get business done without visiting bank outlets. The SAFE actively improved the capabilities to process capital account administrative permits online, supporting enterprises to submit materials online when applying for FX registration for transactions under capital account.

Continued to improve the management of FX reserves with Chinese characteristics

The SAFE preemptively assessed international economic and financial developments, as well as policy shifts in major economies and their spillover effects. It responded to fluctuations in international financial markets, advanced the diversified allocation of FX reserves, improved its comprehensive risk management system, enhanced capabilities for global integrated operations, and ensured the safety, liquidity, and value preservation and increase of FX reserve assets. Throughout the year, the size of FX reserves remained basically stable, reaching US\$3.2380 trillion by the year-end. The SAFE adhered to the principle of pursuing progress while ensuring stability to support national strategies. It continued to explore and expand diverse channels for the utilization of FX reserves, monitored closely the situation of overseas investments, persistently improved risk prevention and control mechanisms, and guided

FOREIGN EXCHANGE ADMINISTRATION

equity investment institutions in enhancing their operation and management capabilities. The SAFE strengthened internal management and talent development. It enhanced globalized, corporate-style management, refined its comprehensive talent development system, and enhanced team cohesion.

Effectively maintained the FX market order

The SAFE cracked down on illegal cross-

border activities such as underground banks, cross-border gambling, and illicit online FX trading, conducted targeted inspections of key entities, improved law-based administration, and safeguarded the health and order of the FX market. Throughout the year, it handled over 970 cases of FX violations, and imposed more than RMB1.7 billion in fines and confiscations, effectively deterring wrongdoers and preventing risks associated with abnormal cross-border fund flows.

ACCOUNTING

Built the central bank's system for financial governance with Chinese characteristics

Following the decisions and deployment of the CPC Central Committee on building a modern central bank system, the PBOC advanced the development of central bank financial governance framework, took stock of the history and status quo of the PBOC's financial governance system, and explored pathways to enhance modern central bank financial accounting system. It maintained the health of its balance sheet and explored the establishment of a multi-layered financial buffer system. It enhanced the reflection capability of accounting information, and formulated accounting methods for the performance of duties such as implementing monetary policy and maintaining financial stability. These efforts provided professional support for macroeconomic adjustments, prevention and mitigation of financial risks, as well as the provision of financial services.

Strengthened the role of accounting in supporting fulfillment of central bank mandates

The PBOC provided budgetary allocations for the reform of its branches and sub-branches, checked their assets, and adopted centralized management of their finance and accounting. It developed and institutionalized regular austerity practices and conducted detailed assessments of their implementation. It improved assessment

indicators, put assessment results to good use, and actively played a leading and supervisory role. The PBOC expanded the depth and breadth of budget performance management. It refined and optimized the performance targets for 2023, improved the approval process for performance targets, and further expanded the scope of public disclosure of performance targets. It expanded the pilot of overall expenditure performance evaluation, and strengthened the application of performance results to encourage related agencies to further standardize budget formulation, improve management, and optimize budget arrangements. It continued to disclose the budgets of the PBOC and its affiliates, and took the initiative in disclosing its affiliates' 2022 final accounts for the first time.

Deepened comprehensive and strict management of accounting and accounting supervision

The PBOC thoroughly advanced accounting supervision and special rectification efforts. It developed work plans for accounting supervision and inspection, and conducted on-site evaluation and supervision of financial revenue and expenditure, budget management, asset management, procurement management, and the rectification of issues identified by internal and external agencies. It implemented targeted rectification of key financial discipline issues, and organized PBOC-wide special rectification from budget formulation, budget execution, fund management, and asset

management perspectives. It conducted risk assessments of funds, and issued the *Notice on Further Strengthening Fund Security Management* to promote the improvement of fund management systems and procedures, clarify key management measures at critical stages, strengthen personnel management at all positions, and further enhance the internal control system for fund management. It issued the *Notice on Revitalizing Underutilized Assets* and other related regulations, and organized PBOC-wide stocktaking of asset uses. It managed to revitalize idle assets through sharing, reallocating, and other ways, consequently enhancing asset usage efficiency. Furthermore, it strengthened infrastructure management. Adhering to the principle of eliminating safety hazards and restoring functional capabilities, it approved related branches' and sub-branches'

requests for refurbishing aged vaults and office spaces.

Promoted the reform, development, and governance of affiliates

The PBOC optimized the organizational structure of its affiliates, strengthened the system of management regulations, and enhanced the management of significant matters. It fine-tuned its affiliates' budget management mechanisms, reinforced budget management requirements, urged them to standardize internal management, and lifted management efficiency and quality. It established a reporting mechanism to monitor the performance of its affiliates' financial managers, strengthened their accountability, and raised the level of scientific and standardized financial management within these agencies.

PAYMENT SYSTEM

Improved the top-level design of payment sector regulation

To build a solid legal foundation for the regulation of payment institutions, the State Council issued the *Regulations on the Supervision and Administration of Non-Bank Payment Institutions*. The PBOC put in place a long-term mechanism for the regulation of payment institutions, and published the *Work Plan for Enhancing the Regulation of Major Payment Platform Companies and Promoting the Standardized and Healthy Development of Payment and Fintech* jointly with eight departments. It improved the institution building for payment and settlement, and issued the *Measures for the Administration of Central Bank Deposit Accounts* and the *Measures for Business Guidance and Supervision of the Payment and Clearing Association of China*. As part of the efforts to consolidate the foundation of the regulatory system for the payment and clearing business of clearing institutions, the PBOC issued the *Guiding Opinions on Enhancing the Regulation of the Payment and Clearing Business of Clearing Institutions and Improving the Quality and Level of Payment and Clearing Services*.

Promoted the increase of CIPS participants and optimized services

The PBOC continued to step up the efforts to increase the number of participants in CIPS and to expand the coverage of CIPS network. By end-2023, the system had 1 484 participants,

including 139 direct participants and 1 345 indirect participants, a year-on-year growth of 80.5 percent and 4.8 percent, respectively. CIPS business covers more than 4 400 banking corporations in 182 countries and regions worldwide. The PBOC continued to improve the functions and services of CIPS. For the first time during the National Day and Mid-Autumn Festival holidays in 2023, CIPS did not suspend operations and extended service hours to better meet overseas institutions' needs for cross-border RMB business during long holidays.

Promoted the high-level opening-up of payment and clearing market

The PBOC managed access to the bank card clearing market according to the law. It approved the application of the Mastercard-NetsUnion Clearing Corporation Information Technology (Beijing) Co. Ltd. to establish a bank card clearing institution in China. The PBOC was active in international exchanges and cooperation on payments. It participated in the G20 Roadmap for Enhancing Cross-Border Payments and started to apply for serving as the next chair of the Working Group on Payments and Market Infrastructures of the Executives' Meeting of East Asia-Pacific Central Banks (EMEAP). It continuously stepped up efforts to provide convenient payments for visitors to China, and made preparations for the evaluation of electronic payments, part of the World Bank's assessment of China's business and investment climate.

Continuously strengthened the regulation of payment services market

The PBOC continued to maintain the order of acquiring market. It tightened review of the implementation of terminal management system and convened a meeting to promote the implementation of the *Notice on Enhancing Payment Acceptance Terminals and Related Business*. The PBOC developed a routine of rigorous regulation and conducted law enforcement inspections on the implementation of payment and settlement management regulations by key institutions in line with its legally authorized power and legal procedures. The PBOC adhered to a risk-oriented approach, focusing on payment risks while closely monitoring the entire payment business chain. It carried out “penetrating” inspections, particularly targeting key and prominent problems, and set up a sound clue-transferring mechanism with detailed rules. These efforts unleashed the synergy of regulatory coordination and made it possible to conduct retroactive investigations based on specific cases.

The PBOC stepped up targeted crackdown on fund flows involved in fraud and gambling activities. In line with the *Law on Combating Telecom and Online Fraud*, commercial banks and payment institutions halted transactions and froze funds associated with these illicit activities following instructions from public security authorities. Furthermore, the PBOC improved the payment systems’ anti-fraud and anti-gambling mechanisms, and continuously intensified efforts to prevent and control risks across institutions, regions, and industries. It struck a balance between risk prevention and service optimization, and ensured payment needs arising from

production, business activities and life were met. The PBOC launched outreach activities such as the National Anti-Fraud Awareness Month to foster a societal atmosphere staunchly opposed to fraud and gambling.

The PBOC continued to improve payment services. It kicked off the development of a national unified centralized account system, and continued to encourage fee cuts for payment services. It organized risk screening and evaluation of cash withdrawals using bank cards in rural areas and stepped up efforts to improve rural payment environment.

The PBOC strengthened business continuity management of payment and clearing systems. It issued the *Notice on Further Improving the Security Management of Payment and Clearing Systems*, and guided the National Clearing Center to complete the in-operation cross-data center switch of payment and clearing systems. Payment and clearing systems mostly maintained safe and stable operation, and ensured the processing of payment and clearing on important occasions such as the Spring Festival, Chengdu Universiade, Hangzhou Asian Games, and the Double Eleven online shopping festival.

Optimized central bank account and accounting services

The PBOC continued to expand financial services provided by the central bank, improved system functions and business models, and provided high-quality services for China’s economic and social development. It improved the management and services of central bank deposit accounts, and issued the *Measures for the Administration of Central Bank Deposit Accounts*, filling the long-



standing institutional gap in account services to specific entities in society, and laying the foundation for institutions to access central bank deposit account services on an equal footing. The PBOC issued the *Notice on Issues Including Simplifying Reconciliation and Statement Submission by Account Holders*, which simplifies the central bank accounting procedures for financial institutions. The coverage of the central bank's online channels was expanded. At end-2023, 4 062 financial institutions, or 93 percent of the total were connected to the Central Bank Accounting Data Centralized System (ACS) for online business processing, which helped save approximately RMB17 billion in liquidity for 101 financial institutions every day on average.

The PBOC launched automated processing of required reserves for FX deposits and FX risk reserves, and promoted the delivery versus payment (DVP) for monetary policy tools. These endeavors significantly improved efficiency and smoothed the channels for policy funds to directly reach the real economy. The PBOC launched the reconciliation platform for financial institutions on a trial basis to address long-standing issues such as inconsistent standards, low automation, time-consuming identification of discrepancies, and difficulties faced by legal entities in managing interbank fund risks. The platform will enhance the PBOC's ability to conduct penetrating supervision all the way down to the county level and prevent fund risks in the financial sector.

Box

Central Bank Account and Accounting Services Continue to Improve

The central bank deposit account links the central bank and account holders such as financial institutions, serving as an important vehicle for implementing monetary policy, maintaining financial stability, and providing final settlements. The ACS is a system used by the central bank to collectively store and manage accounts, handle business requirements, provide accounting services, and manage performance evaluation. Being the core financial infrastructure for the PBOC to fulfill its mandates and the portal system for providing services, the ACS is crucial for smoothing the transmission of monetary policy, optimizing financial services, and promoting stable economic and financial performance. The PBOC attaches great importance to improving central bank deposit account and accounting services. It has continuously expanded the scope of financial services, improved system functions and business models, and implemented the concept of payment services for the people. Thanks to these efforts, it made progress on all fronts.

Central bank deposit account and accounting services saw multi-dimensional improvement

The PBOC improved the management and services of central bank deposit accounts. In June 2023, it released the *Measures for the Administration of Central Bank Deposit Accounts*,

laying the foundation for the PBOC to fulfill its mandate as a central bank to provide deposit account services and management according to the law, and enhancing the confidence of overseas institutions in opening accounts and depositing funds with the central bank. With focus on unifying the conditions and evaluation standards for account opening, the *Measures* has specified management requirements for account opening, change, revocation, and utilization, strengthened risk control in key processes through standardized agency settlement and account security management, and clarified the rights, obligations, and responsibilities of both parties through the signing of account management agreements between the PBOC and account holders.

The PBOC simplified the procedures for central bank account and accounting services. In September 2023, it issued the *Notice on Issues Including Simplifying Reconciliation and Statement Submission by Account Holders*, aiming to improve the accounting verification mechanism, simplify report submission procedures, and standardize the use of photocopies. This effort solved prominent problems that arose after institutional reforms such as staff shortages, long distances that had to be traveled, and high risks involved. While striking a balance between security and services, the PBOC effectively improved the efficiency of the ACS.



Online services improved the efficiency of monetary policy tools

The PBOC launched the online automated processing of required reserves for FX deposits and FX risk reserves. On November 27, 2023, the ACS was officially connected to the systems of FX account holders such as the Bank of China and the Bank of Communications, achieving automated processing of reserve declaration, deposit, return, transfer, settlement, interest income return, bookkeeping, and reconciliation. This saved the trouble of manual transfer of vouchers, processing at counters and reconciliation between the PBOC and FX account holders and deposit institutions, and improved the efficiency of monetary policy tools such as required reserves for FX deposits and FX risk reserves.

The new function benefited 1 228 financial institutions, two FX account holders, as well as the PBOC's provincial, prefectural and municipal branches. Thanks to the new feature, the cumulative processing time for fund transfer and bookkeeping for FX-related reserves was reduced from 8.5 days per month to 0.5 day, sharply cutting costs, improving processing efficiency, and enhancing policy effectiveness.

The PBOC advanced the DVP settlement for monetary policy tools. On October 30 and November 27, 2023, the ACS was connected to the systems of the Shanghai Clearing House and the China Central

Depository & Clearing Co. Ltd. (CCDC). This integration facilitated the DVP settlement for the standing lending facility (SLF) using bonds under the custody of the Shanghai Clearing House as a pledge, as well as for the housing rental loan support plan and special central bank lending for the housing rental fund, both using bonds under the custody of the CCDC as a pledge. By end-2023, 14 monetary policy tools had adopted the DVP settlement, which ensured concomitant delivery and payment and enabled automated processing throughout the process of trading, pledging, and financing, thereby eliminating the need for financial institutions to conduct these operations manually at counters. While reducing liquidity risks, this settlement arrangement has substantially improved the access to financing by financial institutions and accelerated policy fund turnover.

Central bank financial services were expanded

The PBOC developed a reconciliation service platform for financial institutions, and launched it on a trial basis at the PBOC branches in seven provinces (municipalities) and 16 banking institutions on June 30, 2023. The platform provided financial institutions with services including centralized online reconciliation, business statistics inquiry, and transaction detail downloading. It helped reduce costs and enhance efficiency in interbank reconciliation, and bolstered the PBOC's ability to conduct off-site monitoring of agency clearing transactions, as well as to identify and prevent fund risks.

CURRENCY ISSUANCE AND MANAGEMENT

Fully ensured RMB cash supply

The PBOC made scientific arrangements for RMB banknote printing and coin production, storage, and the allocation of RMB issuance funds. It strengthened guarding, escorting, and security management and made every effort to ensure cash supply throughout the year. It promoted the storage of RMB products based on actual needs. It issued 10 different precious metal commemorative coins, organized the reservation and exchange of common commemorative coins issued in 2023, and carried out exchange of the remaining coins in a timely manner to meet the public's demand for collection.

Steadily advanced the research and development of e-CNY

The PBOC strengthened the building of e-CNY acceptance environment, steadily expanded the application of e-CNY, and continuously improved the convenience of e-CNY usage. The pilot application in scenarios such as Chengdu Universiade and Hangzhou Asian Games was successfully completed. The PBOC conducted in-depth researches on key issues and advanced the institution building for e-CNY in an orderly manner. The PBOC deepened international cooperation and continued to promote the Multilateral Central Bank Digital Currency Bridge (mBridge) project.

Continuously improved RMB cash services

The PBOC carried out special rectification of RMB cash refusals. It worked out a work plan for rectifying RMB cash refusals and issued the *Notice on Carrying Out Special Rectification of RMB Cash Refusals*. It coordinated comprehensive investigation, punishment in accordance with the law, exposure of malpractices to warn others, and related publicity and guidance work. The PBOC thoroughly reviewed the pilot of large-value cash management.

The PBOC stepped up efforts to keep the cleanliness of RMB in circulation. It carried out the recovering of damaged banknotes in accordance with the *RMB Banknotes Unfit for Circulation*, the newly-revised industry standards. It regularly coordinated payment into state treasury by banking financial institutions to accelerate the recovery of damaged banknotes.

The PBOC enhanced the management of RMB cash deposits and withdrawals of banking financial institutions. The PBOC, together with the former China Banking and Insurance Regulatory Commission (CBIRC), issued a notice to organize a thorough investigation into cases where banks suspended their cash deposits and withdrawals and have these services resumed. As of end-2023, 193 bank outlets had resumed



these services and five were in the process of resuming them. The overall process was stable.

The PBOC carried out work related to the cross-border transportation of RMB banknotes by commercial banks. It conducted researches on the settlement of RMB banknotes in border trade. It explored commercial banks' independent management of cross-border RMB banknote transportation as well as the pilot of cross-border transportation of RMB banknotes for border trade enterprises. It initiated the revision of the *Measures for the Administration of the Entry and Exit of the National Currency*.

The PBOC steadily advanced the building of regional cash processing centers. It issued the *Guiding Opinions on Further Advancing Pilot Regional Cash Processing Centers* and guided pilot branches to do a good job in developing regional cash processing centers.

Continuously improved the quality and effectiveness of anti-counterfeiting work

The PBOC gave full play to the role of the Anti-Counterfeit Currency Joint Conference of the State Council, worked together with the Ministry of Public Security to identify the sources and key regions of counterfeit currency in time, strengthened joint supervision, and achieved significant results in cracking down on the

sources of counterfeiting. The PBOC, together with the Ministry of Public Security and other related departments, comprehensively managed the risks of counterfeiting. It also worked with judicial departments to promote the resolution of legal application issues in the trial of counterfeit currency cases involving counterfeit banknotes used as props.

Continued to strengthen standardized vault management

The PBOC revised and improved the institutions for vault management and issued the *Administrative Measures for RMB Issuance Fund Custody (Trial)*. It carried out unannounced inspections of currency, gold and silver management, and security guarding. It further promoted the logistics module of the second-generation currency issuance and management system.

Continued to strengthen the supervision and regulation of banking financial institutions' cash-sorting quality

The PBOC strengthened supervision of key banks and regions in response to weaknesses in cash sorting. It optimized the method of quality spot check of deposits made by banking financial institutions to ensure the fairness and impartiality of supervision.

TREASURY MANAGEMENT

Treasury receipts and payments were efficient

The PBOC continuously strengthened accounting management, and handled treasury receipts and payments in a timely and accurate manner, allowing for the government to efficiently manage its budget. It adhered to the two bottom lines of maintaining the safety of treasury fund receipts and payments and the security of treasury business system operation. It organized the verification and correction of data in treasury accounting analysis reports to further improve the accuracy of report data.

Continued to deepen law-based treasury governance

The PBOC formulated the *Notice on Matters Concerning the Administration of Cross-Border Tax and Fee Payments into and Refunds from the State Treasury* and improved the convenience for cross-border RMB tax payments into and refunds from the state treasury to facilitate the international use of the RMB. It drafted the evaluation system for state treasury agency services and standards for administrative punishment discretion to strengthen and regulate supervision of state treasury agency business. It released, together with the MOF, the *Administrative Measures for Integrated Fund Payment under Central Fiscal Budget Management (Trial)* and the *Administrative Measures for Integrated Fund Payment and Clearing by Banks under Central Fiscal Budget Management (Trial)*.

These measures helped standardize the payment and clearing by banks acting as agents for state treasury centralized receipts and payments. It participated in establishing the inter-ministerial coordination mechanism for unifying social insurance premium collection models and issued the *Implementation Plan for Unifying Social Insurance Premium Collection Models* with the State Taxation Administration (STA) and other departments. It finished agent bank accreditation for centralized receipts and payments to the central treasury for 2023.

Made headway in introducing information technology to the state treasury system

The PBOC strengthened day-to-day operation and maintenance of the state treasury system, and focused on system monitoring, parameter maintenance, consultation, and system optimization and upgrading. It continued to advance the state treasury project. It established six teams for tracking the accounting subsystems of the said project, conducted the first-phase parallel verification of the second-generation Treasury Centralized Balancing System, tested state treasury information processing, treasury bond management and statistical analysis subsystems, and launched a tax payment information search module for key tax source enterprises. The PBOC cooperated with the STA to make available cross-provincial and cross-regional electronic tax payments. In coordination with the General Administration of Customs



of China, the PBOC launched the electronic processing of tariff refunds, digitalizing the entire process of tariff refunds. The PBOC piloted electronic tariff refunds for liquefied natural gas, which cut the refund time from one to two months down to seven days. The PBOC and the General Administration of Customs of China jointly issued the *Notice on Promoting Electronic Payment of Personal Postal Articles Tax* to promote the electronic payment of this tax. It optimized and upgraded the state treasury headquarters accounting system and improved the system's ability to handle business. It launched a module for the collection and transfer of pension insurance premium from central government agencies based in Beijing, providing system support for related work.

Continued to improve savings bond management

After consulting with the MOF, the PBOC determined the rates on savings bonds. It optimized the quota distribution mechanism for members of the government bond underwriting syndicate. Bond issuance and redemption were completed smoothly. The PBOC continued to promote the sales of savings bonds in rural areas. In 2023, 287 100 purchases were made by individual holders in rural areas, totaling RMB43.579 billion, accounting for 15.87 percent of the total, up by 2.36 percentage points year-on-year. The PBOC continued to remind holders when bonds mature. In 2023, 282 400 redemptions were made, totaling RMB33.584 billion. It further promoted the pilot sales of electronic savings bonds on banks' mobile apps and added six members that can sell treasury bonds on their apps to the underwriting syndicate.

Delivered fruitful outcomes in treasury statistical analysis and research

The PBOC carried out in-depth analysis of treasury fund management. It used treasury data to understand macroeconomic recovery and identify difficulties and problems facing the recovery. It strengthened treasury fund balance monitoring and analysis, with focus on the change of balance in special periods such as the beginning and end of each month and in financially-strapped regions. It supported the MOF in monitoring efforts to ensure residents' basic living needs were met, salaries were paid, and primary-level government agencies functioned normally, by providing treasury data regularly. It carried out researches on the implementation and effects of fiscal and tax policies, pressure and risks of primary-level finance departments, local government debts, fiscal sustainability, translation of international fiscal and tax materials, and the communist treasury history.

Carried out orderly treasury cash management

In coordination with the MOF, the PBOC properly conducted central treasury cash management and steadily promoted local treasury cash management. It closely watched the tendering and bidding of treasury cash management and bid-winning rate movements, and reported on treasury cash management in time. It completed the adjustment of the upper limit for local treasury cash balance in 2023. It guided local treasuries to improve cash flow forecast methods and optimize the cash flow system to further improve forecast accuracy.

Completed the transfer of county (county-level city) sub-branches' treasury business

The PBOC implemented the decisions and deployment of the CPC Central Committee and the State Council on institutional reforms, as well as the specific plans of the CPC PBOC Committee. It strengthened interdepartmental

communication and coordination, carefully formulated the transfer plan, operational guidelines and emergency plans for the transfer of county (county-level city) sub-branches' treasury business, upgraded and improved the business system, and completed the transfer work as planned, effectively ensuring the fulfillment of its responsibilities for state treasury management.

FINANCIAL TECHNOLOGY

Advanced the “Three Centralized”^① reform of information technology

The PBOC steadily pushed forward the implementation of important information technology projects regarding the state treasury, account management, and central bank lending, and made remarkable progress. It strengthened requirement review, and achieved significant improvements in the on-time completion rate of information technology projects.

The PBOC accelerated the integration of application systems by forming nine major systems, including the financial market business management system, audit business management system, and Internet-integrated application system, and by simultaneously phasing out multiple old systems. It strengthened the management of information technology applications and ensured the central bank’s technical route and software architecture remain advanced. The PBOC organized expert research on the development of multiple important central bank systems and infrastructures, such as those involving artificial intelligence services, FX trading, and RMB settlement accounts, to effectively strengthen information architecture management and control. The PBOC completed the technology support work related to the transfer of the business of its county (county-level city) sub-branches to prefecture-level city branches,

ensuring uninterrupted business operations and service quality. The PBOC established a data resource catalog; promoted the systematic application of the central bank’s data lake in areas such as monetary policy, financial markets, and currency issuance; and provided support for centralized data management.

Improved financial cybersecurity and data security capabilities

The PBOC carried out special law enforcement inspections on cybersecurity according to the law, cracked down on illegal activities and non-compliance in the field of cybersecurity, and guided key financial information infrastructure operators to fulfill their mandates.

The PBOC strengthened the management of financial cybersecurity. It organized stress tests for systemically important banking institutions, critical financial infrastructures, payment institutions, and PBOC branches and sub-branches, effectively assessing their abilities to ensure business continuity in disasters and to respond to emergencies. Leveraging the role of the financial cybersecurity awareness platform, the PBOC shared an average of over 4 million pieces of cybersecurity information every day throughout the year, issued more than 2 000 risk warnings, and identified and addressed over 27 000 potential risks, ensuring

① The “Three Centralized” reform refers to centralized software development, centralized system operation, and centralized data management.

safe operation during important events such as Chengdu Universiade, Hangzhou Asian Games, and the Central Financial Work Conference. The preliminary comprehensive application of commercial cryptography to financial services was also achieved.

The PBOC intensified efforts to ensure data security. It completed the opinion solicitation process for the *Measures for Managing Data Security in the Business Fields of the People's Bank of China*. It conducted activities including key data identification, directory updates, and data security stress tests. It proactively addressed the needs of financial institutions and facilitated the cross-border flow of financial data.

Improved financial information infrastructure system

The PBOC published the *Regulations for Managing the Business Network of the People's Bank of China (Trial)*. It completed the shift to and promotion of the new-generation business network for its branches and sub-branches, achieved mutual backup between the backbone networks of the business network and the payment system network, developed the new-generation high-definition video conferencing system, and enhanced the network service level and support capabilities of the PBOC.

The PBOC promoted cloud operations of its application systems, established a multi-cloud management platform, and promoted the management of heterogeneous information resources. It accelerated the development of a data center system and published the *Guidelines for Financial Data Center Capacity Building* and the *Technical Guidelines for Data Center Relocation of*

the People's Bank of China (Trial).

The PBOC achieved centralized timing for the business networks of its headquarters and branches. It promoted the upgrading and broader application of the Internet Protocol Version 6 (IPv6), issued the *Opinions on Promoting the Evolution of IPv6 Technology and the Innovative Development of IPv6 Applications* together with seven other departments, including the Office of the Central Cyberspace Affairs Commission and the MIIT, and completed the mid-term review of the IPv6 technology innovation and the pilot of integrated application.

Advanced the development of financial technology

The demonstration project of empowering rural revitalization through financial technology (fintech), launched by the PBOC together with six other departments as well as nine provinces and municipalities, was completed. Over 270 exemplary cases were created, in which tailored digital finance was used to benefit agriculture and people in rural areas. All this promoted the full implementation of empowering rural revitalization through fintech. The PBOC implemented a project to promote digital transformation in financial services, issued the *Guidelines for Financial Digitalization Capability Maturity*, established a typical case library for financial digital transition and digital inclusive finance, and drove financial digital transition to achieve phased results on a larger scale and deeper level. The PBOC issued the *Notice of the People's Bank of China on Strengthening the Management and Application of Financial Data*, promoting the improvement of the quality and efficiency of financial business through the use of data.



The PBOC made the most of fintech innovation regulatory tools, carried out themed testing of digital finance, inclusive finance, rural finance and supply chain finance, and launched more than 260 innovative applications that benefit consumers and enterprises alike. It signed the *Memorandum of Understanding on Deepening Fintech Innovation Supervisory Cooperation in the Guangdong–Hong Kong–Macao Greater Bay Area* with the HKMA and the Monetary Authority of Macao (AMCM) to improve financial opening-up, innovation, and cross-border cooperation. The PBOC supported the establishment of a national fintech risk monitoring center in Beijing and promoted the release of a self-discipline convention on sci-tech ethics in the financial sector. It completed the pilot project for enhancing the connectivity of bank electronic vouchers, formulated technical standards, and built basic platforms. It conducted the pilot of marking financial apps in the fields of information and communication with electronic labels to improve the technical capabilities for countering fraudulent apps.

Financial standardization continued to improve

The standard supply system became increasingly complete. In 2023, the financial sector released 18 national standards and 35 industry standards, covering key areas such as financial products and services, financial digitalization, financial risk prevention and control, and fintech. As of end-2023, there were 105 national standards, 364 industry standards, 303 group standards, and 7 977 enterprise standards in effect in the financial sector.

The quality and efficiency of standard

development continued to improve. The PBOC optimized the working mechanism for financial standard development; strengthened standardized and refined management in standard topic selection, standard formulation, standard quality, and talent training; and promoted the transformation of standard development from quantity- and scale-oriented to quality- and efficiency-oriented.

Standard application achieved substantial results. The PBOC strengthened the guidance for the implementation of financial standards throughout their lifecycle, continued to evaluate the implementation of key financial standards, and conducted activities related to enterprise standards in the financial sector such as the Forerunner Campaign and Benefit the People and Enterprises with Financial Standards Campaign to improve the innovation vitality and competitiveness of market entities. It accelerated the implementation of mandatory national standards such as the *Information Technology: Chinese Coded Character Set* and industry standards such as the *Financial Services: Guidelines for Processing Rarely Used Chinese Characters*. It promoted the standardization transformation of related institutions, and enhanced the ability to process rare Chinese characters. For people with rare Chinese characters in their names, these efforts helped improve their sense of fulfillment and satisfaction with financial services.

The institutional opening-up of standards continued to deepen. Under the framework of the International Organization for Standardization, international standards, the *Mobile Financial Services: Customer Identification Guidelines* and *Reference Data Distribution in Financial Services*,

authored by Chinese experts were officially released. The PBOC recommended 25 financial experts to join 15 international standard working groups and participate in the development of international standards such as those regarding digital legal tender and QR-code payments. The PBOC completed the adoption of four

international standards, including those on the global legal entity identifier and on personal identification number management and security, and stepped up the integration with advanced and applicable international financial standard systems.

CREDIT INFORMATION AND THE SOCIAL CREDIT SYSTEM

Optimized the layout of the credit information market and enhanced the quality and efficiency of credit information services

The PBOC strengthened the capacity for basic credit information services. It continuously improved the function of basic financial credit information database, expanded credit information services, and increased the availability of multiple inquiry channels including staffed windows, self-service information kiosks and online platforms, making public queries more convenient. These efforts facilitated the credit decision-making of financial institutions and the access to financing by business entities. The PBOC provided high-quality and specialized credit information services as part of the financial support for the real economy. By end-2023, the basic financial credit information database had amassed data on 1.16 billion individuals and 130 million enterprises and other organizations. It is the world's most extensive credit information system, both in terms of population coverage and the comprehensiveness of loan information collected. Throughout the year, queries about personal and corporate credit reports reached 5.1 billion and 160 million, respectively. The PBOC continued to improve the unified registration and public notification system for movable property financing and the accounts receivable financing service platform to assist businesses, particularly MSMBs, in revitalizing their movable assets.

In 2023, the unified registration and public notification system for movable property financing processed 31.68 million registrations, both for movable property and rights guarantees, and responded to 200 million queries. Additionally, the accounts receivable financing service platform managed to facilitate 502 000 deals of financing, totaling RMB21.2 trillion.

The PBOC continued to improve the multi-tiered credit information market system. It steadily advanced the development of personal credit information agencies for higher quality and efficiency. It guided these agencies to continuously diversify their products, improve their services, and increase effective supply based on the needs of financial institutions. Throughout the year, the two personal credit information agencies, Baihang Credit and Pudao Credit, delivered personal credit information services, including credit reports, credit scores, anti-fraud information, joint modeling, and decision-making support, 42 billion times. Additionally, 149 corporate credit information agencies that have filed with the PBOC provided corporate credit information services 22.3 billion times throughout the year.

The PBOC further developed local credit information platforms and credit information chains. It promoted the establishment of 31 provincial local credit information platforms, which collected the information on 144 million

CREDIT INFORMATION AND THE SOCIAL CREDIT SYSTEM

local enterprises (including self-employed businesses) and were accessed by 4 741 local financial institutions. In 2023, they helped 2.27 million enterprises obtain RMB8.6 trillion loans. The PBOC guided market-oriented credit information agencies and local credit information platforms to realize cross-regional connectivity of corporate credit information by using the blockchain technology. By end-2023, more than 300 million pieces of credit information were shared on the credit information chains, helping financial institutions extend RMB3.3 trillion loans.

The PBOC improved the quality and efficiency of credit rating services. Through introducing new agencies and eliminating substandard ones, it kept improving the filing management mechanism to promote industry integration and optimization. At end-2023, the number of credit rating agencies that had filed with the PBOC hit 52, providing 70 000 rating services of different types throughout the year. The PBOC steadily advanced internal (corporate) credit ratings, effectively supporting the implementation of monetary policy tools like central bank lending. As of end-2023, 320 000 companies had been rated through this system, of which nearly 240 000 were rated as “acceptable” and above. This supported liquidity provision of RMB851.4 billion under central bank lending.

The PBOC promoted the development of social credit system and rural credit system. It revised and updated the *Catalogue of Public Credit Information in China* and the *List of Punitive Measures Against Acts of Bad Faith in China* in cooperation with the NDRC. The PBOC proactively stepped up the development of rural credit system. As of end-2023, 137 agriculture-related credit information systems had been

established, with 119 million trusted households, 306 800 trusted villages, and 14 400 trusted townships (towns) accredited.

Comprehensively tightened regulation of credit information and credit rating services to safeguard the legitimate rights and interests of information owners

The PBOC strengthened compliance management of institutions accessing the basic financial credit information database. It conducted law enforcement inspections of credit information services by institutions accessing the basic financial credit information database to investigate and punish violations according to the law. The inspections focused on key areas including information security, data quality, and rights and interests protection. The PBOC enhanced technological empowerment. It strengthened the functions of the credit information management and monitoring system to supervise and regulate the connected institutions, putting these institutions under dynamic online management and comprehensively stepping up the PBOC’s capacity for off-site regulation.

The PBOC took concrete measures to make credit information regulation more targeted and effective. It continued to improve the classification-based regulatory system for credit information agencies, focusing on the building of a regulatory framework that is coordinated vertically and horizontally. It issued the *Notice on Regulating Corporate Credit Information Agencies*, and fully implemented the *Measures for the Administration of Credit Information Services*. The PBOC completed compliance rectification of



credit information activities of financial institutions in an orderly manner, ensuring these institutions' sources and uses of credit information are more legally compliant, and the interests and information security of information owners are well protected.

The PBOC continued to enhance the regulation of credit rating services. It carried out sweeping on-site law enforcement inspections of all credit rating agencies in an orderly manner. It promoted the launch of the national credit rating quality supervision information platform, which helped enhance industry self-discipline, create a market competition mechanism based on rating quality, and continuously lift the levels of standardized and law-based management of the credit rating industry.

The PBOC launched a series of outreach activities on credit information and worked to improve the mechanisms for protecting the rights and interests associated with credit information. It systematically promoted publicity of credit information, continuously improved public

awareness of creditworthiness, and inspired the public to embrace honesty and trustworthiness. On the occasion of the 10th anniversary of releasing the *Regulations on the Administration of the Credit Information Industry*, the PBOC launched a series of themed activities titled Credit Reporting Embarks on a New Journey 10 Years On. Leveraging occasions such as the World Consumer Rights Day on March 15 and Credit Record Awareness Day on June 14, the PBOC engaged the public with a mix of social media articles and short videos to enhance their understanding of credit information. In 2023, the PBOC organized 163 000 credit information-related outreach events, drawing approximately 96.44 million participants. Additionally, it revised the *Rules for Handling Credit Information-Related Complaints*. It responded to the public's activities to protect legitimate rights and interests in accordance with laws and regulations, effectively safeguarding rights and interests associated with credit information. Throughout the year, it handled more than 6 000 credit information-related complaints and more than 77 800 credit information-related dissents.

Box

Strengthen Industry Supervision and Promote the High-Quality and Healthy Development of Credit Rating Market

The structure of credit rating market continued to be optimized

Relying on a filing mechanism allowing for both entry and exit as well as the survival of competitive players, the PBOC supported industry integration, encouraged competitive and compliant credit rating agencies to grow both in size and strength, and promoted the dynamic adjustment of the number of rating agencies. As of end-2023, 52 credit rating agencies had filed with the PBOC with 16 engaged in bond market credit rating and 36 in credit market credit rating. Over 43 000 debt ratings (including initial and follow-up ratings) and over 26 000 enterprise ratings (including initial and follow-up ratings) were conducted throughout the year, contributing to the financing of more than RMB20 trillion. The ability of credit rating services to support the real economy continued to strengthen.

The pace of overseas development of rating agencies continued to increase

Several Chinese rating agencies actively applied for overseas regulatory recognition, enhancing their visibility and influence in overseas markets. By end-2023, one Chinese credit rating agency had been recognized by the Russian central bank, and another one

by the Securities and Exchange Commission of Pakistan. Furthermore, six mainland-based credit rating agencies had established presence in Hong Kong, three obtained Type 10 licenses (providing credit rating services) issued by the Securities and Futures Commission of Hong Kong, and one obtained qualification recognition from the Hong Kong Mandatory Provident Fund Schemes Authority.

International cooperation on credit rating became increasingly frequent

In 2023, Chinese credit rating agencies were active in joining related international organizations based on an accurate assessment of their international positioning in line with their business stature. They were invited multiple times to participate in high-level forums and summits, including the St. Petersburg International Economic Forum, the 18th Asia Bond Markets Summit, and the Annual Conference of the Association of Credit Rating Agencies in Asia. As of end-2023, five Chinese rating agencies had obtained seats in the BRICS Business Council, four had joined the Association of Credit Rating Agencies in Asia, three had become members of the International Capital Market Association, and one had become a member



of the Asia Securities Industry and Financial Markets Association.

Supervision over credit rating intensified

In 2023, the PBOC constantly improved the credit rating industry's governance system, enhanced the framework underpinned by off-site monitoring plus on-site inspection, followed up on law enforcement inspections in an orderly manner, strengthened the industry consensus of promoting development through strict supervision, and significantly improved

credit rating industry compliance. The PBOC intensified institution design and published documents such as the *Green Bond Credit Rating Guidelines* to provide reference guidance for the green bond credit rating business. It also launched the national credit rating quality supervision information platform, comprehensively harnessed technology to enhance off-site supervision, promoted improvement of rating quality, and optimized market competition pattern. These endeavors supported and warranted the high-quality development of bond market.

ANTI-MONEY LAUNDERING AND COMBATING FINANCING OF TERRORISM

Enhanced the institutional foundation for anti-money laundering

The PBOC made steady progress in revising the *Anti-Money Laundering Law*. Together with the State Administration for Market Regulation (SAMR), the PBOC drafted and completed the *Measures for the Administration of Beneficial Ownership Information*. It issued the *Guidelines on Anti-Money Laundering and Combating Financing of Terrorism for E-CNY* and completed the second *National Money Laundering Risk Assessment Report*. It revised the *Arrangements on the Anti-Money Laundering Joint Ministerial Conference* (AMLJMC) to further improve the coordination mechanism for anti-money laundering (AML). The PBOC also formulated the *China Anti-Money Laundering Strategy (2023–2027)* based on researches to set the course and goals for work on AML for the present and years to come.

Strengthened AML regulation

The PBOC accelerated the development of the risk-based AML mechanism. It completed two rounds of regulatory assessments involving 35 institutions, drafted the *Guidelines on Risk-Based Anti-Money Laundering Regulation (Trial)*, and established an AML regulatory framework aligned with international standards and tailored to China's circumstances. The PBOC also paid regulatory visits to securities and insurance firms to deepen its understanding of their

risks and compliance practices. Moreover, it completed targeted inspections of three policy banks, revisited inspected banks to review their rectification efforts, and compiled regulatory guidelines on ongoing due diligence and follow-up reporting for prominent issues identified during inspections. It continued to promote the development of AML regulatory systems in specific non-financial sectors.

Achieved remarkable results in AML investigations and crackdown on money laundering crimes

Following the overall requirements of the *Three-Year Action Plan for Combating and Controlling Money Laundering-Related Illegal Activities (2022–2024)*, the PBOC, jointly with the Ministry of Public Security and other AMLJMC members, formulated a task delegation table, strengthened inter-departmental cooperation, and constantly improved institutional arrangements and the cooperation mechanism. It made remarkable progress in formulating judicial interpretations on money laundering crimes, implementing coordinated actions to combat predicate offenses and money laundering crimes, establishing a statistical system for money laundering crimes, and analyzing the correlation between combating money laundering crimes and predicate offenses. It also worked on how to promote the fight against tax-related money laundering crimes, researched and improved the system for



analyzing money laundering typologies, carried out the pilot of addressing possible loopholes in financial institutions uncovered by investigations into major money laundering crimes, released typical cases of money laundering crimes, and issued essentials for identifying suspicious transactions.

Throughout the year, the PBOC branches and sub-branches handled 13 315 key suspicious transactions. After investigations, research and assessment, it transferred 6 392 clues involving underground banks, illegal fund-raising, and telecom fraud to the investigating authorities. The PBOC helped these authorities conduct AML investigations on 2 625 cases and crack 1 651 money laundering cases. Judiciary authorities also ruled on more money laundering cases according to Article 191 of the *Criminal Law*, demonstrating how financial authorities had effectively cracked down on money laundering offenses and safeguarded financial and national security.

Delivered positive outcomes in international cooperation on AML

The PBOC continued to promote AML

international cooperation, exchanges, and communication. It led the Chinese delegation to international meetings such as those of the Financial Action Task Force (FATF), the EAG and the BRICS Counter-Terrorism Working Group, and played a constructive role in major issues. It supported the aspirations of like-minded countries and continued to actively participate in the revision of international standards. It took part in several FATF research projects, concluded the fourth round of FATF mutual evaluation, and actively prepared for the fifth round. In 2023, the PBOC hosted the 39th EAG Plenary Meeting.

Organized AML outreach activities

The PBOC leveraged multiple platforms to enhance the effectiveness of AML outreach activities. It extensively used media platforms to publish AML tips and the progress of related work, effectively improving the impact of AML efforts. It built up several AML publicity and education bases integrating related functions with strong professionalism and high concentration to raise public awareness of money laundering risk prevention.

INTERNATIONAL FINANCIAL COOPERATION AND GLOBAL ECONOMIC GOVERNANCE

Implemented the vision of a community with a shared future for mankind and strengthened macroeconomic policy coordination

The PBOC continued to participate in the G20 Finance Track to promote international economic and financial policy coordination, uphold multilateralism, and boost strong, sustainable, balanced and inclusive economic growth.

By using the BRICS mechanism to deepen practical financial cooperation and build consensus among member countries, the PBOC worked with its peers in these countries to raise the voice of developing countries. It extensively participated in the work of the BIS. Pan Gongsheng, Governor of the PBOC, was elected a member of the BIS Board of Directors. The PBOC joined the discussions on global economy and strengthened policy coordination with other central banks through the BIS bimonthly meetings of Governors. It introduced the Chinese economy and related policies, and conveyed the confidence in the bright prospects of the Chinese economy. The PBOC actively participated in the formulation and implementation of standards by international financial standard-setting bodies such as the FSB and the BCBS on addressing climate change, improving the resilience of non-bank financial institutions, crypto-assets, cross-border payments, and central bank digital currencies to jointly safeguard global financial

stability.

The PBOC proactively promoted the 16th General Review of Quotas (GRQ) of the IMF and the SDR channeling to improve the international financial architecture. The IMF's 16th GRQ was completed on time in December 2023, with a 50 percent quota increase allocated to members in proportion to their quotas. It called for the 17th GRQ as soon as possible, and urged the work to develop, by June 2023, possible approaches as a guide for further quota realignment, including through a new quota formula. China took the lead in channeling US\$10 billion of its SDR allocation to vulnerable countries, and called on countries with rich resources to channel their SDRs to countries in need.

The PBOC properly addressed the sovereign debt issue of developing countries. It played a constructive role in global sovereign debt governance while taking part in handling country cases. On the one hand, it elaborated on China's principle and position of collective action and fair burden sharing on multilateral and bilateral occasions, urged multilateral development banks (MDBs) to make more contribution, and called on private creditors to participate on comparable terms. On the other hand, it played a leading role in the formulation of sovereign debt policies and rules, urged the IMF and the World Bank to improve the transparency of debt sustainability analysis and share information as soon as



possible, and continued to promote the reform of IMF debt policies.

Deepened and strengthened bilateral and regional financial cooperation

The establishment of the China-US Financial Working Group (FWG) strengthened bilateral dialogue in the financial sector. To follow through on the important common understandings reached between Chinese President Xi Jinping and US President Joe Biden at their meeting in Bali, Indonesia, based on the consensus reached by He Lifeng, Chinese Vice Premier and lead person for China-US economic and trade affairs, and US Treasury Secretary Janet Yellen, China and the US officially announced the establishment of a Financial Working Group in September 2023. Co-led by the PBOC and the US Department of the Treasury, the FWG was tasked with enhancing communication and exchange on financial issues. This was the first time for China and the US to set up a special working group in the financial sector, which would enable the sector to play an important role in boosting bilateral exchange. In September 2023, the PBOC Governor Pan Gongsheng had a video call with Secretary Yellen. On the sidelines of the IMF Annual Meetings in Marrakech, Morocco, in October, Governor Pan met with Secretary Yellen in person and discussed issues related to the FWG. On October 25, the first meeting of the FWG was held via video link. On November 9, during Vice Premier He's visit to the US, the FWG held its first face-to-face meeting. Productive communication and collaboration between China and the US in the financial field paved the way for President Xi's visit to the US.

The China-EU Working Group on Financial

Cooperation was created to deepen bilateral financial cooperation. In September 2023, the first special working group under the China-EU High-Level Economic and Trade Dialogue—the China-EU Working Group on Financial Cooperation—was established, co-led by the PBOC and related departments of the European Commission. Within the framework of the working group, China and the EU cooperated in the areas of financial openness, financial infrastructure, financial regulation, financial stability, sustainable finance, and fintech.

The PBOC deepened bilateral economic and financial cooperation with the UK, Germany, France, and Russia. It made use of existing bilateral dialogue platforms to promote practical cooperation between China and these countries on macroeconomic policies, the international use of the RMB, financial market opening-up and AML, and actively explored new opportunities for cooperation and development in green finance, central bank digital currencies and cross-border payments. It strengthened cooperation with neighboring Asian countries in local currency settlement and other areas.

The PBOC strengthened regional financial cooperation and contributed to maintaining regional financial stability. Under the ASEAN-China, Japan and the Republic of Korea (ASEAN+3) financial cooperation mechanism, the PBOC encouraged ASEAN+3 countries to continuously update the Chiang Mai Initiative Multilateralization (CMIM) and supported the ASEAN+3 Macroeconomic Research Office (AMRO) to continuously improve its economic surveillance and governance capacity. It served as the deputy head of the Monetary and Financial Stability Committee (2022–2024) under the

EMEAP, actively promoted economic monitoring in the region, exchanged views on issues such as cross-border payments and green finance, and encouraged the Asian Bond Fund to better play an exemplary role. It participated in the governance of multilateral development institutions (MDIs) and strengthened practical cooperation. With the help of the MDI platform, the PBOC further deepened China-Africa and China-Latin America financial cooperation. It actively promoted joint financing to meet the financing needs of MDI members and assisted in regional poverty reduction and development. It implemented China's capital commitments to the African Development Fund and the Special Development Fund of the Caribbean Development Bank as well as the country's capital increase commitment to the West African Development Bank, demonstrating China's role as a responsible major country.

Deepened financial integration and promoted high-quality development of the Belt and Road Initiative (BRI)

The PBOC played its role to the full to contribute to the successful convention of the Third Belt and Road Forum for International Cooperation (BRF). At the opening ceremony of the event, Chinese President Xi Jinping announced that the China Development Bank and the Export-Import Bank of China will each set up an RMB350 billion financing window. An additional RMB80 billion will be injected into the Silk Road Fund. The PBOC also advanced multilateral cooperation. It guided the Secretariat for the Green Investment Principles for the Belt and Road (GIP) and the Industrial and Commercial Bank of China to hold the Fifth GIP Plenary Meeting and the Third Belt and Road Bankers Roundtable, during which

several multilateral cooperation documents were issued.

The PBOC improved the quality and efficiency of financial services for Belt and Road cooperation in line with market principles and the need to pursue diverse, open, and green development. It adhered to market principles and guided financial institutions to raise their awareness of risk prevention and improve their risk management systems. It supported Chinese financial institutions in third-party cooperation with international financial institutions, gave play to the role of equity investment funds such as the Silk Road Fund, and encouraged financial institutions to provide more support for green, "small yet smart" people-centered projects. By end-2023, the Silk Road Fund had signed more than 80 projects with a committed investment of nearly US\$23 billion, and 164 institutions from 71 countries had joined the Belt and Road interbank regular cooperation mechanism.

The PBOC implemented the new development philosophy and promoted the green development of the BRI with green finance. It actively implemented the GIP and encouraged financial institutions to provide more support for green projects under the Belt and Road framework. By end-2023, the GIP had been signed by 47 financial institutions and enterprises from 17 countries, and a new ASEAN chapter was announced in addition to existing Central Asia and Africa regional chapters. The PBOC guided the members of the Green Finance Committee of the China Society for Finance and Banking to jointly launch the Capacity-Building Alliance for Sustainable Investment for developing countries in partnership with Chinese and foreign institutions, which plans to train 100 000 people



from BRI participating countries by 2030.

Actively promoted international cooperation on green finance and supported efforts to achieve carbon peaking and neutrality targets

The PBOC continued to co-lead the work on sustainable finance under the G20. In 2023, the PBOC and the US Department of the Treasury remained co-chairs of the G20 SFWG and promoted the implementation of the *G20 Sustainable Finance Roadmap*. While considering the actual needs of China's carbon peaking and neutrality targets, and the major concerns of other developing countries, it worked with all parties to promote the completion of three key tasks: mobilizing adequate climate financing, promoting financing related to the Sustainable Development Goals, and strengthening capacity building in sustainable finance. Related outcome

documents were included in the Leaders' Declaration of the G20 New Delhi Summit in September 2023.

The PBOC promoted convergence with the European green finance taxonomy through the International Platform on Sustainable Finance (IPSF). Together with related departments of the European Commission, the PBOC released an updated version of the *Common Ground Taxonomy* (CGT) in June 2022 to promote the comparability and interoperability of green taxonomies on both sides and facilitate cross-border green capital flows. In 2023, the PBOC reached an agreement with the EU on further improving the CGT and actively promoted its implementation and application. It also participated in the Network of Central Banks and Supervisors for Greening the Financial System (NGFS) to promote green finance cooperation between central banks and supervisors.

THE MAINLAND'S FINANCIAL COOPERATION WITH THE HONG KONG SAR, THE MACAO SAR, AND THE NON-GOVERNMENTAL FINANCIAL SECTOR INTERACTIONS WITH TAIWAN

Advanced financial cooperation with Hong Kong and Macao

The PBOC pushed forward the development of RMB business in Hong Kong SAR and Macao SAR. In 2023, the PBOC had 12 issues of central bank bills in Hong Kong, totaling RMB160 billion. It improved the mechanism for the regular issuance of central bank bills in Hong Kong and the issuance structure, further enriched the varieties of high credit rating bonds in the Hong Kong market, improved the offshore RMB yield curve, and promoted the development of the offshore RMB market in Hong Kong and Macao.

The PBOC supported qualified entities to issue offshore RMB bonds in Hong Kong and Macao. In late August, the Shenzhen Municipal Government issued RMB5 billion worth of local government bonds in Hong Kong. The Guangdong Provincial Government issued RMB2 billion worth of local government bonds in Macao. In September, the Hainan Provincial Government issued RMB5 billion worth of local government bonds in Hong Kong^①. At end-2023, RMB deposits in Hong Kong stood at RMB939.2

billion, an increase of RMB103.3 billion or 12.4 percent over the end of the previous year^②. RMB deposits in Macao were RMB95.1 billion, a decrease of RMB11.3 billion or 10.6 percent from the end of the previous year^③.

The PBOC deepened fintech cooperation. Based on the memorandum of understanding on deepening fintech innovation supervisory cooperation between the PBOC and the HKMA, the PBOC, the HKMA, and the AMCM signed the *Memorandum of Understanding on Deepening Fintech Innovation Supervisory Cooperation in the Guangdong–Hong Kong–Macao Greater Bay Area* in November. Under the memorandum, the three authorities agreed to form a network linking the PBOC Fintech Innovation Regulatory Facility, the HKMA's Fintech Supervisory Sandbox, and the AMCM's Regulatory Requirements for Innovative Fintech Trials.

The PBOC actively supported the development of the Greater Bay Area. In February, with the consent of the State Council, the PBOC, together with related departments and the Guangdong Provincial People's Government, jointly issued the *Opinions on Providing Financial Support for*

① Sources: Official websites of the Hainan Provincial People's Government, the Liaison Office of the Central People's Government in the Macao SAR, and the Shenzhen Municipal People's Government.

② Source: Official website of the HKMA.

③ Source: Official website of the AMCM.



the Development of Guangdong–Macao In–Depth Cooperation Zone in Hengqin and the *Opinions on Providing Financial Support for Comprehensively Deepening Reform and Opening–Up for Shenzhen–Hong Kong Modern Service Industry Cooperation Zone in Qianhai*. These measures aim to deepen the mainland's cooperation with Hong Kong and Macao in green finance, digital currency, financial market connectivity and financial regulation, consolidate and enhance Hong Kong's position as an international financial center, and further advance the development of the Greater Bay Area.

In terms of deepening mainland–Hong Kong–Macao financial market connectivity, the Northbound Bond Connect and Southbound Bond Connect operated smoothly, with the annual trading volume of the Northbound Bond Connect reaching RMB9.97 trillion, an increase of 24 percent over the previous year and a record high^①. In May, the PBOC, the Hong Kong Securities and Futures Commission, and the HKMA jointly held the launch ceremony of the Swap Connect, marking the official launch of the interest rate swap market access scheme between the mainland and Hong Kong. At end–2023, there were 20 domestic quotation companies and 51 overseas investors, concluding over 2 000 interest rate swap transactions with a nominal principal of over RMB900 billion.

In September, the PBOC, together with related institutions, decided to further optimize the pilot Cross–Boundary Wealth Management Connect

in the Greater Bay Area, including optimizing investor access conditions, expanding the scope of participating institutions and the scope of qualified investment products, appropriately increasing the quota for individual investors, and further optimizing publicity and sales arrangements. Business volume of the Cross–Boundary Wealth Management Connect steadily increased, and the number of pilot banks in the Greater Bay Area rose to 32. By end–2023, 69 200 individual investors in the Greater Bay Area had participated in the scheme, including 45 400 investors from Hong Kong and Macao and 23 800 investors from the mainland, which involved 43 300 cross–border transfers of funds amounting to RMB12.810 billion.

The PBOC further strengthened business cooperation and regulation integration with Hong Kong and Macao in the field of green finance, vigorously promoted the mutual recognition of green finance standards in the Greater Bay Area, and supported eligible local governments, financial institutions, and enterprises to issue green bonds and other green financial products in Hong Kong and Macao. In August, the Shenzhen Municipal Government issued RMB2.1 billion worth of green bonds in Hong Kong and the Guangdong Provincial Government issued RMB2 billion worth of green bonds in Macao. In September, the Hainan Provincial Government issued RMB1 billion worth of green bonds and RMB1 billion worth of blue bonds^② in Hong Kong.

The PBOC conducted high–level dialogues with Hong Kong and Macao. In 2023, it conducted a

① Source: Official website of the Bond Connect.

② Sources: Official websites of the Hainan Provincial People's Government, the Liaison Office of the Central People's Government in Macao SAR, and the Shenzhen Municipal People's Government.

THE MAINLAND'S FINANCIAL COOPERATION WITH THE HONG KONG SAR, THE MACAO SAR, AND THE NON-GOVERNMENTAL FINANCIAL SECTOR INTERACTIONS WITH TAIWAN

series of exchanges with the financial industries in Hong Kong and Macao, covering topics such as the international use of the RMB, financial market connectivity, the economic and financial developments in the mainland, Hong Kong and Macao, Hong Kong's status as an international financial center, the building of the Greater Bay Area, and fintech innovation supervisory cooperation in the Greater Bay Area.

Supported non-governmental financial cooperation across the Taiwan Straits

The PBOC actively promoted non-governmental

financial interactions across the Taiwan Straits. The China Society for Finance and Banking hosted the 25th Seminar on Financial Cooperation across the Taiwan Straits in Xiamen, Fujian Province, in November 2023. The seminar covered topics such as the development and regulation of FHCs, cross-Straits supply chain finance cooperation, green finance development, and the impact of climate change on financial industries in the mainland and Taiwan.

HUMAN RESOURCES

Staff composition

At end-2023, the number of PBOC staff totaled 117 126, including staff members at its affiliated public institutions and some of the enterprises under its administration. Among this total, 45 781 or 39.09 percent were female. A total of 1 286 or 1.10 percent held Ph.D. degrees, 24 756 or 21.14 percent held master's degrees, and 70 190 or 59.93 percent held bachelor's degrees. Among the staff at the PBOC Headquarters, 164 or 22.37 percent were Ph.D. degree holders, 498 or 67.94 percent were master's degree holders, and 66 or 9.00 percent were bachelor's degree holders. In 2023, new recruits totaled 4 007 and 6 756 staff members retired. In terms of age structure, 24 481 were 30 years old or younger, 17 152 were 31 to 35 years old, 11 684 were 36 to 40 years old, 10 151 were 41 to 45 years old, 13 363 were 46 to 50 years old, 19 166 were 51 to 54 years old, and 21 129 were 55 years old or above.

Team building

In 2023, the PBOC carried out a high-quality education campaign on the study and implementation of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era. It thoroughly studied and applied the guidelines adopted at the 20th CPC National Congress, implemented all the tasks related to the PBOC institutional reform, and continuously enhanced the overall effectiveness of the Party organizational system. It systematically planned

and promoted the development of leadership teams and other officials, and carried out work on creating high-caliber financial professionals in the new era, providing a strong organizational guarantee for building a modern central bank system.

The PBOC persevered in using the Party's innovative theories to foster unity and integrity. Following the CPC Central Committee's plans, it pushed forward the education campaign with high standards and strict requirements, and completed the first phase with high quality. It went on to advance the second phase of the education campaign, achieving initial results. Centered on studying and implementing the guidelines of the 20th CPC National Congress, it provided centralized training in batches and systematic training. Highlighting the theme of in-depth study and implementation of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, it also organized targeted training courses. Following the Central Financial Work Conference, members of the CPC PBOC Committee and heads of all its affiliated institutions participated in specialized training at the Party School of the CPC Central Committee by turns. Work arrangements were made for the PBOC system to study and implement the guidelines of the conference. Targeting a few key figures, it carried out political capability training for department- and bureau-level officials, and innovatively organized demonstration training classes for newly appointed division-level officials,

striving to enhance their political acumen, understanding, and capacity to deliver. Centered on the country's top priorities, it strengthened capacity-building training related to promoting high-quality financial development and building a modern central bank system. It continued to strengthen the Devotion to Study Lecture Series through the China E-Learning Academy for Leadership and the Central Bank Online Academy, making high-quality training resources more accessible at the primary level. It also carried out a thorough review of the implementation of the *National Plan on Officials' Education and Training (2018–2022)*.

The PBOC actively and steadily advanced the institutional reform. It implemented the arrangements of the *Plan on the Reform of Party and State Institutions*, and adjusted the PBOC's responsibilities, organizational structure, and number of personnel. Provincial and municipal branches were formally established and began to perform their duties under the new institutional names. County (county-level city) sub-branches' services were handed over to prefecture-level city branches. The PBOC formulated a reform plan for county-level institutions based on researches, collaborated with competent central departments to study the related matters of incorporating personnel of PBOC branches and sub-branches into the unified and standardized management of civil servants, and fully implemented all the tasks of the institutional reform.

The PBOC strived to build a highly qualified and specialized central bank team. In keeping with the standards of strong political integrity, professional competence, and work ethics, it made coordinated plans on the development

of leadership teams and other officials. It comprehensively reviewed the implementation of the *Outline of the National Plan on the Development of Party and Government Leadership Teams (2019–2023)*. Mindful of the big picture, it adopted the correct approach to appointing officials and organized forward-looking surveys of leadership teams and other officials. It proposed measures in a category-specific manner, optimized the structure of leadership teams, and enhanced their overall functions. It actively carried out exploratory practices to accurately assess political integrity. It ensured that officials could be promoted as well as demoted.

The PBOC steadily advanced the work on financial talent in the new era. It implemented General Secretary Xi Jinping's important thought on talent work in the new era and the guiding principles put forward at the Central Conference on Talent Work. Upholding the Party's overall leadership over talent work and focusing on the implementation of the strategy of building a quality workforce in the new era, it worked to ensure the decisions and deployment of the CPC Central Committee on talent work in the new era take root and bear fruit in the central bank. It further strengthened PBOC-wide team building and pushed forward the central bank's talent work in the new era to continuously achieve new results.

The PBOC strengthened the management and supervision of its officials. It comprehensively pushed forward the education and rectification of its personnel in conjunction with the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era education campaign. It compiled a collection of typical cases of prominent problems, used these cases



to warn and educate others, and carried out a campaign targeting malpractices in the education and management of young officials. The PBOC prioritized political supervision, highlighting the importance of the leadership team or “key few”.

It focused on strengthening the supervision of the heads of its affiliated institutions and other members of their leadership teams, while subjecting all personnel to strict management.

INTERNAL AUDITS

Performed in-depth audits on economic responsibilities of leading officials

Focusing on the primary task of high-quality development, the PBOC further intensified audits on its leading officials' implementation of major policies and initiatives of the CPC Central Committee. It kept a close eye on the implementation of the central Party leadership's eight-point decision on improving Party and government conduct. It supervised its branches and sub-branches in the implementation of monetary policy, regional financial risk monitoring and resolution, law-based administration, and budget management. It also exercised oversight on its affiliates in financial receipts and payments, outbound investment, procurement management, and internal control. It performed audits on economic responsibilities of 20 department- and bureau-level leading officials in 2023. This effectively incentivized PBOC officials at all levels to perform their duties fully and regulated the exercise of public power.

Strengthened audits on business management and internal control

The PBOC increased the intensity of audit supervision over the implementation of major projects, strategies, and initiatives. It closely focused on the bank's central work and major issues when conducting internal audits. It conducted audits on financial risk monitoring, assessment, early warning, and disposal at the primary-level to promote the standardized

development of its financial stability efforts. It organized special audits on institutional reforms, supervising the implementation of financial disciplines, fund inventory, asset management, and the handling of historical issues during the reform process. This was to prevent the loss of state-owned assets and promote the branches' and sub-branches' active and prudent implementation of the central authorities' requirements. The PBOC conducted major investment audits, overseeing and evaluating the rationality of infrastructure and IT application project planning, the standardization of procurement, and expenditure performance. It conducted budget management audits, strictly implementing the requirement of comprehensive strict management and living on a tight budget. This strengthened the budget's ability to guarantee the central bank's key responsibilities, promoted the optimization of financial resource allocation, improved budget performance management, and prevented risks in the use of public funds.

Institutionalized the process of promoting internal audit rectification

The PBOC improved the mechanism for assessing the rectification of problems exposed by audits. It conducted a centralized evaluation every six months to strengthen the primary responsibility for internal audit rectification. It established a mechanism for coordinating internal audits with discipline inspection and supervision, internal inspection, supervision over



officials, and accounting supervision. It used the result of internal audit rectification as a basis for evaluating its branches, sub-branches and other affiliates, and as a reference for evaluating, appointing, removing, rewarding and punishing their leaders.

Improved the quality of internal audits

The PBOC conducted in-depth research-oriented audits, closely combining audits with fact-finding research. It strengthened the analysis of common problems and made audit recommendations with a reform-minded approach. It strictly enforced the quality control of audit projects throughout the process, ensuring accurate problem identification, reasonable and

feasible recommendations, and fair and objective evaluations. The PBOC used a range of auxiliary audit tools to conduct off-site data analysis. This provided clues and evidence for on-site audits, improving the efficiency and effectiveness of on-site audits. The PBOC promoted technology-driven auditing. It continuously optimized its integrated internal audit management system and promoted unstructured data analysis technologies. It conducted information system security penetration tests, and researched and explored artificial intelligence audit technologies and large audit model construction methods. Through these efforts, it constantly expanded IT application in internal audits and became more capable of carrying out audits with the help of IT.

FINANCIAL STATISTICS

Strengthened the establishment of financial statistical standards, systems, and regulations

The PBOC improved the financial statistical standard system. It improved the financial statistical system, enhanced the financial statistical indicator system, compiled interpretations of comprehensive statistical indicators for the financial industry, and promoted universal standards at the indicator application level for comprehensive financial industry statistics. The PBOC strengthened the implementation of statistical standards. It organized financial institutions nationwide to assess the implementation of comprehensive financial industry statistical standards, thus better implementing these standards. The PBOC actively promoted the development of statistical laws and regulations. It issued the *Guidance on Inspecting the Quality of Source Data for Financial Statistics*.

Reinforced financial statistics management and ensured data quality

The PBOC guided financial institutions to strengthen the management of the quality of financial statistical source data, further reinforcing responsibilities for preventing and punishing statistical fraud and falsification. The PBOC leveraged its mature regular data quality inspection system to strengthen daily inspections, conducted data inspection at a more granular level, and worked hard to ensure

financial data quality. The PBOC implemented financial statistics law enforcement inspections in a standardized manner, giving full play to the deterrent effect of these inspections on financial institutions and consolidating the data foundation for financial statistics.

Made solid progress in financial statistical data production

The PBOC continuously improved overall statistics. It improved money supply statistics, and included e-CNY into money supply as necessary. It made solid progress in the statistics of financial institutions' assets and liabilities, as well as the AFRE. It promoted the compilation of a unified financial industry balance sheet, and continuously improved fund flow and stock statistics to support monetary policy adjustments. The PBOC continued to produce specialized lending statistics, including the industry distribution of loans, loans to MSBs, inclusive finance and green loans, more quickly and accurately reflecting the financial system's support for key areas and weak links of the national economy. The PBOC achieved new breakthroughs in big data statistics. Basic financial data statistics and the statistics of asset management products at the individual product level were fully carried out, further expanding the coverage of big data statistics. The PBOC strengthened the statistical monitoring of SIBs, improved the monitoring framework for associated risks, and effectively supported macroprudential management. The PBOC



steadily advanced the statistics of local financial organizations, continuously improving data quality.

Significantly enhanced the practical functions of the national basic financial database

The PBOC attached great importance to the important role of modern technologies such as big data in enhancing the practical functions of the national basic financial database. It carried out big data integration and application efficiently, with application scenarios constantly expanding, and data sharing extended, improved in quality,

and made more effective. The PBOC established a fast-responding, flexible, and sensitive risk monitoring system, providing early and accurate information support for proactively preventing and controlling financial risks and maintaining financial stability. The PBOC conducted in-depth and comprehensive monitoring of the effectiveness of financial support for the real economy, providing comprehensive and accurate key information to improve the efficiency of financial services. The PBOC strived to expand the coverage and reach of the national basic financial database, providing high-quality services for macro-level decision-making.

Box

Establish a Statistical System for Systemically Important Banks to Support Macroprudential Management

To implement the decisions and deployment of the CPC Central Committee and the State Council regarding the coordinated supervision of systemically important financial institutions, and to apply the *Opinions of the General Office of the State Council on Comprehensively Promoting the Integrated Statistics of the Financial Industry* in a methodical manner, the PBOC focused on its responsibilities for strengthening macroprudential management and preventing and resolving systemic financial risks, and made solid progress in SIB statistics.

Fully considering the complexity of SIBs' organizational structure and business portfolio, the PBOC played a leading role in establishing a monitoring and analysis framework for these banks. Based on in-depth researches on international experiences and domestic practices, the PBOC built this framework around aspects such as risk exposures, funding sources, intragroup transactions, related-party transactions, interbank transactions, and consolidated management. In 2018, the PBOC organized certain banks to conduct trial reporting and data quality assessment of SIB statistics, ensuring that the system was rational, rigorous, and feasible. In 2019, it issued the *Statistical System for Systemically Important Banks*

(*Trial*), and decided to conduct pilot statistics on seven banks before publicly announcing the list of SIBs.

The PBOC then fully implemented SIB statistics, providing key data support for macroprudential management. In 2021, in accordance with the *Additional Regulations on Systemically Important Banks (Trial)* and the list of SIBs finalized that year, it issued the *Notice on the Full Implementation of the Statistical System for Systemically Important Banks (Trial)*, clarifying that the statistical scope covers all domestic SIBs, and will be adjusted in time based on changes in the list of SIBs. SIB statistics focuses on consolidated statistics at the banking group level, which helps assess the overall risk profile of SIBs, identify their risk contagion channels, promote the steady operation and healthy development of such institutions, and provide important information support for macroprudential management.

Going forward, the PBOC will continue to improve the SIB statistical system based on experience over the past few years. Relying on the advanced framework of the national basic financial database, it will further enhance the quality and efficiency of statistics, conduct in-depth statistical data



mining and analysis, and actively promote the shared application of statistical results, in order to provide stronger and more effective

information support for preventing and resolving systemic financial risks and making informed macroeconomic policy decisions.

PILOT REGIONAL FINANCIAL REFORMS

Launched pilot reforms in sci-tech innovation finance to facilitate its overall development

To implement major strategic decisions of the CPC Central Committee and State Council to promote innovation-driven development, with the approval of the State Council, the PBOC coordinated the work in establishing a pilot zone for sci-tech innovation finance reform in the Zhongguancun Science Park in Beijing in May 2023. This was the third such pilot zone, following the one in Jinan, Shandong Province and the one spanning five cities in the Yangtze River Delta. The pilot zones fully utilized monetary policy support and FX management tools to boost financial support for the sci-tech industry. They created specialized financial service models for sci-tech innovation by exploring the integration of investment and lending. They promoted the development of support mechanisms for sci-tech finance, providing risk compensation for sci-tech loans. They diversified sci-tech finance products and facilitated intellectual property rights financing. Additionally, they made it more convenient for tech enterprises to obtain merger and acquisition loans and cross-border financing.

Launched pilot reforms in green finance to facilitate its overall development

To implement major strategic decisions of the CPC Central Committee and the State Council regarding the robust development of green finance and the achievement of carbon peaking and neutrality goals in a steady and orderly manner, the PBOC launched pilot green finance reforms, with the State Council's approval, in places such as Huzhou in Zhejiang Province, Ganjiang River New Area in Jiangxi Province, and Chongqing Municipality. The pilot zones undertook pioneering and exploratory initiatives centered on the “five pillars” of the green finance system^①, contributing to the establishment of a multi-tiered green finance standard system, and reinforcing the foundation for the growth of green finance. They enhanced the capability and quality of environmental information disclosure while bolstering public oversight. They offered diversified products and services to support green and low-carbon development; reinforced incentives and constraints for green finance to foster standardized development; and actively engaged in international cooperation and exchanges, making China's voice heard on international green finance platforms.

^① The five pillars are standards, information disclosure and supervision, incentive mechanisms, products and markets, and international cooperation.



Launched pilot reforms in inclusive finance to facilitate its overall development

To implement major strategic decisions of the CPC Central Committee and the State Council on promoting the high-quality development of inclusive finance and comprehensively advancing rural revitalization, the PBOC, with the approval of the State Council, led the launch of pilot inclusive finance reforms in nine places in six provincial-level administrative regions, including Ningbo in Zhejiang Province, Longyan in Fujian Province, and Ganzhou in Jiangxi Province. In 2023, these pilot zones set the objective of improving the inclusiveness, availability, and sustainability of financial services. They explored financing based on the transfer of rural production factors and expanded the scope of collateral for loans to support agriculture, rural areas, and farmers, as well as MSBs. They established comprehensive digital inclusive finance service platforms to address information asymmetry. Leveraging local resource endowments, they developed distinct financial products and services. They established

and improved risk-sharing and compensation mechanisms, and explored sustainable development models for inclusive finance. They also promoted the integration of inclusive finance with green finance and transition finance. While striking a balance between development and security, they firmly guarded against systemic risks.

Adhered to a risk-based approach and guarded against risks

In the process of establishing the pilot zones, the PBOC improved its comprehensive risk management mechanism. It brought all financial activities under supervision according to the law. The PBOC paid close attention to the relationship between reform, development, and stability. Based on the actual financing needs of the real economy and the need to prevent risks, it conducted necessary financial innovations prudently, preventing the emergence of additional risks and firmly guarding against systemic financial risks.

GREEN FINANCE AND INCLUSIVE FINANCE

Researched and improved policy measures to strengthen financial support for green and low-carbon development

In line with the carbon peaking and neutrality goals, the PBOC collaborated with the NDRC to revise and issue the *Catalog for Guiding Industries' Green and Low-Carbon Transition*, laying the foundation for more targeted support for low-carbon economic transformation. It officially released an industrial standard, the *Green Bond Credit Rating Guidelines*. It promoted the China-EU *Common Ground Taxonomy*, encouraging the labeling of existing domestic green bonds using this taxonomy to enhance international investors' recognition of domestic green bonds. The PBOC made initial progress in developing transition finance standards in the four fields of iron and steel, coal-fired power, construction and building materials, and agriculture. Following the principle of prioritizing urgent needs, the PBOC guided several local governments to explore and introduce local transition finance standards based on local development needs and industrial characteristics.

Advanced carbon accounting and environmental information disclosure by financial institutions

Based on domestic realities and referring to international standards, the PBOC accelerated the development of carbon accounting standards

for financial institutions and the revision of environmental information disclosure standards. It regularly took stock of the progress in sustainability information disclosure by financial institutions in pilot zones and urged related institutions to enhance the quality of their disclosures. The PBOC encouraged financial institutions in pilot zones to be the first to adopt international standards such as those developed by the International Sustainability Standards Board and explored feasible paths for SMEs to disclose sustainability information. The PBOC explored the application of carbon accounting in the financial sector. By leveraging digital technologies and ensuring cost-effectiveness, it strengthened the precision and timeliness of carbon accounting and sustainability information disclosure.

Strengthened incentive and constraint mechanisms to drive green and low-carbon transition

The PBOC conducted quarterly evaluations of green finance to better motivate financial institutions to expand green finance business. It researched and improved the comprehensive green finance evaluation framework, explored the expansion of evaluation indicators and application scenarios, and organized financial institutions to conduct pilot evaluations. The PBOC continued to leverage the role of monetary policy tools in supporting green and low-carbon transition, extended the implementation period, and expanded the scope of participating financial



institutions. As of end-2023, outstanding loans extended under the CERF and the special central bank lending for the clean and efficient use of coals had reached RMB541 billion and RMB274.8 billion, respectively. These financing incentivised banks to extend RMB901.7 billion and RMB274.8 billion loans respectively, helping reduce emissions by over 200 million tons of carbon dioxide equivalent cumulatively. To accurately identify and proactively prevent climate-related financial risks, the PBOC organized financial institutions and some places to conduct pilot stress tests on carbon cost sensitivity, transition risk sensitivity, and physical risks.

Diversified the multi-tiered green finance product market

As of end-2023, outstanding green loans in domestic and foreign currencies had reached RMB30.08 trillion, an increase of 36.5 percent year-on-year. Outstanding green bonds stood at about RMB1.98 trillion, ranking second globally. New green finance products continued to emerge, with RMB388.875 billion of carbon-neutral bonds, RMB73.35 billion of sustainability-linked bonds, and RMB5.13 billion of transition bonds issued in the interbank market. The China Green Bond Index was launched. Several regions introduced sustainable development-linked loans, transition loans, and other products. Green insurance, green funds, green trusts, and other business models thrived.

Deepened results-oriented international cooperation

The PBOC continued to serve as the co-chair

of the G20 SFWG. The working group released the *G20 Sustainable Finance Working Group Deliverables, 2023*, the *2023 G20 Sustainable Finance Report*, and the *G20 Sustainable Finance Technical Assistance Action Plan*. The policy recommendations proposed by the working group were incorporated into the *G20 New Delhi Leaders' Declaration*. The PBOC continued to leverage multilateral platforms, such as the IPSF and the NGFS, to lead discussions on green finance-related topics. It actively conducted bilateral green finance cooperation with the US, the EU, the UK, and Singapore. It implemented the GIP to promote green development in BRI participating countries. The PBOC also guided the Green Finance Committee of the China Society for Finance and Banking to initiate the Capacity-Building Alliance for Sustainable Investment for developing countries.

Promoted the high-quality development of inclusive finance

The PBOC promoted the issuance of the *Implementation Opinions of the State Council on Promoting the High-Quality Development of Inclusive Finance*. It upgraded the inclusive finance indicator system in China and produced the *Analysis Report on Financial Inclusion Indicators in China (2022)*, the *Analysis Report on Financial Inclusion Indicators at the Provincial Level (2022)*, and the *Analysis Report on Financial Inclusion Indicators in the Yangtze River Delta (2022)*. The PBOC further guided the release of the *Specifications of Digital Financial Inclusion Business Model in the Banking Industry*. It researched and developed a financial health diagnosis and evaluation system. It continuously deepened international governance cooperation with the Global Partnership for Financial Inclusion (GPII).

and the Alliance for Financial Inclusion (AFI).

Increased support for key areas and weak links

The PBOC continued to make financing more accessible to private enterprises and MSBs. It organized symposiums and work meetings on providing financial support for the development of private enterprises, and explored measures to strengthen financial support for the private economy. It led the effort to issue the *Notice on Strengthening Financial Support Measures to Boost the Development and Growth of the Private Economy*, guiding and urging financial institutions to increase support for the private economy. It carried out a project to enhance financial institutions' capabilities to offer financial services to MSBs, as well as promoted the establishment of a long-term mechanism whereby banks will have the confidence, willingness, ability, and professionalism to provide loans. At the end of the year, outstanding inclusive loans to MSBs reached RMB29.4 trillion, an increase of 23.5 percent year-on-year. The number of MSBs granted inclusive loans reached 61.66 million, an increase of 9.1 percent year-on-year. The weighted average interest rate on new inclusive MSB loans issued in December 2023 was 4.68 percent, a relatively low level. The PBOC continuously improved the quality and effectiveness of financial services in the agricultural sector. It issued the *Guiding Opinions on Providing Financial Support for Comprehensively Promoting Rural Revitalization and Accelerating the Building-up of Strength in Agriculture* together with the NFRA and other departments, promoting a multi-tiered, wide-ranging and sustainable modern rural financial service

system. It supported pioneering programs in pilot zones for the reform of inclusive finance to support rural revitalization and launched the Jinhui Project for rural finance education. By end-2023, outstanding agricultural loans amounted to RMB56.6 trillion, a year-on-year increase of 14.9 percent. The PBOC stepped up financial support for employment and people's livelihoods. It continuously optimized the collateralized entrepreneurship loan policies by expanding its coverage, increasing credit lines, reducing interest rates, and streamlining application procedures to better support the job-seeking or entrepreneurship efforts by targeted groups such as college graduates, migrant rural workers returning home, and veterans. It also strengthened financial services for new urban residents. At end-2023, outstanding collateralized entrepreneurship loans reached RMB281.7 billion, up by 5.2 percent year-on-year. Outstanding student loans reached RMB218.4 billion, up by 22.4 percent year-on-year.

Deepened international cooperation and promoted the opening-up of inclusive finance

Through international organizations and multilateral mechanisms such as the G20 GPFI, the AFI and the World Bank, the PBOC actively engaged in international exchange and cooperation on inclusive finance. It led the G20 reform on inclusive finance issues, pushing for setting digital financial inclusion and SME financing as long-term agenda items for G20 inclusive finance, and continuously promoting the effective implementation of these initiatives. It jointly drafted and published the report *Toward Universal Financial Inclusion in China: Models,*



Challenges, and Global Lessons with the World Bank, actively introducing China's experience in developing inclusive finance to the international community. The PBOC also collaborated with

international partners to implement the Financial Inclusion Global Initiative in China, promoting mutual learning and sharing of international practices in inclusive finance.

GOVERNMENT INFORMATION DISCLOSURE AND CENTRAL BANK COMMUNICATION

Promoted government information disclosure to support financial services for the real economy

The PBOC smoothed the channels for public access to government information. It optimized the mechanism for proactive disclosure. The PBOC comprehensively reviewed the provisions on proactive information disclosure in laws, regulations and rules, and determined the legally mandated disclosure items by domain and level, effectively meeting the public's reasonable information needs. It published policy documents, administrative law enforcement information, and other legally mandated disclosure items in time and accurately. In 2023, the PBOC released on its official website 39 policy documents, 182 pieces of administrative law enforcement information, and 43 pieces of information on managing motions and proposals from deputies to the National People's Congress and members of the National Committee of the Chinese People's Political Consultative Conference.

The PBOC continuously improved the quality and effectiveness of its responses to requests for government information disclosure. It strengthened the whole-process management of information disclosure requests. The PBOC improved the oversight mechanism for responding to these requests; optimized record-keeping; and properly handled the receipt, confirmation, revision, review, solicitation of

third-party opinions, delivery, and archiving of the requests, ensuring applicants received responses within the predetermined time limits. It responded to information disclosure requests in a more standardized, professional way. When responding to requests, the PBOC adhered to the principle of being law-based, rigorous, standardized, and prudent. For frequently occurring similar requests, the PBOC summarized and analyzed them to draft a guideline for standard responses, improving the management efficiency of these cases. In 2023, the PBOC Headquarters received and processed 2 337 government information disclosure requests, carried over 28 from the previous year, closed 2 361 cases according to the law, and transferred four cases to be continued into the following year. It also handled 518 administrative reconsideration cases and 6 administrative lawsuits related to government information disclosure.

The PBOC strengthened the supervision and quality assurance of government information disclosure. It organized assessments of its public affairs disclosure work, focusing on the standardization, timeliness, proactiveness, and innovativeness of government information disclosure. The PBOC identified issues with the responses to public inquiries on the official websites of its branches and sub-branches and over phone calls, and proposed improvement measures to enhance the standardization of



proactive information disclosure. In 2023, the PBOC cumulatively checked 1 024 website columns, 8 272 web pages, 2 143 normative documents, 596 annual government information work reports, 28 200 pieces of administrative law enforcement information, 954 pieces of budget and final account information, and 1 902 periodical reports on financial statistical data.

The PBOC further advanced the building of its government service platform. It handled the public's messages and comments with diligence, care, and empathy, responding to the people's concerns and serving the public. The PBOC handled 222 public messages submitted through the "Share Your Ideas with China's Premier" channel on the Chinese Government's official website Gov.cn, achieving a 100-percent public satisfaction rate.

Strengthened policy release and explanation to stabilize expectations and bolster confidence

In 2023, the PBOC promptly published interpretations of financial statistical data and important policies to guide and stabilize public expectations. The PBOC management participated in press conferences, gave media interviews, delivered speeches, and published articles to interpret the decisions of the Central Economic Work Conference and the Central Financial Work Conference, explain macroeconomic policies, and respond to public concerns. The PBOC published over 29 000 pieces of information and more than 300 news articles on its official Chinese website,

as well as 1 096 pieces of information on its English website. It also promptly responded to interviews from domestic and foreign media outlets and public inquires. It replied to over 1 800 public messages through the website's public message and comment platform.

The PBOC focused on key priorities and strengthened communication with the public. In 2023, it focused on major themes and set up dedicated columns on its website, such as "Focus on the 2023 Two Sessions^①," "Learn Thought, Strengthen Party Consciousness, Attach Importance to Practice, and Make New Achievements," and "Implement the Decisions of the Central Financial Work Conference." These columns introduced the achievements and measures in financial reform and development, attracting broad attention from all sectors of society. Regarding issues of public and market concern, including the implementation of the sound monetary policy, the adjustment and optimization of housing credit policies, and support for the development of the private economy, the PBOC interpreted related policies to raise public awareness. By holding press conferences and inviting experts to provide interpretations, the PBOC worked to make the policies clear and understandable.

The influence and credibility of the PBOC's official new media platforms continued to improve. In 2023, the PBOC's Weixin and Weibo official accounts each published 2 440 articles, garnering over 100 million reads. As of the end of the year, the PBOC's Weixin and Weibo accounts had 3.84 million and 3.67 million

① The annual sessions of the National People's Congress, China's top legislature, and the Chinese People's Political Consultative Conference National Committee, the country's top political advisory body.

followers, respectively. The PBOC actively grasped and utilized the laws of information disclosure in the era of media convergence, adapted to new situations, kept up with new trends, and adopted new formats. It used texts, images, and audio and video content—forms that are easy for the public to access and understand—to carry out policy interpretation and financial knowledge popularization. The PBOC established a livestreaming mechanism for press conferences, improving the timeliness of information dissemination. Via the effective use of new media and increasing dissemination intensity, the PBOC planned and released 406 thematic knowledge popularization articles in 2023. Among them, articles like *The PBOC Decides to Cut the Required Reserve Ratio for Financial Institutions on March 27, 2023* and *Understand the Notice on Strengthening Financial Support Measures to Boost the Development and Growth of the Private Economy Through One Picture* were widely reposted, expanding the public awareness of the policies. Thematic campaigns such as Credit Reporting Embarks on a New Journey 10 Years On, the 2023 Anti-Counterfeit Currency Publicity Month, and International Museum Day | We Invite You to Visit the Currency and Revolutionary Finance Museum promoted financial knowledge in lively

formats, serving the public and gaining wide social acclaim.

The PBOC held high-level forums. It fully leveraged the platform roles of the China Society for Finance and Banking, the Banking Accounting Society of China, the China International Economic Relations Association, and the China Financial Forum. It hosted or undertook the following high-level events: the 15th China-ASEAN Summit Forum on Financial Cooperation and Development, the 25th Cross-Straits Financial Cooperation Seminar, the PBOC Sub-Forum of the Annual Conference of Financial Street Forum 2023, and the 2023 Annual Conference of the China Society for Finance and Banking/China Financial Forum. Through these high-level forums, the PBOC actively promoted financial policies to enhance public understanding.

The PBOC published a number of journals. It completed the editing, publication, and distribution of the *Journal of Financial Research*, *Financial Accounting*, the *People's Bank of China Annual Report 2022*, and the *2022 Almanac of China's Finance and Banking* with a high standard.

Appendix I: STATISTICAL ANNEX

Macroeconomic Indicators (Year–End Balance)

RMB100 million

Indicator/Year	2019	2020	2021	2022	2023
Gross Domestic Product	986 515	1 013 567	1 149 237	1 204 724	1 260 582
Industrial Value Added	311 859	312 903	374 546	395 044	399 103
Investment in Fixed Assets	480 393	493 208	517 133	542 366	509 708
Total Retail Sales of Consumer Goods	408 017	391 981	440 823	439 733	471 495
Urban Households	351 318	339 119	381 558	380 448	407 490
Rural Households	60 332	52 862	59 265	59 285	64 005
Exports & Imports (US\$100 million)	45 779	46 559	59 954	62 509	59 368
Exports	24 995	25 900	33 160	35 444	33 800
Imports	20 784	20 660	26 794	27 065	25 568
Balance	4 211	5 240	6 366	8 379	8 232
Actual Use of Foreign Direct Investments (US\$100 million)	1 381	1 444	1 735	1 891	1 633
Foreign Exchange Reserves (US\$100 million)	31 079	32 165	32 502	31 277	32 380
Consumer Price Index (Previous year = 100)	102.9	102.5	100.9	102.0	100.2
Government Revenue	190 390	182 914	202 555	203 649	216 784
Government Expenditure	238 858	245 679	245 673	260 552	274 574
Fiscal Balance (negative figure indicates a surplus)	27 600	37 600	35 700	33 700	38 800
Urban Household Disposable Income Per Capita (yuan)	42 359	43 834	47 412	49 283	51 821
Rural Household Disposable Income Per Capita (yuan)	16 021	17 131	18 931	20 133	21 691
Number of Employed Persons in Urban Areas (million)	452.5	462.7	467.7	459.3	470.3
Registered Urban Unemployment Rate (percent)	3.62	4.24	3.96		
Total Population (million)	1 410.1	1 412.1	1 412.6	1 411.8	1 409.7

Notes: ① Sources: *2023 China Statistical Yearbook*, *Statistical Communiqué of the People's Republic of China on the 2023 National Economic and Social Development*, *Report on the Execution of the Central and Local Budgets for 2023 and on the Draft Central and Local Budgets for 2024*, official website of the General Administration of Customs of China, and official website of the Ministry of Commerce.

② The GDP and industrial value added in absolute terms are calculated at current prices, while their growth rates are calculated at constant prices.



Macroeconomic Indicators (Growth Rates)

percent

Indicator/Year	2019	2020	2021	2022	2023
Gross Domestic Product	6.0	2.2	8.4	3.0	5.2
Industrial Value Added	4.8	2.4	10.4	2.7	4.2
Investment in Fixed Assets	5.1	2.7	4.9	4.9	2.8
Total Retail Sales of Consumer Goods	8.0	-3.9	12.5	-0.2	7.2
Urban Households	7.9	-4.0	12.5	-0.3	7.1
Rural Households	9.0	-3.2	12.1	0.0	8.0
Exports & Imports	-1.0	1.7	28.8	4.3	-5.0
Exports	0.5	3.6	28.0	6.9	-4.6
Imports	-2.7	-0.6	29.7	1.0	-5.5
Balance					
Actual Use of Foreign Direct Investments	2.4	4.5	20.2	8.0	-13.7
Foreign Exchange Reserves	1.1	3.5	1.0	-3.8	3.5
Consumer Price Index	2.9	2.5	0.9	2.0	0.2
Government Revenue	3.8	-3.9	10.7	0.5	6.4
Government Expenditure	8.1	2.9	0.0	6.1	5.4
Urban Household Disposable Income Per Capita (inflation-adjusted)	5.0	1.2	7.1	1.9	4.8
Rural Household Disposable Income Per Capita (inflation-adjusted)	6.2	3.8	9.7	4.2	7.6
Number of Employed Persons in Urban Areas	2.2	2.3	1.1	-1.8	2.4
Natural Population Growth (‰)	3.3	1.5	0.3	-0.6	-1.5

Note: The growth rates of investment in fixed assets and total retail sales of consumer goods are nominal year-on-year.

Aggregate Financing to the Real Economy

Aggregate Financing to the Real Economy (Increment)

	2022		2023	
	Increment (RMB100 million)	Proportion (percent)	Increment (RMB100 million)	Proportion (percent)
Aggregate Financing to the Real Economy	320 101	100.0	355 799	100.0
Of which: RMB Loans	209 149	65.3	222 240	62.5
Foreign Currency-Denominated Loans (RMB equivalent)	-5 254	-1.6	-2 206	-0.6
Entrusted Loans	3 579	1.1	199	0.1
Trust Loans	-6 003	-1.9	1 576	0.4
Undiscounted Bankers' Acceptances	-3 411	-1.1	-1 782	-0.5
Corporate Bonds	20 508	6.4	16 254	4.6
Government Bonds	71 228	22.3	96 045	27.0
Domestic Equity Financing by Non-Financial Corporations	11 757	3.7	7 931	2.2

Notes: ① AFRE (increment) refers to the total value of financing provided by the financial system to the real economy within a certain period of time.

② Sources: the PBOC, the CBIRC, the CSRC, the CCDC, and the NAFMII etc..

③ Since January 2023, the PBOC has included three types of non-depository banking financial institutions, namely consumer finance companies, wealth management companies, and financial asset investment companies, into financial statistics, hence adjustments to "RMB loans to the real economy" and "loan write-offs" in AFRE. At end-January 2023, the balance of RMB loans issued to the real economy by the above-mentioned institutions registered RMB841.0 billion, up RMB5.7 billion month on month; the balance of loan write-offs registered RMB170.6 billion, up by RMB3.0 billion month on month. The statistics in this table are on a comparable basis.



Aggregate Financing to the Real Economy (Stock), 2023

	Stock (RMB trillion)	Growth (percent)	Proportion (percent)
Aggregate Financing to the Real Economy	378.08	9.5	100.0
Of which: RMB Loans	235.48	10.4	62.3
Foreign Currency-Denominated Loans (RMB equivalent)	1.66	-10.2	0.4
Entrusted Loans	11.27	0.2	3.0
Trust Loans	3.90	4.2	1.0
Undiscounted Bankers' Acceptances	2.49	-6.7	0.7
Corporate Bonds	31.11	0.3	8.2
Government Bonds	69.79	16.0	18.5
Domestic Equity Financing by Non-Financial Corporations	11.43	7.5	3.0

Notes: ① AFRE (stock) refers to outstanding funds provided by the financial system to the real economy at the end of a certain period of time.

② Stock figures are calculated on the basis of book-value or face-value.

③ The growth rates are calculated at comparable prices and on a year-on-year basis.

④ Sources: the PBOC, the CBIRC, the CSRC, the CCDC, and the NAFMII etc..

⑤ Since January 2023, the PBOC has included three types of non-depository banking financial institutions, namely consumer finance companies, wealth management companies, and financial asset investment companies, into financial statistics, hence adjustments to "RMB loans to the real economy" and "loan write-offs" in AFRE. At end-January 2023, the balance of RMB loans issued to the real economy by the above-mentioned institutions registered RMB841.0 billion, up RMB5.7 billion month on month; the balance of loan write-offs registered RMB170.6 billion, up by RMB3.0 billion month on month. The statistics in this table are on a comparable basis.

Aggregate Financing to the Real Economy (Increment), 2023, By Region

RMB100 million

	Aggregate Financing to the Real Economy by Region	Of which:							
		RMB Loans	Foreign Currency-Denominated Loans (RMB equivalent)	Entrusted Loans	Trust Loans	Undiscounted Bankers' Acceptances	Corporate Bonds	Government Bonds	Domestic Equity Financing by Non-Financial Corporations
Beijing	1 045	12 507	-188	-157	-139	-1 384	-6 150	811	1 020
Tianjin	5 337	1 930	236	57	100	-155	290	2 470	44
Hebei	16 078	9 958	-143	65	1 424	245	713	2 631	101
Shanxi	5 547	4 270	-69	-136	2	153	150	795	47
Inner Mongolia	5 123	3 067	-7	-16	-11	244	-5	1 531	47
Liaoning	2 438	591	-57	20	-11	13	-289	1 459	74
Jilin	3 634	1 469	-7	-178	-15	458	-80	1 712	23
Heilongjiang	2 122	1 381	-9	-96	-213	-306	26	1 020	49
Shanghai	7 411	7 404	-459	-718	-444	541	-1 145	294	1 090
Jiangsu	36 794	29 664	-490	501	5	-1 878	4 432	2 044	863
Zhejiang	37 305	26 902	-205	214	-137	1 092	4 048	2 718	1 120
Anhui	13 887	10 568	-115	-68	-318	-638	1 181	2 341	300
Fujian	8 180	5 952	-168	-4	-4	-1 403	1 005	1 907	70
Jiangxi	9 354	5 223	23	28	-73	338	1 192	1 844	165
Shandong	23 510	14 839	-303	326	23	-112	3 384	3 681	334
Henan	11 041	7 302	-26	-28	-424	-1 202	1 814	2 477	75
Hubei	12 321	7 412	-84	700	115	167	1 329	1 723	196
Hunan	11 309	6 796	-43	86	-28	-134	851	2 799	215
Guangdong	31 350	22 832	424	94	-535	-57	-469	4 710	1 244
Guangxi	7 865	5 179	-85	65	0	120	407	1 712	10
Hainan	1 385	791	-14	-35	0	-41	36	471	28
Chongqing	7 665	4 786	122	185	-129	-33	1 094	2 189	127
Sichuan	18 391	13 507	-129	104	-166	134	1 453	2 506	133
Guizhou	7 116	4 836	-4	-90	-495	-85	-131	2 654	48
Yunnan	6 006	3 332	1	2	-90	-53	64	2 293	111
Xizang	834	595	0	5	-39	57	64	114	8
Shaanxi	7 855	4 901	-71	173	248	364	651	985	197
Gansu	2 336	2 098	-19	15	-793	-243	-151	1 022	109
Qinghai	559	505	0	-26	-253	6	-24	294	1
Ningxia	1 211	813	-2	7	0	44	15	208	28
Xinjiang	4 780	3 040	-8	73	-59	-120	277	1 199	52

Notes: ① AFRE (increment) by region refers to the total value of funds provided by the financial system to the real economy within a certain period of time in a certain region.

② The data in the table are preliminary statistics.

③ Sources: the PBOC, the CBIRC, the CSRC, the CCDRC, and the NAFMII etc..

④ AFRE provided by the headquarters of financial institutions totaled RMB4.59 trillion.

⑤ Since January 2023, the PBOC has included three types of non-depository banking financial institutions, namely consumer finance companies, wealth management companies, and financial asset investment companies, into financial statistics, hence adjustments to "RMB loans to the real economy" and "loan write-offs" in AFRE. At end-January 2023, the balance of RMB loans issued to the real economy by the above-mentioned institutions registered RMB841.0 billion, up RMB5.7 billion month on month; the balance of loan write-offs registered RMB170.6 billion, up RMB3.0 billion month on month. The statistics in this table are on a comparable basis.



Selected Financial Indicators (Year-End Balance)

RMB100 million

Financial Indicator/Year	2019	2020	2021	2022	2023
Money & Quasi-Money (M_2)	1 986 488.8	2 186 795.9	2 382 899.6	2 664 320.8	2 922 713.3
Money (M_1)	576 009.2	625 581.0	647 443.4	671 674.8	680 542.5
Currency in Circulation (M_0)	77 189.5	84 314.5	90 825.2	104 706.0	113 444.6
Total Deposits with Financial Institutions	1 928 785.3	2 125 720.9	2 322 500.4	2 584 998.2	2 842 623.3
Savings Deposits	697 395.4	809 051.1	903 315.0	1 074 032.2	1 219 510.0
Non-Financial Enterprise Deposits	595 365.0	660 180.2	696 695.0	746 574.1	787 756.2
Total Lending by Financial Institutions	1 531 123.2	1 727 452.1	1 926 902.8	2 139 852.7	2 375 905.4

Note: Starting from January 2023, the PBOC has incorporated into the coverage of financial statistics three types of non-depository banking financial institutions, i.e., consumer finance companies, wealth management companies and financial asset investment companies. All the statistics in this table are provided on a comparable basis.

Selected Financial Indicators (Growth Rates)

percent

Financial Indicator/Year	2019	2020	2021	2022	2023
Money & Quasi-Money (M_2)	8.7	10.1	9.0	11.8	9.7
Money (M_1)	4.4	8.6	3.5	3.7	1.3
Currency in Circulation (M_0)	5.4	9.2	7.7	15.3	8.3
Total Deposits with Financial Institutions	8.7	10.2	9.3	11.3	10.0
Savings Deposits	10.5	16.0	11.7	18.9	13.6
Non-Financial Enterprise Deposits	5.8	10.9	5.5	7.2	5.5
Total Lending by Financial Institutions	12.3	12.8	11.6	11.1	10.6

Note: Starting from January 2023, the PBOC has incorporated into the coverage of financial statistics three types of non-depository banking financial institutions, i.e., consumer finance companies, wealth management companies and financial asset investment companies. All the statistics in this table are provided on a comparable basis.

Monetary and Banking Statistics

Depository Corporations Survey, 2023 (Quarter–End Balance)

RMB100 million

Item/Quarter	Q1	Q2	Q3	Q4
Net Foreign Assets	293 151.30	294 842.57	290 328.70	292 868.12
Domestic Credit	3 088 857.83	3 166 568.53	3 206 579.57	3 257 914.49
Claims on Government (net)	467 701.84	485 136.28	499 270.32	522 896.87
Claims on Non–Financial Sectors	2 349 738.77	2 397 542.04	2 430 961.20	2 454 025.98
Claims on Other Financial Sectors	271 417.22	283 890.22	276 348.05	280 991.64
Money & Quasi–Money	2 814 566.31	2 873 023.83	2 896 659.11	2 922 713.33
Money	678 059.63	695 595.48	678 443.65	680 542.52
Currency in Circulation	105 591.30	105 419.20	109 253.22	113 444.64
Corporate Demand Deposits	572 468.33	590 176.28	569 190.43	567 097.87
Quasi–Money	2 136 506.68	2 177 428.35	2 218 215.45	2 242 170.81
Corporate Time Deposits	498 890.82	507 502.51	526 043.56	520 995.50
Personal Deposits	1 311 044.43	1 331 168.72	1 356 228.42	1 378 566.94
Other Deposits	326 571.43	338 757.12	335 943.48	342 608.37
Deposits Excluded from Broad Money	58 800.05	56 510.06	51 896.81	52 672.94
Bonds	390 279.36	404 905.93	413 533.18	421 556.56
Paid–in Capital	55 949.65	56 318.33	56 419.72	57 383.10
Others (net)	62 413.75	70 652.96	78 399.45	96 456.68

Note: Since December 2022, e–CNY in circulation has been included in the Currency in Circulation.



Balance Sheet of the Monetary Authority, 2023 (Quarter-End Balance)

RMB100 million

Item/Quarter	Q1	Q2	Q3	Q4
Foreign Assets	230 941.18	231 574.38	230 938.68	233 548.51
Foreign Exchange	217 893.63	217 733.71	218 095.08	220 453.85
Monetary Gold	3 349.50	3 539.95	3 855.33	4 052.88
Other Foreign Assets	9 698.05	10 300.72	8 988.26	9 041.78
Claims on Government	15 240.68	15 240.68	15 240.68	15 240.68
Of which: Central Government	15 240.68	15 240.68	15 240.68	15 240.68
Claims on Other Depository Corporations	146 628.42	143 449.64	158 157.05	185 561.01
Claims on Other Financial Corporations	1 564.52	1 559.25	1 341.33	1 310.90
Claims on Non-Financial Sectors				
Other Assets	26 632.46	26 238.89	21 677.15	21 283.04
Total Assets	421 007.27	418 062.84	427 354.89	456 944.14
Reserve Money	364 071.50	365 235.34	363 920.94	389 036.93
Currency Issues	110 936.84	110 311.22	114 478.45	118 660.94
Deposits of Financial Corporations	230 382.81	231 388.96	224 684.87	245 687.45
Deposits of Other Depository Corporations	230 382.81	231 388.96	224 684.87	245 687.45
Deposits of Other Financial Corporations				
Deposits of Non-Financial Institutions	22 751.85	23 535.15	24 757.62	24 688.54
Deposits of Financial Corporations Excluded from Reserve Money	6 104.75	6 781.46	5 771.05	6 038.42
Bond Issues	950.00	950.00	1 150.00	1 250.00
Foreign Liabilities	1 652.61	1 458.24	3 539.93	3 062.34
Government Deposits	41 318.08	36 873.70	43 978.84	46 291.74
Equity	219.75	219.75	219.75	219.75
Other Liabilities	6 690.57	6 544.37	8 774.38	11 044.96
Total Liabilities	421 007.27	418 062.84	427 354.89	456 944.14

Note: Since December 2022, e-CNY has been included in the Currency Issues.

Balance Sheet of Other Depository Corporations, 2023 (Quarter–End Balance)

RMB100 million

Item/Quarter	Q1	Q2	Q3	Q4
Foreign Assets	78 330.36	79 471.91	78 212.96	77 476.02
Reserve Assets	239 819.99	240 810.06	233 423.85	253 764.99
Deposits with the Central Bank	234 474.45	235 918.04	228 198.62	248 548.70
Cash in Vault	5 345.54	4 892.02	5 225.23	5 216.29
Claims on Government	493 779.24	506 769.29	528 008.47	553 947.93
Of which: Central Government	493 779.24	506 769.29	528 008.47	553 947.93
Claims on the Central Bank	144.80	152.51	158.88	224.24
Claims on Other Depository Corporations	375 472.26	381 887.42	374 074.67	382 273.44
Claims on Other Financial Corporations	269 852.70	282 330.97	275 006.72	279 680.74
Claims on Non–Financial Corporations	1 590 861.70	1 629 158.74	1 652 636.57	1 671 554.04
Claims on Other Resident Sectors	758 877.06	768 383.30	778 324.63	782 471.94
Other Assets	134 236.22	139 321.51	140 190.47	131 375.25
Total Assets	3 941 374.33	4 028 285.71	4 060 037.22	4 132 768.58
Liabilities to Non–Financial Institutions & Households	2 479 732.39	2 526 360.66	2 541 263.96	2 556 823.93
Deposits Included in Broad Money	2 382 403.58	2 428 847.51	2 451 462.41	2 466 660.31
Corporate Demand Deposits	572 468.33	590 176.28	569 190.43	567 097.87
Corporate Time Deposits	498 890.82	507 502.51	526 043.56	520 995.50
Personal Deposits	1 311 044.43	1 331 168.72	1 356 228.42	1 378 566.94
Deposits Excluded from Broad Money	58 800.05	56 510.06	51 896.81	52 672.94
Transferable Deposits	22 390.03	20 046.92	18 916.01	21 613.52
Other Deposits	36 410.02	36 463.14	32 980.79	31 059.42
Other Liabilities	38 528.76	41 003.10	37 904.74	37 490.68
Liabilities to the Central Bank	137 874.39	139 491.12	155 245.73	180 439.64
Liabilities to Other Depository Corporations	128 982.98	133 942.32	122 878.32	129 084.53
Liabilities to Other Financial Corporations	283 559.05	286 402.33	279 632.73	296 667.92
Of which: Deposits Included in Broad Money	280 020.53	283 175.57	276 077.89	293 323.47
Foreign Liabilities	14 467.63	14 745.48	15 283.00	15 094.06
Bond Issues	390 279.36	404 905.93	413 533.18	421 556.56
Paid–in Capital	55 729.90	56 098.58	56 199.97	57 163.35
Other Liabilities	450 748.63	466 339.30	476 000.33	475 938.58
Total Liabilities	3 941 374.33	4 028 285.71	4 060 037.22	4 132 768.58



Balance Sheet of Large Domestic Banks, 2023 (Quarter-End Balance)

RMB100 million

Item/Quarter	Q1	Q2	Q3	Q4
Foreign Assets	41 153.26	41 232.11	40 954.21	39 771.26
Reserve Assets	132 355.36	131 879.32	126 094.13	136 151.09
Deposits with the Central Bank	129 757.61	129 510.83	123 469.72	133 623.07
Cash in Vault	2 597.75	2 368.50	2 624.41	2 528.02
Claims on Government	282 452.93	290 446.67	298 018.12	310 978.93
Of which: Central Government	282 452.93	290 446.67	298 018.12	310 978.93
Claims on the Central Bank	70.06	66.32	73.32	79.40
Claims on Other Depository Corporations	133 326.95	142 519.49	136 345.30	139 379.79
Claims on Other Financial Corporations	72 805.72	79 524.18	75 519.77	78 273.12
Claims on Non-Financial Corporations	772 398.99	796 930.18	814 457.73	825 235.54
Claims on Other Resident Sectors	369 508.19	372 392.90	378 358.63	380 967.27
Other Assets	56 011.59	58 821.82	58 328.79	54 066.00
Total Assets	1 860 083.07	1 913 813.00	1 928 150.00	1 964 902.41
Liabilities to Non-Financial Institutions & Households	1 227 137.00	1 249 673.94	1 259 574.96	1 258 373.85
Deposits Included in Broad Money	1 159 604.06	1 184 136.71	1 200 532.34	1 200 282.75
Corporate Demand Deposits	268 804.24	274 863.94	266 530.31	255 633.47
Corporate Time Deposits	198 507.29	209 636.08	220 475.73	220 657.86
Personal Deposits	692 292.53	699 636.68	713 526.31	723 991.41
Deposits Excluded from Broad Money	35 284.06	34 345.01	30 582.59	29 129.33
Transferable Deposits	12 167.19	10 668.88	10 463.53	10 950.16
Other Deposits	23 116.87	23 676.13	20 119.06	18 179.17
Other Liabilities	32 248.87	31 192.22	28 460.03	28 961.78
Liabilities to the Central Bank	66 204.29	68 800.22	70 331.62	83 591.58
Liabilities to Other Depository Corporations	32 430.73	35 034.61	27 013.97	33 304.36
Liabilities to Other Financial Corporations	118 744.32	128 864.42	129 301.61	141 687.20
Of which: Deposits Included in Broad Money	117 117.80	127 139.25	127 676.00	140 172.23
Foreign Liabilities	5 440.24	5 810.10	6 389.57	6 492.93
Bond Issues	173 675.81	179 908.10	184 661.26	190 843.54
Paid-in Capital	18 454.60	18 454.60	18 454.60	18 454.60
Other Liabilities	217 996.08	227 267.01	232 422.42	232 154.34
Total Liabilities	1 860 083.07	1 913 813.00	1 928 150.00	1 964 902.41

Balance Sheet of Medium-Sized Domestic Banks, 2023 (Quarter-End Balance)

RMB100 million

Item/Quarter	Q1	Q2	Q3	Q4
Foreign Assets	29 842.74	30 923.36	29 886.33	30 153.42
Reserve Assets	36 345.75	37 310.81	35 192.20	39 783.24
Deposits with the Central Bank	35 895.29	36 870.32	34 713.45	39 273.74
Cash in Vault	450.45	440.49	478.76	509.50
Claims on Government	94 314.82	96 787.94	102 802.69	108 254.99
Of which: Central Government	94 314.82	96 787.94	102 802.69	108 254.99
Claims on the Central Bank	23.05	25.52	36.27	71.06
Claims on Other Depository Corporations	52 326.07	48 932.38	46 149.68	48 991.66
Claims on Other Financial Corporations	99 153.74	101 210.34	96 909.25	100 057.74
Claims on Non-Financial Corporations	382 541.85	387 072.85	389 082.66	392 738.36
Claims on Other Resident Sectors	174 842.44	176 806.19	177 950.72	178 318.78
Other Assets	24 904.97	25 019.54	26 422.68	22 855.63
Total Assets	894 295.41	904 088.92	904 432.50	921 224.89
Liabilities to Non-Financial Institutions & Households	423 559.71	431 950.95	429 745.95	431 878.74
Deposits Included in Broad Money	406 800.99	414 003.59	412 799.56	415 018.19
Corporate Demand Deposits	137 447.95	141 300.56	135 053.49	136 159.65
Corporate Time Deposits	142 268.02	141 656.61	145 016.15	142 829.68
Personal Deposits	127 085.02	131 046.43	132 729.92	136 028.86
Deposits Excluded from Broad Money	13 677.08	12 742.59	11 811.84	12 676.95
Transferable Deposits	5 404.59	4 719.92	4 216.81	5 258.59
Other Deposits	8 272.49	8 022.67	7 595.03	7 418.36
Other Liabilities	3 081.63	5 204.77	5 134.55	4 183.60
Liabilities to the Central Bank	37 495.30	35 962.47	45 743.89	54 073.28
Liabilities to Other Depository Corporations	39 100.71	39 812.08	36 059.51	36 727.17
Liabilities to Other Financial Corporations	105 793.27	99 802.00	92 667.21	96 035.60
Of which: Deposits Included in Broad Money	105 359.35	99 342.22	92 091.12	95 267.70
Foreign Liabilities	4 476.26	4 491.49	4 325.02	4 272.24
Bond Issues	175 897.73	181 868.66	184 624.40	186 629.51
Paid-in Capital	5 179.31	5 183.63	5 188.47	5 189.36
Other Liabilities	102 793.13	105 017.63	106 078.06	106 418.98
Total Liabilities	894 295.41	904 088.92	904 432.50	921 224.89



Balance Sheet of Small Domestic Banks, 2023 (Quarter-End Balance)

RMB100 million

Item/Quarter	Q1	Q2	Q3	Q4
Foreign Assets	4 095.83	4 206.46	4 264.52	4 202.57
Reserve Assets	59 265.38	59 770.47	59 810.92	64 920.89
Deposits with the Central Bank	57 202.61	57 895.87	57 900.35	62 923.49
Cash in Vault	2 062.77	1 874.60	1 910.57	1 997.40
Claims on Government	107 166.39	109 415.69	116 494.57	123 546.74
Of which: Central Government	107 166.39	109 415.69	116 494.57	123 546.74
Claims on the Central Bank	51.69	47.68	26.29	59.26
Claims on Other Depository Corporations	136 600.39	135 120.52	137 335.47	135 952.75
Claims on Other Financial Corporations	85 752.13	88 711.91	88 709.12	88 673.02
Claims on Non-Financial Corporations	371 778.43	380 125.07	384 301.89	388 565.98
Claims on Other Resident Sectors	197 549.24	202 053.03	204 743.84	206 435.82
Other Assets	34 722.77	35 838.99	36 256.51	35 891.48
Total Assets	996 982.24	1 015 289.82	1 031 943.14	1 048 248.50
Liabilities to Non-Financial Institutions & Households	700 762.35	712 561.57	720 612.45	729 831.60
Deposits Included in Broad Money	693 871.24	705 764.49	713 727.24	722 376.84
Corporate Demand Deposits	125 008.51	127 691.28	124 110.15	122 681.26
Corporate Time Deposits	116 231.67	116 980.81	119 545.60	119 401.68
Personal Deposits	452 631.06	461 092.41	470 071.49	480 293.90
Deposits Excluded from Broad Money	4 875.02	4 318.09	4 414.71	4 854.32
Transferable Deposits	1 945.00	1 656.15	1 609.19	2 005.87
Other Deposits	2 930.02	2 661.94	2 805.53	2 848.45
Other Liabilities	2 016.09	2 478.99	2 470.50	2 600.44
Liabilities to the Central Bank	32 565.91	33 036.37	36 966.38	40 970.34
Liabilities to Other Depository Corporations	46 503.36	48 023.54	48 544.61	48 570.20
Liabilities to Other Financial Corporations	56 232.88	55 101.99	54 939.72	56 277.24
Of which: Deposits Included in Broad Money	55 010.26	54 280.72	53 801.69	55 495.63
Foreign Liabilities	849.13	998.90	1 005.82	957.94
Bond Issues	39 619.51	42 060.87	43 193.07	42 993.18
Paid-in Capital	21 228.61	21 423.41	21 659.14	22 408.77
Other Liabilities	99 220.50	102 083.19	105 021.95	106 239.24
Total Liabilities	996 982.24	1 015 289.82	1 031 943.14	1 048 248.50

Balance Sheet of Foreign-Funded Banks, 2023 (Quarter-End Balance)

RMB100 million

Item/Quarter	Q1	Q2	Q3	Q4
Foreign Assets	2 936.18	2 799.30	2 806.41	3 027.46
Reserve Assets	2 327.27	2 358.89	2 424.42	2 887.91
Deposits with the Central Bank	2 324.79	2 356.58	2 422.10	2 885.42
Cash in Vault	2.48	2.31	2.32	2.48
Claims on Government	5 291.98	5 607.25	5 720.31	5 989.77
Of which: Central Government	5 291.98	5 607.25	5 720.31	5 989.77
Claims on the Central Bank		12.99	23.00	14.51
Claims on Other Depository Corporations	3 692.16	3 932.96	3 918.13	4 263.48
Claims on Other Financial Corporations	4 758.32	4 907.57	4 993.06	5 177.48
Claims on Non-Financial Corporations	13 162.96	13 778.52	13 563.36	12 909.57
Claims on Other Resident Sectors	2 075.93	2 068.40	2 057.41	2 051.63
Other Assets	13 873.26	14 884.53	14 773.34	14 358.10
Total Assets	48 118.06	50 350.41	50 279.44	50 679.90
Liabilities to Non-Financial Institutions & Households	19 651.44	20 851.11	20 414.30	21 612.81
Deposits Included in Broad Money	14 840.59	14 948.00	14 695.08	15 673.26
Corporate Demand Deposits	4 567.53	5 177.91	4 868.22	5 907.89
Corporate Time Deposits	8 584.74	8 003.90	7 970.08	7 784.75
Personal Deposits	1 688.32	1 766.18	1 856.79	1 980.61
Deposits Excluded from Broad Money	3 730.10	3 873.43	3 973.31	4 331.94
Transferable Deposits	2 108.82	2 134.35	1 978.35	2 138.00
Other Deposits	1 621.28	1 739.07	1 994.96	2 193.95
Other Liabilities	1 080.75	2 029.69	1 745.91	1 607.61
Liabilities to the Central Bank	338.63	535.39	1 042.25	588.78
Liabilities to Other Depository Corporations	2 570.27	2 760.71	2 583.44	2 959.57
Liabilities to Other Financial Corporations	2 465.36	2 298.54	2 393.76	2 255.41
Of which: Deposits Included in Broad Money	2 307.94	2 148.97	2 269.84	2 118.28
Foreign Liabilities	3 701.47	3 444.52	3 562.19	3 370.61
Bond Issues	1 079.90	1 067.33	1 049.44	1 082.38
Paid-in Capital	2 045.22	2 047.29	2 051.99	2 054.45
Other Liabilities	16 265.78	17 345.52	17 182.06	16 755.88
Total Liabilities	48 118.06	50 350.41	50 279.44	50 679.90



Balance Sheet of Rural Credit Cooperatives, 2023 (Quarter-End Balance)

RMB100 million

Item/Quarter	Q1	Q2	Q3	Q4
Foreign Assets	1.74	4.12	4.79	6.79
Reserve Assets	6 207.74	6 153.64	6 346.20	6 476.20
Deposits with the Central Bank	5 975.67	5 947.55	6 137.05	6 297.32
Cash in Vault	232.07	206.09	209.15	178.88
Claims on Government	3 862.13	3 961.86	4 311.73	4 471.97
Of which: Central Government	3 862.13	3 961.86	4 311.73	4 471.97
Claims on the Central Bank				
Claims on Other Depository Corporations	17 698.28	17 602.06	17 812.02	15 790.55
Claims on Other Financial Corporations	1 369.10	1 405.98	1 931.73	1 262.30
Claims on Non-Financial Corporations	13 653.69	13 821.01	13 780.55	12 943.77
Claims on Other Resident Sectors	13 714.16	13 946.32	14 161.67	13 679.62
Other Assets	4 070.01	4 015.54	3 773.87	3 571.68
Total Assets	60 576.86	60 910.53	62 122.55	58 202.88
Liabilities to Non-Financial Institutions & Households	42 891.84	43 261.92	43 530.07	41 518.16
Deposits Included in Broad Money	42 804.02	43 186.68	43 455.31	41 403.55
Corporate Demand Deposits	4 225.50	4 237.43	4 095.66	3 846.87
Corporate Time Deposits	1 232.47	1 323.45	1 316.76	1 285.39
Personal Deposits	37 346.05	37 625.80	38 042.89	36 271.30
Deposits Excluded from Broad Money	0.38	0.27	0.26	0.38
Transferable Deposits	0.37	0.25	0.25	0.36
Other Deposits	0.02	0.01	0.01	0.01
Other Liabilities	87.44	74.97	74.50	114.23
Liabilities to the Central Bank	971.23	890.05	913.97	1 009.50
Liabilities to Other Depository Corporations	7 848.51	7 700.99	8 235.54	7 051.42
Liabilities to Other Financial Corporations	125.69	121.80	133.54	132.86
Of which: Deposits Included in Broad Money	106.79	103.75	95.86	97.48
Foreign Liabilities	0.53	0.47	0.40	0.34
Bond Issues	6.41	0.98	5.02	7.95
Paid-in Capital	1 294.37	1 329.95	1 319.53	1 381.07
Other Liabilities	7 438.28	7 604.38	7 984.48	7 101.60
Total Liabilities	60 576.86	60 910.53	62 122.55	58 202.88

Balance Sheet of Finance Companies, 2023 (Quarter–End Balance)

RMB100 million

Item/Quarter	Q1	Q2	Q3	Q4
Foreign Assets	300.61	306.55	296.71	314.52
Reserve Assets	3 318.50	3 336.92	3 555.97	3 545.67
Deposits with the Central Bank	3 318.48	3 336.90	3 555.96	3 545.66
Cash in Vault	0.02	0.02	0.01	0.01
Claims on Government	691.00	549.88	661.04	705.53
Of which: Central Government	691.00	549.88	661.04	705.53
Claims on the Central Bank				
Claims on Other Depository Corporations	31 828.40	33 780.02	32 514.06	37 895.20
Claims on Other Financial Corporations	6 013.69	6 570.99	6 943.78	6 237.08
Claims on Non–Financial Corporations	37 325.78	37 431.12	37 450.37	39 160.82
Claims on Other Resident Sectors	1 187.10	1 116.45	1 052.36	1 018.81
Other Assets	653.61	741.09	635.29	632.36
Total Assets	81 318.69	83 833.03	83 109.59	89 510.00
Liabilities to Non–Financial Institutions & Households	65 730.06	68 061.18	67 386.22	73 608.77
Deposits Included in Broad Money	64 482.68	66 808.04	66 252.88	71 905.72
Corporate Demand Deposits	32 414.60	36 905.16	34 532.62	42 868.74
Corporate Time Deposits	32 066.63	29 901.66	31 719.24	29 036.14
Personal Deposits	1.46	1.21	1.02	0.85
Deposits Excluded from Broad Money	1 233.40	1 230.68	1 114.09	1 680.03
Transferable Deposits	764.06	867.37	647.88	1 260.55
Other Deposits	469.34	363.31	466.20	419.48
Other Liabilities	13.98	22.46	19.26	23.02
Liabilities to the Central Bank	299.04	266.61	247.63	206.16
Liabilities to Other Depository Corporations	529.40	610.39	441.24	471.81
Liabilities to Other Financial Corporations	197.53	213.58	196.90	279.62
Of which: Deposits Included in Broad Money	118.38	160.66	143.38	172.14
Foreign Liabilities				
Bond Issues				
Paid–in Capital	7 527.79	7 659.70	7 526.23	7 675.10
Other Liabilities	7 034.87	7 021.58	7 311.36	7 268.55
Total Liabilities	81 318.69	83 833.03	83 109.59	89 510.00



Monetary Aggregates, 2023 (Quarter-End Balance)

RMB100 million

Item/Quarter	Q1	Q2	Q3	Q4
Money & Quasi-Money (M_2)	2 814 566.31	2 873 023.83	2 896 659.11	2 922 713.33
Money (M_1)	678 059.63	695 595.48	678 443.65	680 542.52
Currency in Circulation (M_0)	105 591.30	105 419.20	109 253.22	113 444.64
Corporate Demand Deposits	572 468.33	590 176.28	569 190.43	567 097.87
Quasi-Money	2 136 506.68	2 177 428.35	2 218 215.45	2 242 170.81
Corporate Time Deposits	498 890.82	507 502.51	526 043.56	520 995.50
Personal Deposits	1 311 044.43	1 331 168.72	1 356 228.42	1 378 566.94
Other Deposits	326 571.43	338 757.12	335 943.48	342 608.37

Note: Since December 2022, e-CNY in circulation has been included in the Currency in Circulation.

Monetary Aggregates, 2023 (Growth Rate)

percent

Item/Quarter	Q1	Q2	Q3	Q4
Money & Quasi-Money (M_2)	12.7	11.3	10.3	9.7
Money (M_1)	5.1	3.1	2.1	1.3
Currency in Circulation (M_0)	11.0	9.8	10.7	8.3
Corporate Demand Deposits	4.1	2.0	0.6	0.0
Quasi-Money	15.3	14.2	13.1	12.5
Corporate Time Deposits	13.2	11.0	10.1	12.8
Personal Deposits	18.0	17.2	16.4	13.8
Other Deposits	8.5	8.0	5.3	7.4

Note: Since December 2022, e-CNY in circulation has been included in the Currency in Circulation.

Statistics on the Volume of RMB Issuance

RMB100 million

Notes & Coins	Year-End Balance, 2022	Year-End Balance, 2023
100 Yuan Note	98 258.52	106 552.59
50 Yuan Note	3 593.04	3 659.85
20 Yuan Note	1 964.90	2 046.88
10 Yuan Note	2 699.14	2 799.14
5 Yuan Note	1 109.82	1 152.92
2 Yuan Note	38.76	38.74
1 Yuan Note	790.27	799.43
5 Jiao Note	152.74	153.00
2 Jiao Note	20.71	20.70
1 Jiao Note	70.73	70.67
5 Fen Note	1.56	1.56
2 Fen Note	1.76	1.76
1 Fen Note	2.92	2.92
1 Yuan Coin	663.96	673.31
5 Jiao Coin	266.23	272.77
1 Jiao Coin	147.67	149.85
5 Fen Coin	6.96	6.96
2 Fen Coin	5.82	5.82
1 Fen Coin	3.56	3.57
Total	109 799.07	118 412.45

Note: Statistics in this table include physical RMB currency in circulation (M_0) and physical RMB cash in the vault of banking institutions.



Common Commemorative Coins (Banknotes) Issued by the PBOC in 2023

Date of Issuance	Theme	Made of	Piece	Denomination (Yuan)	Size of Issuance (100 million coins)
Jan. 5	2023 New Year Celebration Common Commemorative Coins	Copper Alloy	1	10	1.2
Apr. 7	World Cultural and Natural Heritage Mount Huangshan Common Commemorative Coins	Brass Alloy	1	5	1.2
Apr. 7	World Cultural and Natural Heritage Mount Emei, including Leshan Giant Buddha Scenic Area, Common Commemorative Coins	Brass Alloy	1	5	1.2
Aug. 29	Sanjiangyuan National Park Common Commemorative Coins	Copper Alloy	1	10	0.8
Aug. 29	Giant Panda National Park Common Commemorative Coins	Copper Alloy	1	10	0.8
Nov. 28	Chinese Peking Opera Common Commemorative Coins	Brass Alloy	1	5	0.6

Commemorative Coins Made of Precious Metals Issued by the PBOC in 2023

No.	Theme	Type	Made of	Shape	Weight	Maximum Size of Issuance (coins)	Date of Issuance
I	2023 Auspicious Culture Gold and Silver Commemorative Coins	1	Refined Gold Coin	Round	5 Grams	5 000	May 2023
		2	Refined Silver Coin	Round	100 Grams	10 000	
		3	Refined Gold Coin	Ruyi-Shaped	5 Grams	10 000	
		4	Refined Silver Coin	Ruyi-Shaped	30 Grams	20 000	
		5	Refined Gold Coin	Heart-Shaped	3 Grams	20 000	
		6	Refined Silver Coin	Heart-Shaped	30 Grams	50 000	
		7	Refined Gold Coin	Round	3 Grams	10 000	
		8	Refined Silver Coin	Round	15 Grams	40 000	
II	The Art of Chinese Calligraphy (Cursive Script) Gold and Silver Commemorative Coins	9	Refined Gold Coin	Round	8 Grams	5 000	Jun. 2023
		10	Refined Silver Coin	Rectangular	150 Grams	5 000	
		11-13	Refined Silver Coin	Round	30 Grams	3 × 10 000	
III	National Treasure (The Dawn of Civilization) Gold and Silver Commemorative Coins	14	Refined Gold Coin	Round	15 Grams	5 000	Jul. 2023
		15	Refined Gold Coin	Round	3 Grams	10 000	
		16-18	Refined Silver Coin	Round	15 Grams	3 × 20 000	
IV	National Parks in China (Sanjiangyuan National Park) Gold and Silver Commemorative Coins	19	Refined Gold Coin	Round	3 Grams	10 000	Aug. 2023
		20	Refined Silver Coin	Round	30 Grams	60 000	

Continued

No.	Theme	Type	Made of	Shape	Weight	Maximum Size of Issuance (coins)	Date of Issuance
V	National Parks in China (Giant Panda National Park) Gold and Silver Commemorative Coins	21	Refined Gold Coin	Round	3 Grams	10 000	Aug. 2023
		22	Refined Silver Coin	Round	30 Grams	60 000	
VI	Traditional Chinese Auspicious Animals Gold and Silver Commemorative Coins	23–26	Refined Gold Coin	Round	2 Grams	4 × 30 000	Sep. 2023
		27–30	Refined Silver Coin	Round	15 Grams	4 × 80 000	
VII	The Celebrated Ancient Chinese Painting Series (A Panorama of Rivers and Mountains) Gold and Silver Commemorative Coins	31	Refined Gold Coin	Round	50 Grams	1 000	Oct. 2023
		32	Refined Silver Coin	Rectangular	500 Grams	2 000	
		33–35	Refined Silver Coin	Round	60 Grams	3 × 8 000	
VIII	2024 Panda Precious Metal Commemorative Coins	36	Common Gold Coin	Round	30 Grams	1 000 000	Oct. 2023
		37	Common Gold Coin	Round	15 Grams	200 000	
		38	Common Gold Coin	Round	8 Grams	200 000	
		39	Common Gold Coin	Round	3 Grams	500 000	
		40	Common Gold Coin	Round	1 Gram	500 000	
		41	Common Silver Coin	Round	30 Grams	10 000 000	
		42	Refined Gold Coin	Round	1 000 Grams	1 000	
		43	Refined Gold Coin	Round	150 Grams	10 000	
		44	Refined Gold Coin	Round	100 Grams	20 000	
		45	Refined Gold Coin	Round	50 Grams	30 000	
		46	Refined Silver Coin	Round	1 Kilogram	10 000	
		47	Refined Silver Coin	Round	150 Grams	30 000	
		48	Refined Platinum Coin	Round	30 Grams	5 000	
IX	2024 Year of the Dragon Precious Metal Commemorative Coins	49	Refined Platinum Coin	Round	3 Grams	30 000	Nov. 2023
		50	Refined Gold Coin	Round	10 Kilograms	18	
		51	Refined Gold Coin	Round	2 Kilograms	50	
		52	Refined Gold Coin	Plum Blossom– Shaped	1 Kilogram	118	
		53	Refined Gold Coin	Round	500 Grams	500	
		54	Refined Gold Coin	Round	150 Grams	1 000	
		55	Refined Gold Coin	Plum Blossom– Shaped	15 Grams	8 000	
		56	Refined Gold Coin	Round	3 Grams	150 000	



Continued

No.	Theme	Type	Made of	Shape	Weight	Maximum Size of Issuance (coins)	Date of Issuance
IX	2024 Year of the Dragon Precious Metal Commemorative Coins	57	Refined Silver Coin	Round	1 Kilogram	5 000	Nov. 2023
		58	Refined Silver Coin	Round	150 Grams	8 000	
		59	Refined Silver Coin	Plum Blossom- Shaped	30 Grams	60 000	
		60	Refined Silver Coin	Round	15 Grams	300 000	
		61	Refined Platinum Coin	Round	15 Grams	10 000	
X	2024 New Year Celebration Gold and Silver Commemorative Coins	62	Common Gold Coin	Round	1 Gram	100 000	Dec. 2023
		63	Common Silver Coin	Diamond- Shaped	8 Grams	1 500 000	

Structural Statistics on Non-Cash Payment Instruments (2023)

Category of Business		Transaction Volume (10 thousand)	Transaction Value (RMB100 million)
Bills	Bank Drafts	13.37	1 033.80
	Of which: Cash Bank Drafts	0.0020	0.01
	Transfer Bank Drafts	13.37	1 033.79
	Commercial Drafts	2 924.27	306 105.97
	Of which: Commercial Acceptance Bills	256.63	35 573.99
	Bankers' Acceptance Bills	2 667.64	270 531.98
	Promissory Notes	14.23	2 306.83
	Of which: Cash Promissory Notes	0.0042	0.27
	Transfer Promissory Notes	14.23	2 306.56
	Cheques	6 402.57	663 212.97
	Of which: Cash Cheques	2 287.09	19 762.73
	Transfer Cheques	4 115.48	643 450.24
	Of which: Corporate Cheques	6 380.94	662 939.92
	Personal Cheques	21.63	273.04
	Total	9 354.44	972 659.56
Bankcards	Cash Deposits	487 820.29	367 592.43
	Cash Withdrawals	626 837.74	347 572.48
	Of which: ATM	438 861.95	120 731.17
	Consumption	30 744 118.24	1 359 988.02
	Transfers	21 249 929.80	8 775 532.16
	Total	53 108 706.07	10 850 685.10
Settlements	Credit Transfers	1 102 474.96	39 488 901.21
	Direct Debit	38 324.91	1 156 896.52
	Collection against Contract of Purchase	17.59	7 801.14
	Domestic Letters of Credit	12.22	36 081.21
	Total	1 140 829.68	40 689 680.08

Note: In 2015, statistics on the use of non-cash payment instruments were adjusted by including domestic letters of credit, credit transfers and direct debit. Remittance and exchange as well as consignment collection were removed from the statistics as they are covered by the newly-added items.



Statistics on Transactions via Payment Systems (2023)

System Name	Volume	Value
High Value Payment System (100 million deals, RMB trillion)	3.82	8 480.95
Bulk Electronic Payment System (100 million deals, RMB trillion)	46.14	185.81
Internet Banking Payment System (100 million deals, RMB trillion)	169.80	300.95
China Foreign Exchange Payment System (10 thousand deals, RMB trillion)	513.47	18.68
Intrabank Business Systems of Commercial Banks (100 million deals, RMB trillion)	215.92	2 168.89
UnionPay Interbank Payment System (100 million deals, RMB trillion)	3 099.46	279.53
Payment and Clearing System of City Commercial Banks Clearing (10 thousand deals, RMB trillion)	4 037.04	3.78
Rural Credit Banks Payment and Clearing System (100 million deals, RMB trillion)	30.73	3.11
Cross-Border Interbank Payment System (10 thousand deals, RMB trillion)	661.33	123.06
NetsUnion Clearing Platform (100 million deals, RMB trillion)	8 950.55	497.90
Total (100 million deals, RMB trillion)	12 516.94	12 062.66

Notes: ① According to the PBOC's requirement of "breaking the direct connection between third-party payment institutions and commercial banks," all third-party payment institutions have joined the system of UnionPay or NetsUnion. Businesses between payment institutions and commercial banks, as well as businesses between third-party payment institutions and the City Commercial Banks Clearing or members of the Rural Credit Banks Funds Clearing Center are no longer included in transaction statistics on the intrabank business systems of commercial banks, the payment and clearing system of City Commercial Banks Clearing, and rural credit banks payment and clearing system.

② Starting from Q2 2018, the volume of transactions processed by the UnionPay interbank payment system only includes funds clearing, while inquiries, account verification, and other non-clearing transactions are excluded. Starting from Q1 2019, the volume of transactions processed by the UnionPay interbank payment system includes online payments involving bank accounts initiated by payment institutions and processed by the UnionPay interbank payment system.

③ Starting from 2017, the payment and clearing system of City Commercial Banks Clearing not only covers statistics on bank drafts, remittance and exchange, and deposits and withdrawals processed at any branch, but also real-time payments and receipts on behalf of clients.

Statistics on the Number of RMB Bank Settlement Accounts

Item/Year	2023
Corporate Settlement Accounts (10 thousand)	10 233.65
Of which: Basic Deposit Accounts (10 thousand)	7 195.23
General Deposit Accounts (10 thousand)	2 518.67
Special Deposit Accounts (10 thousand)	499.28
Temporary Deposit Accounts (10 thousand)	20.48
Personal Settlement Accounts (100 million)	143.63
Total (100 million)	144.65

Statistics on the Number of Bankcards

	100 million
Item/Year	2023
Debit Cards	90.20
Credit Cards (including combo cards with both debit and credit functions)	7.67
Total	97.87



Interest Rates

RMB Interest Rates, 2023

percent				
Item/Date	Jan. 1	Jun. 20	Aug. 21	Dec. 31
Official Interest Rates on Deposits & Loans of Financial Institutions				
Required Reserves	1.62	1.62	1.62	1.62
Excess Reserves	0.35	0.35	0.35	0.35
Rates on the Standing Lending Facility (SLF)				
Overnight	2.85	2.75*	2.65*	2.65
7-Day	3.00	2.90*	2.80*	2.80
1-Month	3.35	3.25*	3.15*	3.15
Central Bank Lending in Support of Agro-Related Businesses and MSBs				
3-Month	1.70	1.70	1.70	1.70
6-Month	1.90	1.90	1.90	1.90
1-Year	2.00	2.00	2.00	2.00
Central Bank Rediscount	2.00	2.00	2.00	2.00
Benchmark Rates on RMB Deposits at Financial Institutions				
Deposit Rates				
Demand Deposits				
Time Deposits				
3-Month	0.35	0.35	0.35	0.35
6-Month	1.10	1.10	1.10	1.10
1-Year	1.30	1.30	1.30	1.30
2-Year	1.50	1.50	1.50	1.50
3-Year	2.10	2.10	2.10	2.10
3-Year	2.75	2.75	2.75	2.75
Loan Prime Rate (LPR)				
1-Year	3.65**	3.55	3.45	3.45**
5-Year	4.30**	4.20	4.20	4.20**
Interbank Weighted Average Rates***				
Interbank Funding				1.78
Bond Pledged Repo				1.90

Notes: ① *Adjusted on June 13 and August 15, 2023, respectively.

② **LPRs released on December 20, 2022 and December 20, 2023.

③ ***Weighted average rates for December 2023.

Interest Rates on Small-Value Foreign Currency Deposits (US Dollar)

percent

Term/Date	Nov.18, 2004	May 20, 2005	Aug.23, 2005	Oct.15, 2005	Dec.28, 2005
Demand Deposits	0.075	0.075	0.275	0.775	1.150
7-Day Notice Deposits	0.250	0.250	0.500	1.000	1.375
1-Month	0.375	0.625	1.250	1.750	2.250
3-Month	0.625	0.875	1.750	2.250	2.750
6-Month	0.750	1.000	1.875	2.375	2.875
1-Year	0.875	1.125	2.000	2.500	3.000

Note: Data listed are benchmark interest rates released by the PBOC on small-value foreign currency deposits. No adjustments have been made since December 28, 2005.

Shibor Monthly Rates, 2023

percent

Month/Term	Overnight	1-Week	2-Week	1-Month	3-Month	6-Month	9-Month	1-Year
January	1.35	1.93	2.08	2.23	2.36	2.45	2.51	2.56
February	1.88	2.09	2.26	2.22	2.38	2.50	2.58	2.63
March	1.65	2.03	2.25	2.37	2.48	2.57	2.64	2.71
April	1.60	2.05	2.19	2.32	2.42	2.51	2.59	2.65
May	1.37	1.87	1.95	2.17	2.30	2.41	2.48	2.52
June	1.46	1.89	1.99	2.05	2.15	2.25	2.33	2.39
July	1.36	1.82	1.89	2.07	2.12	2.21	2.30	2.35
August	1.64	1.86	1.89	1.92	2.05	2.15	2.23	2.29
September	1.77	1.91	2.28	2.08	2.17	2.24	2.31	2.36
October	1.78	1.92	2.18	2.25	2.34	2.41	2.45	2.49
November	1.77	1.94	2.32	2.24	2.45	2.51	2.53	2.56
December	1.62	1.81	2.38	2.43	2.57	2.60	2.60	2.62

Note: Data listed are monthly average rates.



Financial Market Statistics

Money Market Statistics, 2023

Item/Quarter	Q1	Q2	Q3	Q4
Turnover of Interbank Funding (RMB100 million)	329 859	411 079	375 999	312 699
Turnover of Interbank Repo (RMB100 million)	3 530 608	4 433 585	4 747 652	4 030 415
Quarter-End Shibor: Overnight (percent)	1.84	1.48	2.16	1.75
Quarter-End Shibor: 1-Week (percent)	2.22	2.06	2.20	1.87
Quarter-End Monthly Weighted Average Rate on Interbank Funding (percent)	1.70	1.57	1.87	1.78
Quarter-End Monthly Weighted Average Rate on Pledged Repo (percent)	1.85	1.67	1.96	1.90
Commercial Bills Accepted (RMB100 million)	60 196	66 363	87 548	102 762
Quarter-End Commercial Bills Outstanding (RMB100 million)	167 603	163 652	169 591	173 018
Financial Institutions Discount (RMB100 million)	38 881	50 502	66 548	82 259
Quarter-End Financial Institutions Discount Outstanding (RMB100 million)	55 949	54 820	56 847	61 861

Bond Market Statistics, 2023

Item/Quarter	Q1	Q2	Q3	Q4
Total Bond Issuance (RMB100 million)	163 625	179 653	184 591	180 394
Government Bonds	40 648	46 231	58 058	59 273
Central Bank Bills	0	0	0	0
Financial Bonds	87 039	97 179	89 017	91 182
Of which: Interbank Negotiable Certificates of Deposit	60 186	67 921	62 025	67 683
Corporate Debenture Bonds	35 742	35 729	37 044	29 691
International Institutions Bonds	196	513	473	248
Quarter-End Outstanding Bonds (RMB100 million)	1 473 009	1 500 851	1 536 951	1 576 740
Government Bonds	623 034	639 673	665 646	702 779
Central Bank Bills	150	150	150	150
Financial Bonds	521 170	533 942	543 228	550 899
Of which: Interbank Negotiable Certificates of Deposit	140 904	143 653	146 003	147 807
Corporate Debenture Bonds	326 952	325 301	325 876	320 908
International Institutions Bonds	1 703	1 786	2 052	2 004
Quarter-End Chinabond Composite Index (percent, Net Price)	103.3	104.2	104.1	104.7
Quarter-End Chinabond Yield (1-year, percent)	2.23	1.87	2.17	2.08
Quarter-End Chinabond Yield (10-year, percent)	2.85	2.64	2.68	2.56

Note: Corporate debenture bonds include debt financing instruments of non-financial corporations, enterprise bonds, corporate bonds, convertible bonds, and so forth.

Stock Market Statistics, 2023

Item/Quarter	Q1	Q2	Q3	Q4
Total Funds Raised (RMB100 million)	2 624	2 496	2 238	1 812
Turnover (RMB100 million)	519 805	594 817	511 858	495 630
Quarter-End Volume of Stocks Issued (100 million shares)	73 850	74 821	74 971	75 489
Quarter-End Market Capitalization (RMB100 million)	848 855	832 615	801 620	773 131
Quarter-End Number of Listed Companies	4 959	5 031	5 076	5 107
Quarter-End Closing Index				
Shanghai Stock Exchange Composite Index (December 19, 1990=100)	3 273	3 202	3 110	2 975
Shenzhen Stock Exchange Component Index (July 20, 1994=1000)	11 726	11 027	10 110	9 525

Securities Investment Funds Statistics, 2023

Item/Quarter	Q1	Q2	Q3	Q4
Number of Securities Investment Funds	10 504	10 767	11 007	11 310
Total Size (RMB100 million)	244 971	254 847	256 783	260 737
Net Funds Assets (RMB100 million)	266 780	273 457	271 465	272 297
Turnover (RMB100 million)	65 104	66 947	74 886	70 261

Futures Market Statistics, 2023

Item/Quarter	Q1	Q2	Q3	Q4
Transaction Volume (10 thousand lots)	149 447	197 519	219 384	171 521
Turnover (RMB100 million)	1 207 339	1 409 891	1 628 974	1 429 489
Quarter-End Open Interest (10 thousand lots)	3 651	4 191	3 524	3 355
Delivery Volume (lots)	694 495	513 583	610 783	556 168



Insurance Market Statistics, 2023

Item/Quarter	Q1	Q2	Q3	Q4
Premium Income (RMB100 million)	19 457	12 597	10 473	8 720
Property Insurance	3 595	3 612	3 206	3 195
Life Insurance	15 862	8 986	7 267	5 525
Claims and Benefit Payments (RMB100 million)	4 932	4 219	4 642	5 091
Property Insurance	1 979	2 124	2 369	2 699
Life Insurance	2 953	2 095	2 272	2 392
Quarter-End Assets, Total (RMB100 million)	283 664	291 998	295 889	299 573
Of which: Bank Deposits	28 450	28 967	27 484	27 243
Investments	231 756	239 255	244 296	249 495

Gold Market Statistics, 2023

Item/Quarter	Q1	Q2	Q3	Q4
Turnover of Au99.99 (RMB100 million)	3 547	3 040	3 478	3 887
Turnover of Au (T+D) (RMB100 million)	3 893	5 031	5 306	3 518
Turnover of Ag (T+D) (RMB100 million)	2 200	2 158	2 128	1 854
Au99.99 Quarter-End Closing Price (yuan per gram)	441	448	447	480
Au (T+D) Quarter-End Closing Price (yuan per gram)	439	449	446	480
Ag (T+D) Quarter-End Closing Price (yuan per kilogram)	5 298	5 418	5 785	5 973

Treasuries and Statistics of Treasury Bonds

Table 1 Issuance of Treasury Savings Bonds, 2023

Type of Bonds	Issue No.	Date of Issuance	Term (Year)	Coupon Rate (percent)	Total Actual Issuance Amount (RMB100 million)
Certificate T-bonds	1st	Mar.10 to Mar.19	3	3.00	136.87
	2nd	Mar.10 to Mar.19	5	3.12	143.94
	3rd	May 10 to May 19	3	2.95	75.73
	4th	May 10 to May 19	5	3.07	99.01
	5th	Sep.10 to Sep.19	3	2.85	99.97
	6th	Sep.10 to Sep.19	5	2.97	99.98
	7th	Nov.10 to Nov.19	3	2.63	99.94
	8th	Nov.10 to Nov.19	5	2.75	99.94
	Subtotal				855.38
Electronic T-bonds	1st	Apr.10 to Apr.19	3	3.00	190.00
	2nd	Apr.10 to Apr.19	5	3.12	190.00
	3rd	Jun.10 to Jun.19	3	2.95	190.00
	4th	Jun.10 to Jun.19	5	3.07	190.00
	5th	Jul.10 to Jul.19	3	2.85	180.16
	6th	Jul.10 to Jul.19	5	2.97	190.00
	7th	Aug.10 to Aug.19	3	2.85	190.00
	8th	Aug.10 to Aug.19	5	2.97	190.00
	9th	Oct.10 to Oct.19	3	2.63	190.00
	10th	Oct.10 to Oct.19	5	2.75	190.00
	Subtotal				1 890.16
	Total				2 745.54



Table 2 Term Deposits Disbursed by Central Treasury Cash Management at Commercial Banks, 2023 (New Deposits)

Date (Value date)	Series No.	Amount (RMB100 million)	Bidding Rate (percent)	Term	Expected Interest Income (RMB100 million)
Feb. 23, 2023	1st, 2023	500	2.80	1 M	1.07
Mar. 22, 2023	2nd, 2023	900	2.70	1 M	1.86
Apr. 19, 2023	3rd, 2023	500	2.76	1 M	1.06
May 23, 2023	4th, 2023	500	2.75	1 M	1.05
Jul. 24, 2023	5th, 2023	600	2.00	1 M	0.92
Aug. 24, 2023	6th, 2023	500	2.00	1 M	0.77
Sep. 18, 2023	7th, 2023	500	2.50	1 M	0.96
Oct. 24, 2023	8th, 2023	500	2.50	1 M	0.96
Nov. 22, 2023	9th, 2023	900	2.50	1 M	1.73
Dec. 25, 2023	10th, 2023	1 800	2.91	1 M	4.02
Total		7 200			14.40

Table 3 Term Deposits Disbursed by Central Treasury Cash Management at Commercial Banks, 2023 (Matured)

Date (Due date)	Series No.	Amount (RMB100 million)	Bidding Rate (percent)	Term	Actual Interest Income (RMB100 million)
Mar. 23, 2023	1st, 2023	500	2.80	1 M	1.07
Apr. 19, 2023	2nd, 2023	900	2.70	1 M	1.86
May 17, 2023	3rd, 2023	500	2.76	1 M	1.06
Jun. 20, 2023	4th, 2023	500	2.75	1 M	1.05
Aug. 21, 2023	5th, 2023	600	2.00	1 M	0.92
Sep. 21, 2023	6th, 2023	500	2.00	1 M	0.77
Oct. 16, 2023	7th, 2023	500	2.50	1 M	0.96
Nov. 21, 2023	8th, 2023	500	2.50	1 M	0.96
Dec. 20, 2023	9th, 2023	900	2.50	1 M	1.73
Total		5 400			10.38

Table 4 Provincial–Level Local Treasury Cash Management, 2023

RMB100 million, Number of batches

Region	Batches of New Deposits	Amount	Batches of Deposits Matured	Amount	Balance at Year–End	Actual Interest Income
Beijing	3	900.00	2	600.00	300.00	0.56
Tianjin	5	690.00	4	590.00	100.00	0.56
Hebei	2	200.00	2	200.00	0.00	0.82
Shanxi	13	2 174.80	14	2 274.80	200.00	7.32
Inner Mongolia	3	250.00	3	250.00	0.00	1.05
Liaoning	1	50.00	2	90.00	0.00	0.56
Jilin	0	0.00	0	0.00	0.00	0.00
Heilongjiang	15	980.00	15	980.00	100.00	1.53
Shanghai	10	6 760.00	10	6 060.00	2 400.00	32.69
Jiangsu	5	1 730.00	5	1 630.00	730.00	14.86
Zhejiang	15	5 700.00	16	5 590.00	1 200.00	21.23
Anhui	4	800.00	4	750.00	200.00	2.81
Fujian	7	290.00	7	290.00	50.00	1.25
Jiangxi	6	1 240.00	5	1 180.00	580.00	8.19
Shandong	3	400.00	3	400.00	0.00	2.26
Henan	0	0.00	0	0.00	0.00	0.00
Hubei	6	2 500.00	6	2 500.00	300.00	8.04
Hunan	0	0.00	0	0.00	0.00	0.00
Guangdong	0	0.00	0	0.00	0.00	0.00
Guangxi	5	480.00	5	480.00	0.00	0.53
Sichuan	1	150.00	1	150.00	0.00	1.51
Chongqing	10	1 320.00	10	1 370.00	350.00	8.51
Guizhou	0	0.00	0	0.00	0.00	0.00
Yunnan	8	1 250.00	8	1 250.00	0.00	1.15
Xizang	1	270.00	0	0.00	270.00	0.00
Shaanxi	14	1 200.00	13	1 100.00	100.00	2.15
Gansu	7	440.00	6	390.00	50.00	1.30
Qinghai	11	320.00	8	200.00	120.00	0.77
Ningxia	18	530.00	15	480.00	170.00	2.37
Xinjiang	0	0.00	0	0.00	0.00	0.00
Qingdao	6	340.00	6	340.00	0.00	0.44
Dalian	1	10.00	1	10.00	0.00	0.04
Ningbo	8	1 800.00	8	1 750.00	450.00	6.56
Hainan	3	120.00	3	120.00	0.00	0.25
Shenzhen	10	2 000.00	13	2 600.00	1 200.00	28.79
Xiamen	0	0.00	0	0.00	0.00	0.00
Total	201	34 894.80	195	33 624.80	8 870.00	158.10



RMB Exchange Rate and Balance of Payments

RMB Exchange Rate

Year	Foreign Currency	Year-End Rate	Change over the Previous Year-End
2021	USD	6.3757	-1 492
	HKD	0.8176	-240
	100 JPY	5.5415	-7 821
	EUR	7.2197	-8 053
2022	USD	6.9646	5 889
	HKD	0.8933	757
	100 JPY	5.2358	-3 057
	EUR	7.4229	2 032
2023	USD	7.0827	1 181
	HKD	0.9062	129.5
	100 JPY	5.0213	-2 145
	EUR	7.8592	4 363

Official Reserve Assets, 2023

Item/ Quarter	Q1		Q2		Q3		Q4	
	(US\$100 million)	(SDR100 million)	(US\$100 million)	(SDR100 million)	(US\$100 million)	(SDR100 million)	(US\$100 million)	(SDR100 million)
Foreign Exchange Reserves	31 838.72	23 667.85	31 929.98	24 006.17	31 150.70	23 689.17	32 379.77	24 133.94
Reserve Position in the IMF	109.15	81.14	97.01	72.94	95.88	72.91	97.47	72.65
SDRs	524.69	390.04	521.14	391.81	523.40	398.03	535.96	399.47
Gold	1 316.53	978.66	1 299.34	976.89	1 317.88	1 002.21	1 482.26	1 104.79
	66.5 million ounces	66.5 million ounces	67.95 million ounces	67.95 million ounces	70.46 million ounces	70.46 million ounces	71.87 million ounces	71.87 million ounces
Other Reserve Assets	0.92	0.68	1.05	0.79	-3.22	-2.45	1.45	1.08
Total	33 790.02	25 118.37	33 848.53	25 448.60	33 084.65	25 159.87	34 496.91	25 711.93

Note: The data in this table are published both in US dollar and SDR terms, and the exchange rate of the SDR is derived from the IMF Website.

China's Balance of Payments, 2023

US\$100 million

Item	Amount	Item	Amount
1. Current Account	2 530	1.A.b.8 Charges for the Use of Intellectual Property	-317
Credits	37 887	Credits	110
Debits	-35 357	Debits	-427
1.A Goods and Services	3 861	1.A.b.9 Telecommunications, Computer, and Information Services	193
Credits	35 112	Credits	581
Debits	-31 252	Debits	-388
1.A.a Goods	5 939	1.A.b.10 Other Business Services	380
Credits	31 792	Credits	982
Debits	-25 853	Debits	-602
1.A.b Services	-2 078	1.A.b.11 Personal, Cultural, and Recreational Services	-26
Credits	3 321	Credits	14
Debits	-5 399	Debits	-40
1.A.b.1 Manufacturing Services	120	1.A.b.12 Government Goods and Services n.i.e	-15
Credits	130	Credits	15
Debits	-10	Debits	-30
1.A.b.2 Maintenance and Repair Services	41	1.B Primary Income	-1 482
Credits	100	Credits	2 400
Debits	-59	Debits	-3 882
1.A.b.3 Transport	-731	1.B.1 Compensation of Employees	72
Credits	870	Credits	226
Debits	-1 601	Debits	-154
1.A.b.4 Travel	-1 717	1.B.2 Investment Income	-1 590
Credits	248	Credits	2 128
Debits	-1 965	Debits	-3 718
1.A.b.5 Construction	79	1.B.3 Other Primary Income	35
Credits	158	Credits	45
Debits	-78	Debits	-10
1.A.b.6 Insurance and Pension Services	-92	1.C Secondary Income	152
Credits	69	Credits	375
Debits	-162	Debits	-223
1.A.b.7 Financial Services	7	1.C.1 Personal Transfer	17
Credits	44	Credits	65
Debits	-37	Debits	-48



Continued

Item	Amount	Item	Amount
1.C.2 Other Secondary Income	135	2.2.1.2 Portfolio Investment	-632
Credits	310	2.2.1.2.1 Assets	-773
Debits	-175	2.2.1.2.1.1 Equity and Investment Fund Shares	-552
2. Capital and Financial Account	-2 151	2.2.1.2.1.2 Debt Securities	-221
2.1 Capital Account	-3	2.2.1.2.2 Liabilities	141
Credits	2	2.2.1.2.2.1 Equity and Investment Fund Shares	74
Debits	-5	2.2.1.2.2.2 Debt Securities	66
2.2 Financial Account	-2 148	2.2.1.3 Financial Derivatives (other than reserves) and Employee Stock Options	-75
Assets	-2 282	2.2.1.3.1 Assets	-49
Liabilities	134	2.2.1.3.2 Liabilities	-27
2.2.1 Financial Account Excluding Reserves	-2 099	2.2.1.4 Other Investment	34
Assets	-2 234	2.2.1.4.1 Assets	441
Liabilities	134	2.2.1.4.1.1 Other Equity	-2
2.2.1.1 Direct Investment	-1 426	2.2.1.4.1.2 Currency and Deposits	249
2.2.1.1.1 Assets	-1 853	2.2.1.4.1.3 Loans	373
2.2.1.1.1.1 Equity and Investment Fund Shares	-1 109	2.2.1.4.1.4 Insurance, Pensions, and Standardized Guarantee Schemes	-26
2.2.1.1.1.2 Debt Instruments	-744	2.2.1.4.1.5 Trade Credit and Advances	-106
2.2.1.1.1.a Financial Sector	-210	2.2.1.4.1.6 Other Accounts Receivable	-46
2.2.1.1.1.1.a Equity and Investment Fund Shares	-191	2.2.1.4.2 Liabilities	-407
2.2.1.1.1.2.a Debt Instruments	-18	2.2.1.4.2.1 Other Equity	0
2.2.1.1.1.b Non-Financial Sector	-1 643	2.2.1.4.2.2 Currency and Deposits	-178
2.2.1.1.1.1.b Equity and Investment Fund Shares	-917	2.2.1.4.2.3 Loans	-292
2.2.1.1.1.2.b Debt Instruments	-726	2.2.1.4.2.4 Insurance, Pensions, and Standardized Guarantee Schemes	0
2.2.1.1.2 Liabilities	427	2.2.1.4.2.5 Trade Credit and Advances	-236
2.2.1.1.2.1 Equity and Investment Fund Shares	717	2.2.1.4.2.6 Other Accounts Payable	299
2.2.1.1.2.2 Debt Instruments	-289	2.2.1.4.2.7 Special Drawing Rights	0
2.2.1.1.2.a Financial Sector	17	2.2.2 Reserve Assets	-48
2.2.1.1.2.1.a Equity and Investment Fund Shares	39	2.2.2.1 Monetary Gold	0
2.2.1.1.2.2.a Debt Instruments	-22	2.2.2.2 Special Drawing Rights	-24
2.2.1.1.2.b Non-Financial Sector	410	2.2.2.3 Reserve Position in the IMF	11
2.2.1.1.2.1.b Equity and Investment Fund Shares	678	2.2.2.4 Foreign Exchange Reserves	-35
2.2.1.1.2.2.b Debt Instruments	-267	2.2.2.5 Other Reserve Assets	0
		3. Net Errors and Omissions	-379

Notes: ① China compiles the balance of payments (BOP) in accordance with the 6th edition of the *Balance of Payments and International Investment Position Manual*.

② Credits and debits are recorded as positive and negative values respectively. Balance is calculated by adding credits and debits. All other entries are recorded as balance except credits and debits.

③ Under the financial account, the net increase and net decrease of external financial assets are recorded as negative and positive values respectively. The net increase and net decrease of external liabilities are recorded as positive and negative values respectively.

④ This table employs rounded-off numbers.

China's External Debt Position, 2023, By Sector

Item	End-2023 (RMB100 million)	End-2023 (US\$100 million)
General Government	30 775	4 345
Short-Term	2 870	405
Currency and Deposits	0	0
Debt Securities	2 870	405
Loans	0	0
Trade Credit and Advances	0	0
Other Debt Liabilities	0	0
Long-Term	27 905	3 940
SDR Allocation	0	0
Currency and Deposits	0	0
Debt Securities	24 084	3 400
Loans	3 821	540
Trade Credit and Advances	0	0
Other Debt Liabilities	0	0
Central Bank	7 593	1 072
Short-Term	2 138	302
Currency and Deposits	1 041	147
Debt Securities	1 097	155
Loans	0	0
Trade Credit and Advances	0	0
Other Debt Liabilities	0	0
Long-Term	5 454	770
SDR Allocation	3 441	486
Currency and Deposits	0	0
Debt Securities	0	0
Loans	0	0
Trade Credit and Advances	0	0
Other Debt Liabilities	2 014	284
Other Depository Corporations	71 487	10 093
Short-Term	55 617	7 853



Continued

Item	End-2023 (RMB100 million)	End-2023 (US\$100 million)
Currency and Deposits	33 390	4 714
Debt Securities	6 110	863
Loans	15 681	2 214
Trade Credit and Advances	0	0
Other Debt Liabilities	436	62
Long-Term	15 870	2 241
Currency and Deposits	0	0
Debt Securities	12 890	1 820
Loans	2 890	408
Trade Credit and Advances	0	0
Other Debt Liabilities	90	13
Other Sectors	42 548	6 007
Short-Term	30 557	4 314
Currency and Deposits	22	3
Debt Securities	146	21
Loans	1 181	167
Trade Credit and Advances	27 216	3 843
Other Debt Liabilities	1 992	281
Long-Term	11 991	1 693
Currency and Deposits	0	0
Debt Securities	5 881	830
Loans	2 884	407
Trade Credit and Advances	485	68
Other Debt Liabilities	2 742	387
Direct Investment: between Enterprises	20 949	2 958
Liabilities of Direct Investment Enterprises to Direct Investment Investors	11 741	1 658
Liabilities of Direct Investment Investors to Direct Investment Enterprises	1 328	187
Liabilities to Affiliated Enterprises	7 880	1 113
Total External Debt Positions	173 352	24 475

Notes: ① External debt is divided into short-term and long-term based on the terms of the agreements signed.

② This table employs rounded-off numbers.

RMB Internationalization

Statistics on RMB Cross-Border Payments and Receipts

RMB100 million

Year	Current Account			Capital Account				Total RMB Settlements of Cross-Border Trade
	Total	Trade in Goods	Trade in Services and Others	Total	Overseas Direct Investment	Foreign Direct Investment	Others	
2019	60 374	42 440	17 934	136 328	7 575	20 253	108 500	196 702
2020	67 674	47 850	19 824	216 200	10 534	27 613	178 053	283 874
2021	79 477	57 747	21 729	286 591	16 419	41 595	228 577	366 068
2022	105 172	79 245	25 927	316 253	1 313	3 649	311 291	421 460
2023	140 286	106 916	33 370	382 809	26 038	49 933	306 838	523 095

RMB Financial Assets Held by Overseas Institutions and Persons

RMB100 million

Item/Time	Jan. 2023	Feb. 2023	Mar. 2023	Apr. 2023	May 2023	Jun. 2023
Stocks	36 389.11	35 215.67	34 905.38	34 379.95	32 113.31	33 295.89
Bonds	33 509.62	32 701.92	32 717.00	32 295.52	32 461.33	33 341.22
Loans	11 998.37	12 134.78	12 805.76	12 519.35	12 689.22	12 716.00
Deposits	17 567.15	17 918.53	18 329.32	17 396.42	18 452.14	18 268.86
Item/Time	Jul. 2023	Aug. 2023	Sep. 2023	Oct. 2023	Nov. 2023	Dec. 2023
Stocks	35 097.34	31 967.41	30 930.79	29 058.04	28 653.46	27 896.93
Bonds	32 977.86	32 359.81	32 512.52	32 887.38	35 377.83	37 168.55
Loans	12 518.17	12 154.11	11 761.46	12 095.43	11 761.84	11 532.04
Deposits	18 192.62	18 375.88	18 246.78	18 324.77	18 001.10	17 100.74



Flow of Funds Statement, 2022 (Financial Transactions)

RMB100 million

Item	Sector	Households		Non-Financial Corporations		General Government	
		Uses	Sources	Uses	Sources	Uses	Sources
Net Financial Investment		189 221		-99 320		-83 706	
Total Uses of Funds		237 608		70 805		12 504	
Total Sources of Funds			48 387		170 125		96 210
Currency		12 232		1 237		275	
Deposits		188 871		51 633	-4	11 481	
Demand Deposits		41 086		707		-4 880	
Time Deposits		143 917		50 379		16 710	
Fiscal Deposits						-586	
Foreign Exchange Deposits		617		-168	-4	-93	
Other Deposits		3 251		715		330	
Customer Margin of Securities Companies		13		16		1	
Loans			48 638		148 723		16 336
Short-Term Loans and Bill Financing			16 609		55 964		
Medium- and Long-Term Loans			30 566		98 681		
Foreign Exchange Loans			16		-4 583		220
Entrusted Loans			3 229		137		176
Other Loans			-1 783		-1 475		15 939
Undiscounted Bankers' Acceptances				-3 411	-3 411		
Insurance Technical Reserves		31 673		1 566			11 972
Inter-Financial Institution Accounts							
Required and Excess Reserves							
Bonds		-930		-30	11 552	-628	71 860
Government Bonds		-1 171		10		-106	71 860
Financial Bonds		24		-100		-168	
Central Bank Bonds							
Corporate Bonds		216		60	11 552	-354	
Stocks		4 192		8 260	12 301	273	
Securities Investment Funds Shares		6 099		7 676		579	
Cash in Vault							
Central Bank Loans							
Miscellaneous (net)		-4 543	-251	-3 232	-4 360	524	223
Direct Investment				8 143	11 899		
Other External Claims and Debts				-1 054	-2 579		-4 180
International Reserve Assets							
Errors and Omissions in the BOP					-3 996		

Appendix I: STATISTICAL ANNEX

Continued

Financial Sector		Total of Domestic Sectors		External		Total	
Uses	Sources	Uses	Sources	Uses	Sources	Uses	Sources
21 619		27 814		-27 814		0	
387 537		708 455		-5 065		703 390	
	365 918		680 641		22 749		703 390
	13 745	13 744	13 745	1		13 745	13 745
11 792	260 776	263 776	260 772	-2 558	446	261 218	261 218
	36 913	36 913	36 913			36 913	36 913
	211 006	211 006	211 006			211 006	211 006
	-586	-586	-586			-586	-586
-108	-4 089	248	-4 093	-3 895	446	-3 647	-3 647
11 900	17 533	16 196	17 533	1 337		17 533	17 533
8	42	39	42	3		42	42
211 923	868	211 923	214 564	-1 299	-3 941	210 623	210 623
72 573		72 573	72 573			72 573	72 573
129 247		129 247	129 247			129 247	129 247
-7 015	-42	-7 015	-4 388	-1 299	-3 927	-8 314	-8 314
3 509	-39	3 509	3 503		6	3 509	3 509
13 609	948	13 609	13 629		-20	13 609	13 609
-3 411	-3 411	-6 822	-6 822			-6 822	-6 822
	21 267	33 239	33 239			33 239	33 239
9 573	13 467	9 573	13 467	-2 157	-6 051	7 416	7 416
14 529	15 106	14 529	15 106	577		15 106	15 106
129 767	33 696	128 180	117 109	-1 315	9 756	126 865	126 865
72 643		71 376	71 860	3 222	2 738	74 598	74 598
44 100	33 696	43 856	33 696	-3 959	6 201	39 897	39 897
28		28			28	28	28
12 996		12 919	11 552	-578	789	12 341	12 341
2 321	1 845	15 045	14 146	2 309	3 208	17 354	17 354
3 765	19 348	18 119	19 348	1 229		19 348	19 348
68	-33	68	-33		101	68	68
5 606	5 606	5 606	5 606			5 606	5 606
-10 547	-13 470	-17 798	-17 858	-63	-3	-17 861	-17 861
2 452	857	10 595	12 756	12 756	10 595	23 352	23 352
2 969	-3 790	1 915	-10 550	-10 550	1 915	-8 634	-8 634
6 723		6 723			6 723	6 723	6 723
			-3 996	-3 996		-3 996	-3 996



NOTES ON SECTORS AND ITEMS IN THE FLOW OF FUNDS STATEMENT

Flow of Funds Statement (Financial Transaction Account)^①: Presented in matrix format, financial transaction account encompasses financial transactions among domestic sectors and those between domestic sectors and the rest of the world. In the account, all institutional units in the economy are grouped into five sectors: households, non-financial corporations, general government, financial sector, and external sector, and all financial transactions taking place among these five sectors are broken down by financial instruments. The sectors and financial transactions are listed on the rows and columns of the matrix respectively. The double-entry flow of funds accounting is based on an accrual basis. In principle, all financial transaction flows are recorded according to the transaction prices. The terms of sources and uses are employed to reflect changes in the financial assets and liabilities of each sector.

Households: Include urban households, rural households, and individual enterprises. This sector is mainly engaged in final consumption, self-serving production, and a small number of profit-making production activities.

Non-Financial Corporations: Consist of profit-making resident corporations that have independent accounting and whose principal activity is the production of goods and non-financial services.

General Government: Includes the central government, local governments, government organizations, and social security agencies. They produce and supply non-profit output for public and individual consumption. They also assume responsibilities for redistributing national income and wealth.

Financial Sector: Includes financial corporations and quasi-corporations that are mainly engaged in financial intermediation or auxiliary financial activities. This sector provides banking, insurance, securities, and other financial services.

External Sector: All non-resident institutions that have financial transactions with domestic sectors.

Total Uses of Funds: The total amount in the uses column of each sector.

Total Sources of Funds: The total amount in the sources column of each sector.

Net Financial Investment: The differences between total uses of funds and total sources of funds.

Currency^②: Notes and coins in circulation.

Deposits: All types of deposits of the depository institutions, including demand deposits, time deposits, fiscal deposits, FX deposits, and others.

Demand Deposits: Deposits that can be withdrawn on demand.

Time Deposits: Deposits that are subject to a fixed term and a predetermined rate, and can be withdrawn on due date.

Fiscal Deposits: Deposits of the government in banking institutions.

Foreign Exchange Deposits: Foreign currency deposits of domestic institutions deposited abroad and with domestic financial institutions, and foreign currency deposits of the external sector deposited with domestic financial institutions.

Other Deposits: Deposits that are not included in the above categories, such as entrusted deposits and trust deposits.

Loans: All kinds of loans provided by financial institutions, including short-term loans, bill financing, medium- and long-term loans, FX loans, entrusted loans, and others.

① At present, data of some financial transactions are not yet available, such as equity, commercial credit, and certain accounts receivable and accounts payable.

② Data are not available yet on the volumes of RMB in circulation abroad and of foreign currency in circulation in China.

Short-Term Loans and Bill Financing: Provided by financial institutions, short-term loans mature in less than one year or one year, and bill financing is financing by discounting commercial acceptance bills, bankers' acceptance bills, and other bills held by clients.

Medium-and Long-Term Loans: Loans from financial institutions to enterprises and households with longer maturities (usually more than one year).

Foreign Exchange Loans: Loans in foreign currencies from domestic financial institutions to other sectors, and loans to domestic sectors from abroad.

Entrusted Loans: Loans used and managed for specific targets and goals by banking institutions entrusted by governments, enterprises, households, or others that have offered the funds.

Other Loans: Loans that are not classified elsewhere above, such as trust loans, financial leasing, and advances.

Undiscounted Bankers' Acceptances: Bankers' acceptance bills that have not been discounted in banks, which equals all the bankers' acceptance bills minus their discounted parts.

Insurance Technical Reserves: The net equity of social insurance and commercial insurance funds, prepaid insurance premiums, and outstanding claim reserves.

Inter-Financial Institution Accounts: Consist of nostro and vostro accounts, interbank lending, and securities repurchases among financial institutions.

Required and Excess Reserves: Financial institution deposits with the PBOC and required reserves.

Bonds: Securities issued by institutions to raise funds and repaid in line with stipulated terms and conditions, including government bonds, financial bonds, central bank bonds, and corporate bonds.

Government Bonds: Securities issued by government institutions with interest and principal repaid on dates as agreed.

Financial Bonds: Bonds issued by financial institutions, excluding the central bank.

Central Bank Bonds: Bonds issued by the central bank.

Corporate Bonds: Bonds issued by non-financial corporations.

Stocks^①: Issued by joint-stock companies in line with the *Corporate Law* to raise capital. They are proofs of shareholders' identity as well as rights and interests, and entitle holders to dividends and bonuses.

Securities Investment Fund Shares: Issued by securities investment funds, which represent the quantity of beneficiary certificates to which the investors are entitled.

Cash in Vault: Local and foreign currency-denominated cash reserved for business by banks.

Central Bank Loans: Loans extended by the PBOC to financial institutions.

Direct Investment: Foreign direct investment in China and outward direct investment by domestic residents.

Other External Claims and Debts: Claims and debts that are not included in reserve assets, FX deposits and loans, and bonds.

International Reserve Assets: Refer to external assets held by China's central bank, including FX, monetary gold, special drawing rights, and reserve position in the IMF.

Errors and Omissions in the Balance of Payments^②: Arise from inconsistencies between current account and capital and financial account due to differences in sources and point of time during the process of compiling the Balance of Payments through double-entry accounting.

① Currently only include the amount of funds financed through shares tradable on the stock exchange.

② As it is difficult to identify the size of this item in the current account and that in the capital account, currently all errors and omissions in the Balance of Payments are presented in the Financial Account of the Flow of Funds Statement.



ANALYSIS OF CHINA'S FLOW OF FUNDS IN 2022

The total flow of funds rose steadily, creating an enabling monetary and financial environment for the economy to operate within a reasonable range

In 2022, despite the complex and volatile external environment and heavy reform and development tasks at home, the sound monetary policy was enhanced and the total scale of the flow of funds witnessed a steady increase. In 2022, the total scale of the flow of funds^① in China registered RMB70.3 trillion, up by RMB206.8 billion compared with the growth in the previous year. The total scale of the flow of funds in the first three quarters was RMB63.5 trillion, RMB7.7 trillion more than the growth in the same period of the previous year. Growth of the total scale of the flow of funds in the fourth quarter slowed owing to the COVID-19 pandemic, totaling RMB6.9 trillion, RMB7.5 trillion less than the growth in the same period of the previous year.

The total scale of the flow of funds was equivalent to 58.1 percent of nominal GDP, 3.2 percentage points lower than that in the previous year and 18.9 percentage points and 12.7 percentage points higher than that in 2018 and 2019, respectively. The total scale of the flow of funds was in line with economic development needs and created an enabling monetary and financial environment for the economy to operate within a reasonable range.

The increase in new financing of the domestic non-financial sector was larger than that in the previous year, providing strong financial support to the real economy. The sector's liabilities and equity financing increased by RMB31.5 trillion, RMB1.2 trillion more than the increase in the previous year. In terms of financing channels, the increase in new indirect financing was larger than that in the previous year while the share of direct financing declined. New indirect financing amounted to RMB21.2 trillion, jumping by RMB2.9 trillion from that in the previous year and accounting for 67.2 percent of the total new financing of the non-financial sector, 6.8 percentage points higher than that in the previous year. New direct financing was RMB10.4 trillion, RMB2.4 trillion less than that in the previous year, accounting for 33.1 percent of the total new financing, 9.3 percentage points lower than a year earlier.

The increase in financial assets of the domestic non-financial sector was larger than that in the previous year. Its financial assets increased by RMB32.1 trillion, RMB1.6 trillion more than the increase in the previous year. By asset structure, deposits made up the bulk. Currency in circulation and deposits increased by RMB26.6 trillion, RMB9 trillion more than the increase in the previous year and accounting for 82.8 percent of the sector's new financial assets, up by 25.4 percentage points year-on-year.

^① Total scale of the flow of funds refers to the aggregate uses of funds (or sources of funds) in households, non-financial corporations, general government, financial, and external sectors.

Insurance assets increased by RMB3.3 trillion, RMB880.6 billion more than the increase in the previous year. Owing to capital market volatility, the increase in bond and equity assets was significantly lower than that in the previous year. Bond assets decreased by RMB158.7 billion, compared with an increase of RMB83.4 billion in the previous year. Equity assets increased by RMB2.7 trillion, RMB2.4 trillion less than the growth in the previous year.

The margin by which the year-on-year increase in the household sector's new financing declined narrowed with each quarter, and residents' willingness to borrow improved marginally

Financing of the household sector increased by RMB4.8 trillion in 2022, RMB3.6 trillion less than the increase in the previous year. It reached RMB1.4 trillion, RMB927.8 billion, RMB1.3 trillion, and RMB1.2 trillion in the first, second, third, and fourth quarters, respectively, RMB1.3 trillion, RMB1.2 trillion, RMB595.3 billion, and RMB470.6 billion less than the increase in the same period of the previous year, respectively. In terms of financing structure, the increase in business loans was slightly more than that in the previous year, while the increase in consumer loans continued to be less than that in the previous year. The financial system strengthened support for the weak links of the real economy and effectively supported the production and business activities of self-employed businesses and MSBs. New personal business loans totaled RMB2.7 trillion, RMB79.3 billion more than that in the previous year. New personal mortgage loans totaled RMB477.9 billion, RMB3.4 trillion less than that in the previous year. New individual consumer loans excluding mortgage loans were

RMB675.5 billion, RMB764.8 billion less than that in the previous year.

In 2022, new financial assets of the household sector increased by a large margin and low-risk asset allocation increased substantially. The sector's financial assets increased by RMB23.8 trillion, RMB4.1 trillion more than the increase in the previous year. By asset structure, first, currency in circulation and deposits increased by a large margin. Currency in circulation and deposits increased by RMB20.1 trillion, RMB8.9 trillion more than the increase in the previous year and accounting for 84.6 percent of the sector's total new financial assets, 27.8 percentage points higher than the previous year. Second, owing to higher volatility in the capital market and residents' reduced risk appetite, equity asset allocation fell significantly. Equity assets increased by RMB1 trillion, RMB1 trillion less than the increase in the previous year.

The net surplus of funds of the household sector continued to grow. In 2022, the savings-investment surplus of the sector hit RMB18.9 trillion, an increase of RMB7.7 trillion year-on-year.

Financing of the corporate sector increased by a large margin, the increase in its financial assets was smaller than that in the previous year, the savings-investment gap continued to expand, and enterprises' production and investment willingness improved

The corporate sector's new financing reached RMB17 trillion in 2022, hitting a record high and RMB4 trillion more than that in the previous year. By financing instrument, first, loans provided



stronger support to the real economy, with the increase in loan financing significantly larger than that in the previous year. New loan financing of the corporate sector was RMB14.9 trillion, RMB5.8 trillion more than that in the previous year and accounting for 87.4 percent of the sector's new financing, up by 17.9 percentage points from the previous year. New medium- and long-term loans to the corporate sector reached RMB9.9 trillion, RMB1.2 trillion more than that in the previous year. In 2022, as bond issuance interest rates increased, loan financing costs fell further. The weighted average interest rate on corporate loans was 4.17 percent, down by 0.34 percentage point from the previous year. The lower weighted average interest rate promoted enterprises' demand for loans and increased the proportion of loan financing. Second, the increase in corporate bond and equity financing was smaller than that in the previous year, with corporate bond and equity financing both increasing by RMB1.2 trillion, RMB1.2 trillion and RMB338.5 billion less than the increase in the previous year, respectively.

The increase in the corporate sector's financial assets was smaller than that in the previous year, while the increase in currency and deposits was larger than that in the previous year. The sector's new financial assets totaled RMB7.1 trillion, RMB1.9 trillion less than that in the previous year. Among them, currency in circulation and deposits increased by RMB5.3 trillion, RMB294 billion more than the previous year's increase. Equity assets increased by RMB1.6 trillion, RMB1.3 trillion less than the previous year's increase. Bond assets fell by RMB3 billion, RMB140.3 billion less than the previous year's decrease.

The savings-investment gap of the corporate

sector increased significantly and surpassed the pre-COVID level for the first time, pointing to improvement in the sector's willingness to produce and invest. The savings-investment gap of the corporate sector was RMB9.9 trillion, up by RMB5.9 trillion from the previous year and up by RMB3.9 trillion from 2019.

Financing of the government sector accelerated while growth of financial assets slowed down, providing strong financial support for the proactive fiscal policy

In 2022, new financing of the government sector reached RMB9.6 trillion, RMB767.9 billion more than that in the previous year. The proactive fiscal policy was strengthened to support the recovery of the national economy, which accelerated financing of the government sector. Of this, bond financing increased by RMB7.2 trillion, RMB2.7 billion more than the previous year's increase; loans increased by RMB1.6 trillion, RMB1.1 trillion more than the previous year's increase; and insurance reserves increased by RMB1.2 trillion, RMB150.1 billion more than the previous year's increase.

New financial assets of the government sector stood at RMB1.3 trillion, RMB602 billion less than that in the previous year. By financial instrument, new deposits amounted to RMB1.1 trillion, RMB200.9 billion less than that in the previous year; bond assets dwindled by RMB62.8 billion, compared with an increase of RMB226.7 billion in the previous year; and new equity assets totaled RMB85.3 billion, RMB91.4 billion less than that in the previous year.

The savings-investment gap of the government

sector expanded, increasing the pressure on the balance of fiscal revenue and expenditure. The sector's savings-investment gap was RMB8.4 trillion, up by RMB1.4 trillion year-on-year.

The financial system had ample liquidity and provided stronger support to the real economy

The financial sector saw a substantial increase in financing sources and ample liquidity. In 2022, the financial sector added RMB36.6 trillion in financing, RMB2 trillion more than the previous year's increase. In terms of financing structure, deposits and required reserves increased significantly, while the increase in bonds and securities investment funds was smaller than that in the previous year. New deposits amounted to RMB26.1 trillion, an increase of RMB7.5 trillion compared with the previous year and accounting for 71.3 percent of the sector's new financing, an increase of 17.7 percentage points compared with the previous year. Low-cost deposits increased considerably, providing strong support for stabilizing banks' liability costs and further promoting the reduction of lending rates. Required reserves increased by RMB1.5 trillion, compared with a decrease of RMB969.5 billion in the previous year. New financial bonds amounted to RMB3.4 trillion, RMB3.3 trillion less than that in the previous year. New securities investment funds amounted to RMB1.9 trillion, RMB2.7 trillion less than that in the previous year.

The significant increase in loans fueled the continued fast growth of financial assets of the financial sector. In 2022, the financial sector added RMB38.8 trillion in financial assets, RMB2.4 trillion more than the increase in

the previous year. Among them, new loans amounted to RMB21.2 trillion, RMB3.6 trillion more than the increase in the previous year. New bond assets amounted to RMB13 trillion, RMB2.9 trillion less than the increase in the previous year, of which the increase of financial bonds was RMB2.2 trillion less than that in the previous year. New deposit assets amounted to RMB1.2 trillion, RMB1.1 trillion less than that in the previous year, of which the increase of deposits from other financial institutions was RMB1.4 trillion less than that in the previous year. Central bank loans increased by RMB560.6 billion, compared with a decrease of RMB791.1 billion in the previous year.

In terms of fund allocation by sector, the share of assets invested by the financial sector in the real economy increased. In 2022, the assets invested by the financial sector in the domestic non-financial sector increased by RMB29.1 trillion, RMB2.9 trillion more than the increase in the previous year and accounting for 75.2 percent of the sector's new financial assets, an increase of 3.2 percentage points compared with the previous year. The internal transaction assets of the financial sector increased by RMB8.4 trillion, RMB936.2 billion more than the increase in the previous year. The financial sector added RMB1.2 trillion in external sector assets, RMB1.5 trillion less than the increase in the previous year.

Cross-border capital flows shrank, but direct investment maintained a net inflow

In 2022, global inflation remained at historic highs, major advanced economies accelerated the tightening of monetary policy, the momentum of global economic recovery weakened, and



international financial markets saw significant fluctuations. As a result, the scale of China's cross-border capital flows shrank.

China's external financing (foreign funds used by China) decreased by RMB506.5 billion, compared with an increase of RMB3.2 trillion in the previous year. External financial assets held by China (China's funds used by the external sector) rose by RMB2.3 trillion, RMB3 trillion less

than the increase in the previous year. Among them, equity investment increased by RMB320.8 billion, RMB231.5 billion less than the increase in the previous year. FX reserves increased by RMB672.3 billion, RMB544.1 billion less than the increase in the previous year. Throughout the year, China's net external financial assets^① increased by RMB2.8 trillion, RMB750.5 billion more than the increase in the previous year.

① Net external financial assets = new financial assets of the external sector – new financing of the external sector.

Appendix II: CHRONOLOGY 2023

January

- Jan. 4 ♦ The 2023 Work Conference of the PBOC was held.
- Jan. 6 ♦ The PBOC and the MOFCOM jointly issued the *Notice on Further Supporting Foreign Economic and Trade Enterprises in Expanding the Cross-Border Use of the RMB to Promote Trade and Investment Facilitation*.
- Jan. 7 ♦ Guo Shuqing, Secretary of the CPC PBOC Committee, gave an interview to Xinhua News Agency.
- Jan. 10 ♦ The PBOC and the CBIRC jointly held a meeting with major banks on credit work.
- Jan. 18 ♦ Guo Shuqing, Secretary of the CPC PBOC Committee, paid a study visit to the SAFE Investment Center and extended regards to staff.
- Jan. 30 ♦ Li Keqiang, Premier of the State Council, paid an inspection visit to the PBOC and the SAFE, and chaired a meeting.

February

- Feb. 3 ♦ The PBOC and the SAFE held the 2023 teleconference on full and strict Party governance as well as discipline inspection and supervision.
- Feb. 4 ♦ PBOC Governor Yi Gang attended and addressed the launch ceremony of building a national green exchange at the Beijing Municipal Administrative Center.
- Feb. 9 ♦ The PBOC released the *Administrative Measures for Related-Party Transactions of Financial Holding Companies*.
- Feb. 11 ♦ The CBIRC and the PBOC jointly released the *Measures for the Risk Classification of Financial Assets of Commercial Banks*.



February

- Feb. 16** ◆ The PBOC, the Ministry of Transport, and the CBIRC jointly issued the *Notice on Further Enhancing Financial Support and Services for Transportation and Logistics Industries*.
- Feb. 17** ◆ The PBOC, the CBIRC, the CSRC, the SAFE, and the Guangdong Provincial People's Government jointly released the *Opinions on Providing Financial Support for the Development of Guangdong-Macao In-Depth Cooperation Zone in Hengqin* and the *Opinions on Providing Financial Support for Comprehensively Deepening Reform and Opening-Up for Shenzhen-Hong Kong Modern Service Industry Cooperation Zone in Qianhai*.
- Feb. 20** ◆ The PBOC held the 2022 conference for leaders of its departments and bureaus to review the fulfillment of their responsibilities and their ethical integrity, and for Party organization secretaries to review their performance in primary-level Party building.

March

- Mar. 3** ◆ PBOC Governor Yi Gang attended a State Council Information Office press conference themed "Embark on a New Journey: A Government Perspective" and answered questions from the press.
- Mar. 15** ◆ Guo Shuqing, Secretary of the CPC PBOC Committee, chaired an expanded meeting of the CPC PBOC Committee to communicate and study General Secretary Xi Jinping's important remarks made during the annual sessions of the National People's Congress and the Chinese People's Political Consultative Conference National Committee, as well as guidelines adopted at the Two Sessions.
- PBOC Governor Yi Gang met with Lui Tim Leung, Chairman of the Hong Kong Securities and Futures Commission, and Leung Fung Yee, Chief Executive Officer of the commission.
- Mar. 17** ◆ PBOC Governor Yi Gang met with John KC Lee, Chief Executive of the Hong Kong SAR.
- Mar. 23** ◆ PBOC Governor Yi Gang met with Romuald Wadagni, Finance Minister of Benin.
- Mar. 27** ◆ The PBOC cut the RRR for financial institutions by 0.25 percentage point (excluding those with 5 percent RRR).

April

- Apr. 3 ◆ The PBOC General Administration Department issued the *Notice on Doing a Good Job in ACS Upgrading*. The notice clarified procedures and responsibilities to improve work efficiency and ensure smooth implementation.
- Apr. 4 ◆ PBOC Governor Yi Gang attended and addressed the 2023 Annual Conference of the China Society for Finance and Banking / China Financial Forum.
- Apr. 6 ◆ Guo Shuqing, Secretary of the CPC PBOC Committee, chaired a meeting of the CPC PBOC Committee to communicate and study the guiding principles of General Secretary Xi Jinping’s important speech at a conference on the education campaign about the study and implementation of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era. Participants deliberated arrangements to carry out this campaign within the PBOC system.
- Apr. 7 ◆ The PBOC Monetary Policy Committee held its first quarterly meeting of 2023.
- Apr. 10 ◆ The PBOC held a mobilization meeting on arranging the education campaign about the study and implementation of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era.
- Apr. 20–21 ◆ The CPC PBOC Committee held the first book reading session for the education campaign about the study and implementation of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era.
- Apr. 28 ◆ The PBOC released the *Interim Measures for the Administration of Cooperation on the Mutual Access Between Mainland and Hong Kong Interest Rate Swap Markets*.

May

- May 15 ◆ The Swap Connect was officially launched. The PBOC, the Hong Kong Securities and Futures Commission, and the HKMA jointly held a ceremony to launch the Swap Connect.
- May 18 ◆ The China Foreign Exchange Committee held its first meeting of 2023.
- May 24 ◆ PBOC Governor Yi Gang met with Yuriko Backes, Finance Minister of Luxembourg.
- May 23–25 ◆ The CPC PBOC Committee held the second book reading session for the education campaign about the study and implementation of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era.



June

- Jun. 7** ◆ PBOC Governor Yi Gang paid a study visit to Shanghai on the financial sector's role in supporting the real economy and promoting high-quality development.
- Jun. 8** ◆ PBOC Governor Yi Gang attended the 14th Lujiazui Forum and delivered a keynote speech.
- Jun. 15–16** ◆ The CPC PBOC Committee held the third book reading session for the education campaign about the study and implementation of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era.
- Jun. 16** ◆ The PBOC, the NFRA, the CSRC, the MOF, and the Ministry of Agriculture and Rural Affairs jointly released the *Guiding Opinions on Providing Financial Support for Comprehensively Promoting Rural Revitalization and Accelerating the Building-up of Strength in Agriculture*.
- Jun. 21** ◆ Guo Shuqing, Secretary of the CPC PBOC Committee, chaired a meeting of the financial system to study and implement the guidelines of General Secretary Xi Jinping's important speech at the First Session of the Audit Committee of the 20th CPC Central Committee. Participants deliberated and exchanged ideas on work related to rectification, based on audit results in the financial system.
- Jun. 27** ◆ The PBOC released the *Measures for the Administration of Central Bank Deposit Accounts*.
- Jun. 28** ◆ PBOC Governor Yi Gang met with Ngozi Okonjo-Iweala, Director-General of the World Trade Organization.
- The PBOC Monetary Policy Committee held its second quarterly meeting of 2023.
- The PBOC launched a financial institution reconciliation platform on a trial basis in seven provincial-level branches and 16 banking institutions to provide centralized online reconciliation services for financial institutions. The platform aimed to solve problems such as inconsistent standards, low automation, and time-consuming identification of discrepancies.
- Jun. 29** ◆ Guo Shuqing, Secretary of the CPC PBOC Committee and head of the Education Campaign Leading Group, gave a lecture to leading Party members in the PBOC system titled Study and Implement Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and Advance Financial Reform, Development and Stability in an All-Round Way.

July

- Jul. 1

At a PBOC leading officials’ meeting, an official from the Organization Department of the CPC Central Committee announced the CPC Central Committee’s decision to appoint Pan Gongsheng as Secretary of the CPC PBOC Committee, remove Guo Shuqing from the said post, and remove Yi Gang from the post of Deputy Secretary of the CPC PBOC Committee.
- Jul. 3

Pan Gongsheng, Secretary of the CPC PBOC Committee, Secretary of the CPC Leadership Group of the SAFE and SAFE Administrator, met with Rhee Chang Yong, Governor of the Bank of Korea.
- Jul. 5

Pan Gongsheng, Secretary of the CPC PBOC Committee, Secretary of the CPC Leadership Group of the SAFE and SAFE Administrator, met with Robert Holzmann, Governor of Austria’s central bank.
- Jul. 7

Pan Gongsheng, Secretary of the CPC PBOC Committee, Secretary of the CPC Leadership Group of the SAFE and SAFE Administrator, met with Janet Yellen, US Treasury Secretary.
- Jul. 13

Pan Gongsheng, Secretary of the CPC PBOC Committee, Secretary of the CPC Leadership Group of the SAFE and SAFE Administrator, met with Paul Chan Mo-po, Financial Secretary of the Hong Kong SAR Government.
- Jul. 20

Pan Gongsheng, Secretary of the CPC PBOC Committee, Secretary of the CPC Leadership Group of the SAFE and SAFE Administrator, met with a delegation from the Hong Kong Association of Banks led by Eddie Yue, Chief Executive of the HKMA.

The PBOC and the SAFE decided to revise the macroprudential parameter for cross-border financing by enterprises and financial institutions from 1.25 to 1.5.
- Jul. 24

Pan Gongsheng, Secretary of the CPC PBOC Committee, Secretary of the CPC Leadership Group of the SAFE and SAFE Administrator, attended the 28th EMEAP Governors’ Meeting in Yokohama, Japan.



August

- Aug. 1** ◆ The PBOC and the SAFE held the work conference for the second half of 2023.
- The CPC PBOC Committee and the CPC Leadership Group of the SAFE held a meeting to share gains from research programs conducted during the education campaign.
- Aug. 3** ◆ Pan Gongsheng, Secretary of the CPC PBOC Committee, PBOC Governor and SAFE Administrator, chaired a meeting on providing financial support to promote the development of private enterprises.
- Aug. 18** ◆ PBOC branches in provinces (autonomous regions and municipalities), cities specifically designated in the state plan, and prefecture-level cities were unveiled. PBOC branches also function as SAFE branches, while branches of all provinces and autonomous regions also function as their operation offices.
- The PBOC, the NFRA, and the CSRC jointly held a teleconference on providing financial support for the development of the real economy, and on forestalling and defusing financial risks.
- Aug. 22** ◆ Pan Gongsheng, Secretary of the CPC PBOC Committee, PBOC Governor and SAFE Administrator, met with South African Reserve Bank Governor Lesetja Kganyago in Pretoria, South Africa.
- Aug. 23** ◆ The PBOC issued the *Notice on Doing a Good Job in Implementing the Measures for the Administration of Central Bank Deposit Accounts*.
- Aug. 30** ◆ Financial regulators and the All-China Federation of Industry and Commerce jointly convened a meeting to advance financial support for the development of China's private economy.

September

- Sep. 1** ◆ Pan Gongsheng, Secretary of the CPC PBOC Committee, PBOC Governor and SAFE Administrator, met with the IMF Managing Director Kristalina Georgieva.
- The PBOC and the NFRA jointly issued the *Notice on Ensuring Financial Support for Flood and Disaster Prevention and Relief and Post-Disaster Recovery and Reconstruction*.
- Sep. 7** ◆ The PBOC and the SAFE held a teleconference to review the first stage of the education campaign about the study and implementation of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and make arrangements for the second stage.

September

- Sep. 9–11 ♦ Pan Gongsheng, Secretary of the CPC PBOC Committee, PBOC Governor and SAFE Administrator, attended the BIS bimonthly meetings of Governors in Basel, Switzerland, and was elected a member of the BIS Board of Directors.
- Sep. 15 ♦ The PBOC cut the RRR for FX deposits of financial institutions by 2 percentage points from 6 percent to 4 percent.
- Sep. 18 ♦ Pan Gongsheng, Secretary of the CPC PBOC Committee, PBOC Governor and SAFE Administrator, chaired a meeting on the development of foreign-funded financial institutions and enterprises.
- Sep. 19 ♦ The PBOC issued the *Notice on Issues Including Simplifying Reconciliation and Statement Submission by Account Holders*.
- Sep. 22 ♦ The PBOC and the NFRA released a list of China’s systemically important banks.
- Sep. 25 ♦ The PBOC Monetary Policy Committee held its third quarterly meeting of 2023.
- Sep. 26 ♦ Pan Gongsheng, Secretary of the CPC PBOC Committee, PBOC Governor and SAFE Administrator, met with Hassan Abdalla, Governor of the Central Bank of Egypt.
- The PBOC hosted a Mid-Autumn Festival and National Day reception for representatives from foreign financial authorities and international organizations in China.
- Sep. 27 ♦ Pan Gongsheng, Secretary of the CPC PBOC Committee, PBOC Governor and SAFE Administrator, met with Valdis Dombrovskis, Executive Vice President of the European Commission.
- Pan Gongsheng, Secretary of the CPC PBOC Committee, PBOC Governor and SAFE Administrator, met with Perry Warjiyo, Governor of the Bank Indonesia. During the meeting, the two governors signed the *Memorandum of Understanding on Cooperation Between the People’s Bank of China and Bank Indonesia*.
- Sep. 28 ♦ The PBOC, the NFRA, the CSRC, the SAFE, the HKMA, the Hong Kong Securities and Futures Commission, and the AMCM decided to further enhance the pilot of Cross-Boundary Wealth Management Connect in the Guangdong–Hong Kong–Macao Greater Bay Area to promote financial market connectivity in the area.



October

- Oct. 12–14** ◆ Pan Gongsheng, Secretary of the CPC PBOC Committee, PBOC Governor and SAFE Administrator, attended the fourth meeting of the G20 Finance Ministers and Central Bank Governors of 2023, the International Monetary Fund/World Bank Annual Meetings, and the 48th Meeting of the International Monetary and Financial Committee in Marrakech, Morocco. During his stay there, he met with Fed Chair Jerome Powell, ECB President Christine Lagarde, US Treasury Secretary Janet Yellen, IMF Managing Director Kristalina Georgieva, Spanish First Deputy Prime Minister and Minister of Economic Affairs and Digital Transformation Nadia Calviño, and Governor of the Central Bank of Sri Lanka Nandalal Weerasinghe, respectively.
- Oct. 19** ◆ Pan Gongsheng, Secretary of the CPC PBOC Committee, PBOC Governor and SAFE Administrator, met with Paul Chan Mo-po, Financial Secretary of the Hong Kong SAR Government, and Eddie Yue, Chief Executive of the HKMA.
- Oct. 25** ◆ The China–US Financial Working Group held its first meeting via video link.
- The PBOC held a mobilization meeting to plan a campaign against refusal to accept RMB cash payment.
- Oct. 27** ◆ The PBOC held a mobilization meeting to plan work to improve payment services for visitors to China.
- The PBOC held a meeting to promote the second stage of the education campaign about the study and implementation of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era.

November

- Nov. 2** ◆ The CPC PBOC Committee and the CPC Leadership Group of the SAFE held an expanded meeting to communicate guidelines adopted at the Central Financial Work Conference.
- Nov. 8** ◆ Pan Gongsheng, Secretary of the CPC PBOC Committee, PBOC Governor and SAFE Administrator, attended and addressed the 2023 Annual Conference of the Financial Street Forum.
- Nov. 9** ◆ The PBOC, the HKMA and the AMCM jointly signed the *Memorandum of Understanding on Deepening Fintech Innovation Supervisory Cooperation in the Guangdong–Hong Kong–Macao Greater Bay Area*.

November

- Nov. 17** ◆ The PBOC, the NFRA, and the CSRC jointly held a meeting on the development of financial institutions to implement the guidelines of General Secretary Xi Jinping's important speech at the Central Financial Work Conference and the arrangements of the conference, and to study recent key tasks such as real estate finance, credit supply, and the mitigation of financing vehicles' debt risk.
- The PBOC issued a bank card clearing business license to Mastercard NetsUnion Information Technology (Beijing) Co. Ltd.
- The PBOC and the SAFE jointly issued the *Notice on Improving Banks' Digital Services for Capital Account Transactions*.
- Nov. 21** ◆ Pan Gongsheng, Secretary of the CPC PBOC Committee, PBOC Governor and SAFE Administrator, met with Chea Serey, Governor of the National Bank of Cambodia. They signed the *Memorandum of Understanding on Establishing RMB Clearing Arrangements in Cambodia* and the *Memorandum of Understanding Between the People's Bank of China and the National Bank of Cambodia on Cooperation in Financial Innovation and Payment Systems*.
- Nov. 27** ◆ The PBOC, the NFRA, the CSRC, the SAFE, the NDRC, the MIIT, the MOF, and the All-China Federation of Industry and Commerce issued the *Notice on Strengthening Financial Support Measures to Boost the Development and Growth of the Private Economy*.
- Pan Gongsheng, Secretary of the CPC PBOC Committee and PBOC Governor, attended the Special Governors' Meeting of the BIS in Hong Kong.
- The ACS was formally connected to the systems of FX account holders such as the Bank of China and the Bank of Communications to manage required reserves for FX deposits.
- The PBOC decided to support the delivery-versus-payment settlement of transactions in its rental housing loan support plan and special central bank lending for the rental housing fund.
- Nov. 28** ◆ Pan Gongsheng, Secretary of the CPC PBOC Committee and PBOC Governor, met with representatives from financial institutions in Hong Kong.
- Pan Gongsheng, Secretary of the CPC PBOC Committee and PBOC Governor, attended and addressed the HKMA-BIS High-Level Conference.
- Pan Gongsheng, Secretary of the CPC PBOC Committee and PBOC Governor, met with Khaled Mohamed Balama Al Tameemi, Governor of the Central Bank of the United Arab Emirates in Hong Kong. The two governors renewed the bilateral local currency swap agreement and signed the *Memorandum of Understanding on Enhanced Collaboration on Central Bank Digital Currency*.



December

- Dec. 1** ◆ The PBOC released the *Measures for the Administration of Bond Valuation Services in the Interbank Bond Market*.
- Dec. 2** ◆ Pan Gongsheng, Secretary of the CPC PBOC Committee and PBOC Governor, gave an interview to Xinhua News Agency.
- Dec. 4** ◆ A bylined article by Pan Gongsheng, Secretary of the CPC PBOC Committee and PBOC Governor, titled “Accelerate the Development of a Modern Central Bank System to Create a Modern Financial System with Chinese Characteristics” was published in the *People’s Daily*.
- Dec. 7** ◆ Pan Gongsheng, Secretary of the CPC PBOC Committee and PBOC Governor, attended the opening ceremony of the 39th Plenary Meeting of the EAG via video link.
- Pan Gongsheng, Secretary of the CPC PBOC Committee and PBOC Governor, attended the 20th anniversary celebration of the Beijing Representative Office of the Bank of Korea (BOK), and met with Rhee Chang Yong, Governor of the BOK.
- Dec. 11** ◆ The PBOC and the National Bank of Serbia signed the *Memorandum of Understanding on Establishing RMB Clearing Arrangements in Serbia*.
- Dec. 15** ◆ Pan Gongsheng, Secretary of the CPC PBOC Committee and PBOC Governor, chaired an expanded meeting of the CPC PBOC Committee to communicate and study guidelines adopted at the Central Economic Work Conference. Participants deliberated arrangements to put them into practice.
- Dec. 18** ◆ Pan Gongsheng, Secretary of the CPC PBOC Committee and PBOC Governor, chaired a meeting of experts to discuss economic and financial developments and listen to their opinions.
- Dec. 21** ◆ Pan Gongsheng, Secretary of the CPC PBOC Committee and PBOC Governor, met with Eddie Yue, Chief Executive of the HKMA.
- Dec. 22** ◆ The PBOC released the *China Financial Stability Report 2023*.
- Dec. 27** ◆ The PBOC Monetary Policy Committee held its fourth quarterly meeting of 2023.
- Dec. 29** ◆ The PBOC released an announcement authorizing the Bank of China Serbia to serve as the RMB clearing bank in Serbia.
- Pan Gongsheng, Secretary of the CPC PBOC Committee and PBOC Governor, extended regards to staff managing FX reserves.

Overview of the PBOC Management's Diplomatic Activities in 2023

International organizations and multilateral activities	
Jan. 8–10	Governor Yi Gang attended the BIS bimonthly meeting of Governors and an international seminar hosted by the Riksbank on central bank independence. The participants of the two conferences exchanged views on global economic and financial developments and the challenges and issues facing central bank independence, respectively.
Feb. 3	Deputy Governor Xuan Changneng attended the BRICS Finance and Central Bank Deputies Virtual Meeting. The participants exchanged views on the priorities for the BRICS finance track in 2023.
Feb. 9	Deputy Governor Xuan Changneng attended the Conference on Big Techs in Finance hosted by the BIS Financial Stability Institute via video link. The conference focused on the regulation and development of big tech firms and the formulation of regulatory rules.
Feb. 23–25	Deputy Governor Xuan Changneng attended the G20 Finance Ministers and Central Bank Governors Meeting. The meeting discussed 2023 work plans for key topics such as the global economy, international financial architecture, sustainable finance, financial sector reform and financial inclusion, the global health agenda, infrastructure investment, and international taxation.
Mar. 17–19	Deputy Governor Zhang Qingsong attended the 2023 Annual Meeting of the Inter-American Development Bank (IDB). On the sidelines of the meeting, he met with IDB's new president Ilan Goldfajn to exchange views on topics including strengthening bilateral cooperation.
Mar. 27	Deputy Governor Xuan Changneng met with Axel van Trotsenburg, Vice President of the World Bank, and his entourage. They exchanged views on topics including economic and financial market developments in China, policy priorities of the PBOC, and issues related to debt in developing countries.
Mar. 28	Governor Yi Gang met with Kristalina Georgieva, IMF Managing Director, to discuss topics including economic developments in China, the IMF's 16th GRQ, and the global sovereign debt issue.
Apr. 12–13	Governor Yi Gang attended the G20 Finance Ministers and Central Bank Governors Meeting during the 2023 IMF/World Bank Spring Meetings. Deputy Governor Xuan Changneng also participated in the meeting. The meeting discussed global economic recovery, international financial architecture, sustainable finance, financial sector resilience, financial inclusion, and international taxation.
Apr. 12	Deputy Governor Xuan Changneng attended the BRICS Finance Ministers and Central Bank Governors Meeting. The meeting discussed the issues including global economy, multilateral cooperation, and financial cooperation among the BRICS countries.
Apr. 13	Governor Yi Gang and Deputy Governor Xuan Changneng attended the 47th Meeting of the International Monetary and Financial Committee. The meeting discussed issues including global policy agenda.
May 4–17	Governor Yi Gang, along with Deputy Governors Xuan Changneng and Zhang Qingsong, attended the BIS bimonthly meeting of Governors via video link. The participants exchanged views on recent global economic and financial developments.
May 9	Governor Yi Gang met with Gita Gopinath, First Deputy Managing Director of the IMF, to discuss economic developments in China and the US, the IMF's 16th GRQ, and global sovereign debt issue, among other topics.
May 12	Governor Yi Gang met with Urjit Patel, Vice President of the Asian Infrastructure Investment Bank (AIIB), to discuss risk events in European and US banking sectors, global carbon reduction efforts, and the operational status of the AIIB, among other topics.



Continued

International organizations and multilateral activities	
May 15	Deputy Governor Xuan Changneng attended small-group discussions of the 2023 IMF midterm consultation. He exchanged views with the consultation team on topics including China's economic performance and outlook, banking sector risks, and the real estate market.
May 16–18	Deputy Governor Xuan Changneng attended the 2023 Annual Meeting of the European Bank for Reconstruction and Development (EBRD). On the margins of the meeting, he met with Odile Renaud-Basso, President of the EBRD, and Christian Rebergen, Treasurer-General of the Ministry of Finance of the Netherlands, to exchange views on topics including strengthening bilateral cooperation.
Jun. 15–17	Former Governor Zhou Xiaochuan attended the 89th Plenary Meeting of the Group of Thirty (G30). The meeting discussed issues such as macroeconomic outlook and financial stability.
Jun. 24–25	Governor Yi Gang attended the BIS bimonthly meeting of Governors. The participants exchanged views on recent global economic and financial developments.
Jun. 28	Former Governor Zhou Xiaochuan met with Selwin Hart, Special Adviser to UN Secretary-General on Climate Action and UN Assistant Secretary-General for the Climate Action Team. They exchanged views on topics including green finance and climate change.
Jun. 30	Governor Yi Gang met with Amina Mohammed, UN Deputy Secretary-General and her entourage during their visit to China. They exchanged views on issues including sustainable development, development finance, and climate change.
Jul. 17–18	Deputy Governor Xuan Changneng attended the G20 Finance Ministers and Central Bank Governors Meeting. The meeting focused on the global economy, international financial architecture, sustainable finance, financial sector reform, and financial inclusion.
Jul. 20	Deputy Governor Xuan Changneng met with Serge Ekué, President of the West African Development Bank, and his entourage. They discussed topics such as capital increase and enhancing cooperation.
Aug. 23	Deputy Governor Xuan Changneng met with Hyginus Leon, President of the Caribbean Development Bank, and his entourage during their visit to China. They exchanged views on topics related to strengthening bilateral cooperation.
Aug. 29	Former Governor Yi Gang attended the G30 virtual meeting. The meeting discussed the global economic situation, monetary policy, and the long-term structural challenges the international community must manage.
Sep. 1	Governor Pan Gongsheng met with Kristalina Georgieva, IMF Managing Director. They exchanged views on global and Chinese economic developments, the IMF's 16th GRQ, and global sovereign debt issue.
Sep. 9–11	Governor Pan Gongsheng and Deputy Governor Xuan Changneng attended the BIS bimonthly meeting of Governors. The meeting discussed recent international economic and financial developments.
Sep. 21	Deputy Governor Xuan Changneng met with IMF Chief Economist Pierre-Oliver Gourinchas and Krishna Srinivasan, Director of IMF's Asia and Pacific Department, via video link to discuss topics including global and Chinese economic developments.
Oct. 12–13	Governor Pan Gongsheng attended the G20 Finance Ministers and Central Bank Governors Meeting during the IMF Annual Meetings. Deputy Governor Xuan Changneng also attended the event. The meeting focused on promoting global economic recovery, improving the regulation of crypto assets, and strengthening multilateral development banks.
Oct. 13–14	Governor Pan Gongsheng attended the 48th Meeting of the International Monetary and Financial Committee and delivered remarks. The meeting discussed global economic and financial landscapes, IMF work, and other topics. Deputy Governor Xuan Changneng also attended the meeting.

Continued

International organizations and multilateral activities	
Oct. 23	Former governors Zhou Xiaochuan and Yi Gang attended the G30 virtual meeting. The meeting discussed global economic developments, monetary policy and financial stability, and geopolitical issues.
Nov. 3	Deputy Governor Xuan Changneng met with Ana María Ibáñez, Vice President of the Inter-American Development Bank. They had in-depth discussions on enhancing cooperation between the two banks and related topics.
Nov. 6	Governor Pan Gongsheng met with Gita Gopinath, First Deputy Managing Director of the IMF, to discuss topics including sovereign debt restructuring, China's monetary policy stance, and cooperation between China and the IMF.
Nov. 11–13	Deputy Governor Xuan Changneng attended the BIS bimonthly meeting of Governors. The meeting discussed recent international economic and financial developments.
Nov. 26–28	Governor Pan Gongsheng attended the BIS Special Governors' Meeting and the HKMA–BIS High-Level Conference. The meetings discussed macroeconomic and financial developments in the Asia–Pacific region and other issues.
Nov. 27–28	At the invitation of the HKMA and the BIS, former Governor Zhou Xiaochuan attended a high-level conference jointly organized by the two institutions. He delivered a keynote speech on the development of e-CNY in the Chinese mainland.
Nov. 30–Dec. 2	Former Governor Yi Gang attended the 90th Plenary Meeting of the G30. The meeting discussed topics such as fiscal and monetary policy challenges, as well as central bank policy frameworks.
Dec. 4–8	The meetings of the EGA Working Groups and 39th Plenary Meeting of the EAG were held in Sanya, Hainan Province. Governor Pan Gongsheng attended the opening ceremony of the plenary meeting and delivered a speech via video link. Deputy Governor Liu Guoqiang also attended the opening ceremony and related events.
Dec. 14–15	Deputy Governor Xuan Changneng attended the G20 Finance and Central Bank Deputies Meeting. The meeting, themed “Building a Just World and a Sustainable Planet” by the Brazilian presidency, discussed plans on topics including promoting global economic development, enhancing international financial architecture, developing sustainable finance, maintaining financial stability, promoting infrastructure investment, and implementing international tax reforms.
Regional diplomatic activities	
Mar. 28–31	Governor Yi Gang and Deputy Governor Xuan Changneng attended the “Carbon Neutrality: Dilemma and Way Out” sub-forum of the Boao Forum for Asia Annual Conference 2023 and delivered keynote speeches. Deputy Governor Xuan Changneng also attended the Roundtable on Financial Infrastructure and Services in the Digital Era and delivered a keynote speech.
May 28–30	Deputy Governor Zhang Qingsong attended the 64th EMEAP Deputies' Meeting and the 33rd EMEAP Monetary and Financial Stability Committee (MFSC) Meeting. The participants exchanged views on regional economic and financial developments, transition finance, cross-border payments, and other topics. They were also briefed on the progress of the MFSC and the working groups.
Jul. 24	Pan Gongsheng, Secretary of the CPC PBOC Committee, attended the 28th EMEAP Governors' Meeting. The participants exchanged views on regional economic and financial developments, sustainable finance, and other topics.
Sep. 20–22	Deputy Governor Zhang Qingsong attended the 65th EMEAP Deputies' Meeting and the 34th MFSC Meeting. The participants exchanged views on regional economic and financial developments, financial institutions' response to climate change, central bank digital currencies, and other topics. They were also briefed on the progress of the MFSC and the working groups.
Dec. 6–7	Deputy Governor Xuan Changneng attended the ASEAN+3 Finance and Central Bank Deputies' Meeting. The participants focused on regional economic and financial developments, regional financial cooperation, and other issues.



Continued

Bilateral diplomatic activities	
Mar. 17	Governor Yi Gang met with John KC Lee, Chief Executive of the Hong Kong SAR. They had an in-depth exchange on issues including Hong Kong's position as an international financial center, promoting mutual financial market access between the mainland and Hong Kong, the international use of the RMB, and financial security.
Apr. 3	Governor Yi Gang met with Eddie Yue, Chief Executive of the HKMA. They exchanged views on consolidating Hong Kong's position as an international financial center, financial cooperation between the mainland and Hong Kong, and Hong Kong's financial security, among others.
Apr. 10	Governor Yi Gang met with P Nandalal Weerasinghe, Governor of the Central Bank of Sri Lanka, on the sidelines of the IMF/World Bank Spring Meetings. They exchanged views on issues including bilateral financial cooperation and global economic and financial outlook.
Apr. 12	Governor Yi Gang met with Kazuo Ueda, Governor of the Bank of Japan, on the sidelines of the IMF/World Bank Spring Meetings. They exchanged views on global economic and financial issues of common concern.
Apr. 13	Governor Yi Gang met with Indonesian Minister of Finance Sri Mulyani on the sidelines of the IMF/World Bank Spring Meetings. They exchanged views on issues including global economic and financial developments and bilateral financial cooperation.
Apr. 20	Governor Yi Gang met with Paul Chan Mo-po, Financial Secretary of the Hong Kong SAR Government. They discussed topics including further support for the development and connectivity between the mainland and Hong Kong markets, deepening the development of offshore RMB hub, and enhancing cooperation in green and sustainable finance.
May 19	Deputy Governor Xuan Changneng met with Burkhard Balz, Member of the Executive Board of the Deutsche Bundesbank. They discussed financial stability, central bank digital currencies, and cooperation between the two institutions, among other topics.
Jun. 2	Governor Yi Gang met with Sergio Tomas Massa, Minister of Economy of Argentina, and Miguel Ángel Pesce, Governor of the Central Bank of Argentina. They discussed economic and financial developments, financial cooperation, and other related issues.
Jun. 12	Deputy Governor Xuan Changneng met with Edwin Rojas, Governor of the Central Bank of Bolivia, during his visit to China. They exchanged views on topics including economic and financial developments and financial cooperation between China and Bolivia.
Jul. 3	Pan Gongsheng, Secretary of the CPC PBOC Committee, met with Rhee Chang Yong, Governor of the BOK. They exchanged views on issues including macroeconomic developments and financial cooperation between the two countries.
Jul. 5	Pan Gongsheng, Secretary of the CPC PBOC Committee, and Governor Yi Gang met with Robert Holzmann, Governor of Austria's central bank. They exchanged views on issues including macroeconomic developments and financial cooperation between the two countries.
Jul. 7	Pan Gongsheng, Secretary of the CPC PBOC Committee, met with US Treasury Secretary Janet Yellen during her visit to China. They exchanged views on economic and financial issues of mutual interest. Deputy Governor Xuan Changneng attended the meeting.
Jul. 13	Pan Gongsheng, Secretary of the CPC PBOC Committee, met with Paul Chan Mo-po, Financial Secretary of the Hong Kong SAR Government. They exchanged views on topics such as promoting mutual financial market access between the mainland and Hong Kong, the international use of the RMB, and the mainland real estate market. Deputy Governor Xuan Changneng was also present at the meeting.
Jul. 20	Pan Gongsheng, Secretary of the CPC PBOC Committee, met with a delegation from the HKMA and the Hong Kong Association of Banks. They exchanged views on topics including economic and financial developments in the mainland and Hong Kong, strengthening financial cooperation, and consolidating Hong Kong's position as an international financial center. Deputy Governor Xuan Changneng also attended the meeting.

Continued

Bilateral diplomatic activities	
Aug. 30	Governor Pan Gongsheng met with Christine Lagarde, President of the ECB, via video link. They exchanged views on economic and financial developments in China and Europe and cooperation between the two central banks.
Sep. 1	Governor Pan Gongsheng met with François Villeroy de Galhau, Chair of the Board of the BIS and Governor of the Bank of France, via video link. They exchanged views on cooperation between the central banks of China and France, governance of the BIS, and other topics.
Sep. 22	The 12th meeting of the Sub-Committee on Financial Cooperation of the China-Kazakhstan Cooperation Committee was co-chaired by Xuan Changneng, Deputy Governor of the PBOC, and Aliya Moldabekova, Deputy Governor of the National Bank of Kazakhstan. The meeting mainly discussed expanding bilateral local currency settlement, strengthening cooperation in payment services and bank cards, trade and project financing and financial regulation, and reached broad consensus.
Sep. 25	Governor Pan Gongsheng met with Sergio Ermotti, CEO of UBS Group. They exchanged views on issues including the acquisition of Credit Suisse by the UBS and its impact on UBS' global and China development strategies.
Sep. 27	Governor Pan Gongsheng met with Valdis Dombrovskis, Executive Vice President of the European Commission. They exchanged views on issues related to China-EU financial cooperation.
Sep. 27	Governor Pan Gongsheng met with Perry Warjiyo, Governor of the Bank Indonesia, during his visit to China. During the meeting, the two governors signed the Memorandum of Understanding on Cooperation Between the People's Bank of China and Bank Indonesia , and exchanged views on topics including the Chinese and Indonesian economies as well as bilateral financial cooperation.
Oct. 17	Governor Pan Gongsheng met with Miguel Ángel Pesce, Governor of the Central Bank of Argentina, during his visit to China. They exchanged views on strengthening financial cooperation between China and Argentina, and other issues.
Oct. 25	The China-US Financial Working Group held its first meeting via video link. The meeting was chaired by Deputy Governor Xuan Changneng and Assistant US Treasury Secretary Brent Neiman.
Nov. 1-7	At the invitation of the Hong Kong SAR Government, Deputy Governor Zhang Qingsong visited Hong Kong under the Sponsored Visitors Program. He also attended the Hong Kong FinTech Week and the Global Financial Leaders' Investment Summit.
Nov. 21	Governor Pan Gongsheng met with Chea Serey, Governor of the National Bank of Cambodia, during her visit to China. They exchanged views on issues including bilateral financial cooperation and signed the Memorandum of Understanding on Establishing RMB Clearing Arrangements in Cambodia and the Memorandum of Understanding Between the People's Bank of China and the National Bank of Cambodia on Cooperation in Financial Innovation and Payment Systems .
Nov. 27-28	During the BIS Special Governors' Meeting in Hong Kong, Governor Pan Gongsheng met with representatives from 10 financial institutions in Hong Kong—HSBC, Standard Chartered, Bank of China (Hong Kong), CitiBank, Industrial and Commercial Bank of China (Asia), Agricultural Bank of China (Hong Kong Branch), China Construction Bank (Asia), ABC International, Morgan Stanley, and Goldman Sachs. He also met with Paul Chan Mo-po, Financial Secretary of the Hong Kong SAR Government, and Zheng Yanxiong, Director of the Liaison Office of the Central People's Government in the Hong Kong SAR.
Nov. 28	Governor Pan Gongsheng met with Khaled Mohamed Balama Al Tameemi, Governor of the Central Bank of the United Arab Emirates, on the sidelines of the BIS Special Governors' Meeting in Hong Kong, and exchanged views with him on China-UAE financial cooperation as well as other topics. After the meeting, the two governors renewed the bilateral local currency swap agreement for another five years, with a swap line of RMB35 billion/AED18 billion, and signed the Memorandum of Understanding on Enhanced Collaboration on Central Bank Digital Currency .



Continued

Bilateral diplomatic activities	
Dec. 4	Deputy Governor Xuan Changneng met with Alberto Naudon, a board member of the Central Bank of Chile. They exchanged views on China's economic developments and strengthening bilateral cooperation, among other issues.
Dec. 7	Governor Pan Gongsheng attended the 20th anniversary celebration of the Beijing Representative Office of the BOK and met with BOK Governor Rhee Chang Yong. They exchanged views on financial cooperation between the two countries and other topics.
Dec. 21	Governor Pan Gongsheng met with Eddie Yue, Chief Executive of the HKMA, and exchanged views with him on issues including the connectivity of the financial markets of the mainland and Hong Kong, policies on cross-boundary mortgage remittance, cross-boundary credit cooperation, and the expansion of the e-CNY pilot. Deputy Governor Xuan Changneng also attended the meeting.

Appendix III: MAJOR RULES AND ADMINISTRATIVE DOCUMENTS PROMULGATED IN 2023

No.	Document Number	Title (Theme)	Date
1	PBOC Decree [2023] No.1	Administrative Measures for Related-Party Transactions of Financial Holding Companies	Feb. 1
2	PBOC Decree [2023] No.2	Repealing 11 regulations, including the <i>Detailed Rules for the Implementation of the Interim Regulations on Cash Management</i> (PBOC Document [1988] No.288)	Mar. 16
3	PBOC Announcement [2023] No.1	Gold and silver commemorative coins on the completion of China's space station	Jan. 5
4	PBOC Announcement [2023] No.2	Authorize the Industrial and Commercial Bank of China (Brazil) to serve as the RMB clearing bank in Brazil	Feb. 16
5	PBOC Announcement [2023] No.3	Common commemorative coins on Mount Huangshan and Mount Emei Scenic Area, including Leshan Giant Buddha Scenic Area—UNESCO world cultural and natural heritage sites	Mar. 15
6	PBOC Announcement [2023] No.4	Repealing 36 normative documents, including the <i>Notice on the Scope of the Foreign Exchange Business of Financial Asset Management Companies</i> (PBOC Document [2000] No.160)	Mar.16
7	PBOC and CBIRC Announcement [2023] No.5	Repealing 19 documents, including the <i>Notice of the PBOC on Regulating the Administration of Co-Branded Cards</i> (PBOC Document [2002] No.6), as of the date when this announcement is made	Apr. 6
8	PBOC, MOF, CBIRC, and National Rural Revitalization Administration Announcement [2023] No.6	Repealing the <i>Implementation Measures for the Administration of Poverty Alleviation Subsidized Loans</i> (PBOC Document [2001] No.185) as of the date when this announcement is made	Apr. 6
9	PBOC, Supreme People's Court, Supreme People's Procuratorate, Ministry of Public Security, and CBIRC Announcement [2023] No.7	Repealing the <i>Notice on the Inquiry about, Freeze, and Garnishment of the Bank Deposits of Enterprises, Public Institutions, Authorities, and Organizations</i> (PBOC Document [1993] No.356) as of the date when this announcement is made	Apr. 18
10	PBOC Announcement [2023] No.8	Interim Measures for the Administration of Cooperation on the Mutual Access Between Mainland and Hong Kong Interest Rate Swap Markets	Apr. 28
11	PBOC Announcement [2023] No.9	2023 commemorative coins on auspicious culture	Apr. 28
12	PBOC Announcement [2023] No.10	Gold and silver commemorative coins on Chinese calligraphy (cursive script)	Jun. 9
13	PBOC Announcement [2023] No.11	Gold and silver commemorative coins on national treasures (the dawn of civilization)	Jul. 19



Continued

No.	Document Number	Title (Theme)	Date
14	PBOC Announcement [2023] No.12	Commemorative coins on the Three-River-Source National Park and the Giant Panda National Park	Aug. 14
15	PBOC Announcement [2023] No.13	Gold and silver commemorative coins on traditional Chinese auspicious animals	Sep. 7
16	PBOC Announcement [2023] No.14	Qualification assessment of centralized treasury payment agent banks for central finance	Sep. 18
17	PBOC Announcement [2023] No.15	Commemorative coins on celebrated ancient Chinese paintings (<i>A Panorama of Rivers and Mountains</i>)	Oct. 3
18	PBOC Announcement [2023] No.16	Precious metal commemorative coins on pandas	Oct. 17
19	PBOC Announcement [2023] No.17	Common commemorative coins on Peking Opera	Nov. 13
20	PBOC Announcement [2023] No.18	Precious metal commemorative coins on the Year of the Dragon	Nov. 13
21	PBOC Announcement [2023] No.19	Measures for the Administration of Bond Valuation Services in the Interbank Bond Market	Dec. 1
22	PBOC Announcement [2023] No.20	Authorize the Bank of China Phnom Penh Branch to serve as the RMB clearing bank in Cambodia	Dec. 5
23	PBOC and General Administration of Customs of China Announcement [2023] No.22	Repealing the <i>People's Bank of China and General Administration of Customs of China Announcement</i> [2014] No.31 as of the date when this announcement is made	Dec. 4
24	PBOC Announcement [2023] No.21	Gold and silver commemorative coins, copper alloy commemorative coins, and commemorative banknotes	Dec. 8
25	PBOC Announcement [2023] No.23	Authorize the Bank of China Serbia to serve as the RMB clearing bank in Serbia	Dec. 25
26	PBOC Document [2023] No.32	Notice of the PBOC, the Ministry of Transport, and the CBIRC on Further Enhancing Financial Support and Services for Transportation and Logistics Industries	Feb. 13
27	PBOC Document [2023] No.41	Opinions of the PBOC, the CBIRC, the CSRC, the SAFE, and the Guangdong People's Government on Providing Financial Support for the Development of Guangdong-Macao In-Depth Cooperation Zone in Hengqin	Feb. 17
28	PBOC Document [2023] No.42	Opinions of the PBOC, the CBIRC, the CSRC, the SAFE, and the Guangdong People's Government on Providing Financial Support for Comprehensively Deepening Reform and Opening-Up for Shenzhen-Hong Kong Modern Service Industry Cooperation Zone in Qianhai	Feb. 17
29	PBOC Document [2023] No.97	Guiding Opinions of the PBOC, the NFRA, the CSRC, the MOF, and the Ministry of Agriculture and Rural Affairs on Providing Financial Support for Comprehensively Promoting Rural Revitalization and Accelerating the Building-up of Strength in Agriculture	May 16

Appendix III: MAJOR RULES AND ADMINISTRATIVE DOCUMENTS PROMULGATED IN 2023

Continued

No.	Document Number	Title (Theme)	Date
30	PBOC Document [2023] No.98	Notice of the PBOC, the NDRC, the Ministry of Science and Technology, the MIIT, the MOF, the CBIRC, the CSRC, the SAFE, and the China National Intellectual Property Administration on Issuing the <i>Overall Plan on the Development of a Pilot Zone for Sci-Tech Innovation Finance Reform in Beijing's Zhongguancun Science Park</i>	May 16
31	PBOC Document [2023] No.127	Notice of the PBOC on Issuing the <i>Measures for the Administration of Central Bank Deposit Accounts</i>	Jun. 27
32	PBOC Document [2023] No.141	Notice of the PBOC and the NFRA on Extending the Policy Term of Financial Support for the Stable and Healthy Development of the Real Estate Market	Jul. 10
33	PBOC Document [2023] No.170	Notice of the PBOC and the NFRA on Ensuring Financial Support for Flood and Disaster Prevention and Relief and Post-Disaster Recovery and Reconstruction	Aug. 30
34	PBOC Document [2023] No.173	Notice of the PBOC and the NFRA on Adjusting and Optimizing Differentiated Housing Credit Policies	Aug. 31
35	PBOC Document [2023] No.174	Notice of the PBOC and NFRA on Matters Concerning Reducing the Interest Rates on Existing Mortgages for First Homes	Aug. 31
36	PBOC Document [2023] No.208	Notice of the PBOC and the NFRA on Issuing the <i>Measures for the Assessment of Systemically Important Insurers</i>	Oct. 7
37	PBOC Document [2023] No.231	Notice of the PBOC and the SAFE on Improving Banks' Digital Services for Capital Account Transactions	Nov. 17
38	PBOC Document [2023] No.233	Notice of the PBOC, the NFRA, the CSRC, the SAFE, the NDRC, the MIIT, the MOF, and the All-China Federation of Industry and Commerce on Strengthening Financial Support Measures to Boost the Development and Growth of the Private Economy	Nov. 22

Appendix IV: PRESS RELEASES ON QUARTERLY MEETINGS OF THE MONETARY POLICY COMMITTEE IN 2023

On April 7, the PBOC Monetary Policy Committee held the first quarterly meeting of 2023 (its 100th meeting) in Beijing

The meeting analyzed the economic and financial developments both at home and abroad. It was agreed that since the beginning of 2023, the PBOC has sought progress while giving top priority to stability and promoted the overall improvement of economic performance. By pursuing a sound monetary policy that is targeted and effective and maintaining its continuity, stability, and sustainability, the PBOC has scientifically managed market expectations, made practical efforts to support the real economy, and effectively prevented and controlled financial risks. While the LPR reform continued to deliver its benefits, the role of the market-based adjustment mechanism for deposit rates has been brought into play, the monetary policy transmission has become more efficient, and lending rates have dropped significantly. The RMB exchange rate has moved in both directions with enhanced flexibility and remained basically stable at an adaptive and equilibrium level, serving as a stabilizer for the macro economy.

It was pointed out at the meeting that amid sluggish economic growth, elevated inflation, and persistent geopolitical conflicts worldwide, the tightening effect of central bank policies in developed countries is evident, and the volatility of international financial markets is increasing. The domestic economy is on a recovery trajectory, yet the foundation for recovery is not solid. The PBOC needs to implement

a sound monetary policy in a targeted and effective manner, make intertemporal adjustments, better tap the role of monetary policy tools in adjusting both the aggregate and the structure, and make every effort to stabilize growth, employment and prices. The PBOC will focus on supporting the expansion of domestic demand and providing stronger support for the real economy. It will smooth the transmission mechanism of the monetary policy, keep liquidity adequate at a reasonable level, and maintain a reasonable growth and a stable pace of credit supply, so as to ensure that the growth of money supply and the AFRE are generally in line with the nominal GDP growth. The PBOC will make good use of policy-backed and development-oriented financial instruments, with the priorities on supporting infrastructure construction and promoting government investment to drive private investment. Under favorable conditions of stable and rising food production and smooth functioning of the energy market, the PBOC will keep prices basically stable. It will adhere to the principle of being focused, reasonable, moderate, and flexible in using structural monetary policy tools, and the three monetary policy tools, including the CERF, will continue to be implemented to increase support for key areas and weak links of the national economy, such as inclusive finance, green development, technological innovation, and infrastructure construction. A mix of policies will be adopted to support coordinated regional development. The PBOC will also deepen the supply-side structural reform of the financial sector, guide large banks to shift the focus of their services to communities,

Appendix IV: PRESS RELEASES ON QUARTERLY MEETINGS OF THE MONETARY POLICY COMMITTEE IN 2023

encourage small and medium-sized banks to focus on their main duties and major business, and give more support to banks in capital replenishment. In doing so, the financial sector will work together to safeguard the stability of the financial market. The PBOC will improve the market-oriented interest rate formation and transmission mechanism and optimize the central bank policy rate system. It will give full play to the important role of the market-oriented adjustment mechanism for deposit rates, unleash the benefits of the LPR reform, and bring into play the LPR's guiding role, so as to steadily bring down the overall financing costs for businesses and the costs of consumer loans. The PBOC will deepen the market-oriented reform of exchange rate to enhance the flexibility of the RMB exchange rate, guide enterprises and financial institutions to be risk-neutral, and improve their expectation management, so as to keep the RMB exchange rate basically stable at an adaptive and equilibrium level. The PBOC will make institutional arrangements for providing effective financial support for the real economy and improve the system for providing financial support for innovation. It will guide financial institutions to issue more medium- and long-term loans to the manufacturing sector and support accelerating the development of a modern industrial system, in a bid to provide private enterprises with financial support that is commensurate with their contribution to economic and social development. The PBOC will improve the green finance system for peaking carbon emissions and achieving carbon neutrality. It will improve consumer financial services with respect to bulk consumer goods and social services, and proceed with greater financial support for enterprises to stabilize and expand employment, as well as for targeted groups to start businesses and seek employment. The PBOC will effectively

prevent and defuse the risk of high-quality leading property developers, and help improve their balance sheets. It will take solid steps to ensure the delivery of presold housing projects, people's livelihood and stability, and adopt city-specific measures to meet residents' essential demand for housing and the needs to improve living conditions. It will accelerate the improvement of the financial policy system for rental housing, and promote the smooth transition of the real estate sector to a new development model. The PBOC will guide the sound and well-regulated development of the financial business of platform enterprises and improve the regular supervision on their financial activities. In addition, the PBOC will advance the high-level two-way opening-up of the financial sector, and enhance the capacity for economic and financial management as well as risk prevention and control in an open economy.

It was stressed at the meeting that under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the PBOC will fully implement the requirements of the 20th CPC National Congress and the Central Economic Work Conference, as well as the guiding principles of the Two Sessions. Following the decisions and deployment of the CPC Central Committee and the State Council, the PBOC will follow the general principle of making progress while ensuring stability, firmly grasp the primary task of high-quality development, and steadily advance the Chinese path to modernization. The PBOC will apply the new development philosophy fully, faithfully and comprehensively, speed up the building of a new development paradigm, effectively upgrade and appropriately expand the economic output, and promote the continuous overall improvement of economic performance. Adhering to the Two



Unswerving Commitments^①, the PBOC will make coordinated efforts to implement macro policies, expand demand, pursue reform and innovation, as well as prevent and defuse risks, and integrate the implementation of the strategy of expanding domestic demand with deepening supply-side structural reform. It will further strengthen policy coordination with other departments, unleash the benefits of monetary and credit policies, balance internal and external equilibria, and coordinate financial support for the real economy and risk prevention, thereby setting the stage for building a modern socialist country in all respects.

On June 28, the PBOC Monetary Policy Committee held the second quarterly meeting of 2023 (its 101st meeting) in Beijing

The meeting analyzed the economic and financial developments both at home and abroad. It was agreed that since the beginning of 2023, the PBOC has sought progress while giving top priority to stability and promoted the overall improvement of economic performance. By implementing a sound monetary policy in a targeted and effective manner, and strengthening countercyclical adjustments, the PBOC has used a mix of policy instruments to earnestly support the real economy and effectively prevent and control financial risks. While the LPR reform continued to deliver its benefits, the role of the market-based adjustment mechanism for deposit rates has been brought into play, the monetary policy transmission has become more efficient, and lending rates have dropped significantly. Supply and demand in FX market have been basically balanced, China's current account surplus has remained at a stable level, and FX reserves have

been adequate. The RMB exchange rate has moved in both directions and remained basically stable at an adaptive and equilibrium level, serving as a stabilizer for the macro economy.

It was pointed out at the meeting that the external environment is becoming increasingly complex and grim amid the worldwide sluggish economic growth, trade and investment, elevated inflation, persistent monetary tightening in developed countries, and increased volatility in global financial markets. The overall domestic economy is gradually rebounding with a steady recovery in market demand and a growing supply of production. However, the endogenous growth dynamics is still not strong enough, and the demand drivers are still inadequate. Considering the situation, the PBOC will overcome difficulties, build on this momentum to intensify macro adjustments, and implement a sound monetary policy in a targeted and effective manner. With proper intertemporal adjustments, it will give better play to the role of monetary policy instruments in adjusting both the aggregate and the structure, and make every effort to stabilize growth, employment, and prices to provide practical support for expanding domestic demand and improving the consumption environment, thus facilitating a virtuous economic circle and providing stronger support for the real economy. The PBOC will smooth the transmission mechanism of the monetary policy, keep liquidity adequate at a reasonable level, and maintain a reasonable growth and a stable pace of credit supply, so as to ensure that the growth of money supply and the AFRE are generally in line with the nominal GDP growth. It will continue to make good use of the funds already injected under the policy-backed and development-

^① China will stay committed to unswervingly consolidating and developing the public sector and unswervingly encouraging, supporting, and guiding the development of the non-public sector.

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oriented financial instruments, and enhance the guiding role of government investment and policy incentives, thereby effectively stimulating private investment. The PBOC will closely follow marginal changes in price trends to keep prices basically stable. It will maintain the stability of policy instruments such as central bank lending and discount, continue to implement the inclusive MSB loan facility as well as the loan support scheme to ensure the delivery of presold housing projects, and step up support for key areas and weak links in the national economy such as inclusive finance, green development, technological innovation, and infrastructure construction, thus facilitating the coordinated regional development by adopting a mix of policies. The PBOC will deepen the supply-side structural reform of the financial sector by guiding large banks to shift the focus of their services to communities, encouraging small and medium-sized banks to focus on their main duties and major business, and giving more support to banks in capital replenishment. In doing so, the financial sector will work together to safeguard the stability of the financial market. The PBOC will improve the market-oriented interest rate formation and transmission mechanism and optimize the central bank policy rate system. With the mechanism for market-oriented adjustments of deposit rates playing an important role and the LPR reform continuously unleashing its potential and offering guidance, the financing costs for businesses and the costs of personal consumption loans are expected to remain stable with a slight decline. Moreover, the PBOC will deepen the market-oriented reform of exchange rate to guide enterprises and financial institutions to remain risk-neutral, implement a mix of policy measures to stabilize market expectations, and resolutely prevent major exchange rate fluctuations, so as to keep the RMB exchange rate basically stable at an adaptive and equilibrium level. It will build the systems

and mechanisms for providing effective financial support for the real economy, implement the action plan to increase financial support for technology-based enterprises, and guide financial institutions to issue more medium- and long-term loans to the manufacturing sector, thereby expediting the building of a modern industrial system. It will improve the green finance system for peaking carbon emissions and achieving carbon neutrality. It will improve consumer financial services with respect to bulk consumer goods and social services, and proceed with greater financial support for enterprises to stabilize and expand employment, as well as for targeted groups to start businesses and seek employment. Furthermore, the PBOC will adopt city-specific measures to meet people's essential demand for housing or needs to improve their housing conditions. The PBOC will work to ensure the delivery of presold housing projects and safeguard stability as well as people's livelihood, promote the healthy and stable development of the real estate market, and accelerate the improvement of the financial policy system for rental housing, so as to facilitate the establishment of a new development model for the real estate sector. More work will be done to promote the well-regulated and healthy development of the financial business of platform enterprises and improve the regular supervision on their financial activities. In addition, the PBOC will advance the high-level two-way opening-up of the financial sector, and enhance the capacity for economic and financial management as well as risk prevention and control in an open economy.

It was stressed at the meeting that under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the PBOC will fully implement the requirements of the 20th CPC National Congress and the Central Economic Work Conference, as well as the guiding principles



of the Two Sessions. Following the decisions and deployment of the CPC Central Committee and the State Council, the PBOC will follow the general principle of making progress while ensuring stability, firmly grasp the primary task of high-quality development, and steadily advance the Chinese path to modernization. The PBOC will apply the new development philosophy fully, faithfully and comprehensively, speed up the building of a new development paradigm, effectively upgrade and appropriately expand the economic output, and promote the continuous overall improvement of economic performance. Adhering to the Two Unswerving Commitments, the PBOC will make coordinated efforts to implement macro policies, expand demand, pursue reform and innovation, as well as prevent and defuse risks. It will integrate implementation of the strategy to expand domestic demand with efforts to deepen supply-side structural reform. It will motivate business entities while ensuring policy effects, strengthen policy coordination with other authorities, give full play to the role of monetary and credit policies, and properly balance internal and external equilibria. Coordinated efforts have been made to help turn around overall economic performance, enhance the endogenous growth dynamics of the economy, improve social expectations, and defuse potential risks in a sustained way, thereby setting the stage for building a modern socialist country in all respects.

On September 25, the PBOC Monetary Policy Committee held the third quarterly meeting of 2023 (its 102nd meeting) in Beijing

The meeting analyzed the economic and financial developments both at home and abroad. It was noted at the meeting that since the beginning of 2023, the PBOC has sought progress while giving top priority to the stability of macro policies, implemented a

sound monetary policy in a targeted and effective manner, strengthened countercyclical adjustments, and used a mix of policy tools, such as interest rates and the RRR, thereby providing effective support for the real economy, effectively forestalling financial risks, and creating a sound monetary and financial environment for economic recovery. The PBOC has achieved remarkable results in the LPR reform, and given full play to the role of the mechanism for market-oriented adjustments of deposit rates. The monetary policy transmission has become more efficient, and the financing costs for the real economy have declined remarkably. Supply and demand in the FX market have been basically in balance, current account surplus has remained stable, and FX reserves have been adequate. The RMB exchange rate has moved in both directions with stabilizing expectations and remained basically stable at an adaptive and equilibrium level, serving as a stabilizer for the macro economy.

It was pointed out at the meeting that the external environment is becoming increasingly complex and grim amid the worldwide sluggish economic growth, trade and investment, elevated inflation, and persistently high interest rates in developed countries. China's economy has witnessed an ongoing recovery and improvement with enhanced driving forces, while it still faces challenges such as insufficient demand. The PBOC will continue its efforts and ride on the momentum to intensify macro adjustments, implement a sound monetary policy in a targeted and effective manner, strengthen both countercyclical and intertemporal adjustments, and give full play to the role of monetary policy instruments in adjusting both the aggregate and the structure. It will also focus on expanding domestic demand, boosting confidence, and expediting a virtuous circle of the economy so as to provide stronger support for the real economy. The PBOC

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will intensify implementation of the existing monetary policies, keep liquidity adequate at a reasonable level, keep credit growing reasonably at a stable pace, and ensure that the growth of money supply and the AFRE is generally in line with the nominal GDP growth. It will enhance the guiding role of government investment and policy incentives to effectively stimulate private investment. Prices will pick up at low levels and remain at a reasonable level. The PBOC will ensure effective use of the increased central bank lending and discount quotas, make good use of existing structural monetary policy instruments, continuously increase support for key areas and weak links in the national economy such as inclusive finance, green development, technological innovation and infrastructure construction, and adopt a mix of policies to support coordinated regional development. It will deepen the supply-side structural reform of the financial sector by guiding large banks to shift the focus of their services to communities, encouraging small and medium-sized banks to focus on their main duties and major business, and giving more support to banks in capital replenishment. In doing so, the financial sector will work together to safeguard the stability of the financial market. The PBOC will improve the market-oriented interest rate formation and transmission mechanism, give play to the guiding role of the central bank policy rates, unleash the benefits of the LPR reform and the mechanism for market-oriented adjustments of deposit rates, and help stabilize and bring down the financing costs for businesses and individuals. Moreover, it will deepen the market-oriented reform of exchange rate, guide enterprises and financial institutions to remain risk-neutral, implement a mix of policy measures to rectify deviations and stabilize expectations, resolutely correct one-sided and procyclical behaviors, and guard against the risk of exchange rate overshooting, hence

keeping the RMB exchange rate basically stable at an adaptive and equilibrium level. The PBOC will build the systems and mechanisms needed to provide effective financial support for the real economy, put efforts into implementing the action plan to increase financial support for technology-based enterprises, and guide financial institutions to issue more medium- and long-term loans to the manufacturing sector, so as to expedite the building of a modern industrial system. It will improve the green finance system for peaking carbon emissions and achieving carbon neutrality. It will optimize consumer financial services in the areas of bulk consumer goods and social services, and continue to enhance financial support for enterprises to retain and recruit employees and for targeted groups to seek jobs or start businesses. In addition, the PBOC will ensure the implementation of city-specific housing credit policy to meet the essential demand for housing and the needs to improve living conditions, follow the mechanism that allows dynamic adjustments to first-home mortgage rate policies, lower the ratio of down payment and the floor on second-home mortgage rates, urge the reduction of interest rates on existing first-home mortgages, and increase financial support for public infrastructure development for both normal and emergency uses, urban village renovation and government-subsidized housing construction, thus facilitating the establishment of a new development model for the real estate sector and promoting the stable and healthy development of the real estate market. Work will be done to implement financial policy measures to promote healthy development of the platform economy so as to promote standardized, healthy and sustainable development of platform enterprises. The PBOC will effectively advance the high-level two-way opening-up of the financial markets, and enhance the capacity for economic and financial oversight as well as risk management in an open economy.



It was stressed at the meeting that under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the PBOC will fully implement the requirements of the 20th CPC National Congress and the Central Economic Work Conference, as well as the decisions and deployment of the CPC Central Committee and the State Council. Upholding the general principle of pursuing progress while ensuring stability, the PBOC will firmly pursue high-quality development as a top priority, solidly promote Chinese modernization, apply the new development philosophy fully, faithfully and comprehensively, speed up the building of a new development paradigm, and effectively upgrade and appropriately expand the economic output. Upholding the Two Unswerving Commitments, the PBOC will employ an optimal combination of macro policies, demand expansion, reform, and innovation, as well as risk forestalling and defusing. It will pursue the strategy of expanding domestic demand while deepening supply-side structural reform, and leverage policy effectiveness while stimulating the vitality of business entities. Meanwhile, it will strengthen policy coordination with other authorities, give full play to the role of monetary and credit policies, and properly balance internal and external equilibria. The PBOC will promote sustained improvement in economic performance, enhance the endogenous growth dynamics of the economy, improve social expectations, and defuse potential financial risks, so as to set the stage for building a modern socialist country in all respects.

On December 27, the PBOC Monetary Policy Committee held the fourth quarterly meeting of 2023 (its 103rd meeting) in Beijing

The meeting analyzed the economic and financial developments both at home and abroad. It was noted

at the meeting that since the beginning of 2023, the PBOC has sought progress while giving top priority to the stability of macro policies, implemented a sound monetary policy in a targeted and effective manner, strengthened countercyclical and intertemporal adjustments, and used a mix of policy tools, such as interest rates, the RRR and central bank lending, thereby providing effective support for the real economy, effectively forestalling financial risks, and creating a sound monetary and financial environment for economic recovery. The PBOC has achieved remarkable results in the LPR reform, and it has given full play to the role of the mechanism for market-oriented adjustments of deposit rates. The monetary policy transmission has become more efficient, and the financing costs for the real economy have declined remarkably. Supply and demand in the FX market have been basically in balance, current account surplus has remained stable, and FX reserves have been adequate. The RMB exchange rate has moved in both directions with stabilizing expectations and remained basically stable at an adaptive and equilibrium level, serving as a stabilizer for the macro economy.

It was pointed out at the meeting that the sound monetary policy should be implemented in a flexible, appropriate, targeted, and effective way. At present, the external environment is becoming increasingly complex and grim as the world economic growth, trade and investment are sluggish, inflation is expected to fall from high levels, and interest rates are persistently high in developed countries. China's economy has witnessed an ongoing recovery and improvement with enhanced driving forces and solid progress in high-quality development, but it still faces challenges such as insufficient effective demand and weak social expectations. Upholding the general principle of pursuing progress while ensuring stability and promoting stability

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based on progress, the PBOC will intensify macro adjustments to maintain a good momentum of stable and sound economic growth. It will implement a sound monetary policy in a targeted and effective manner, strengthen both countercyclical and intertemporal adjustments, and give full play to the role of monetary policy instruments in adjusting both the aggregate and the structure. In addition, it will focus on expanding domestic demand and boosting confidence so as to expedite a virtuous circle of the economy.

It was agreed at the meeting that the implementation of existing monetary policies should be strengthened. The PBOC will keep liquidity adequate at a reasonable level, guide rational growth and balanced extension of credit, and ensure that the growth of the AFRE and money supply is in line with the economic growth and the expected price level. It will strengthen the guiding role of government investment and policy incentives to enhance the multiplier effect and stimulate private investment. Prices will pick up at low levels and remain at a reasonable level. The PBOC will improve the market-oriented interest rate formation and transmission mechanism, give play to the guiding role of central bank policy rates, unleash the benefits of the LPR reform and the mechanism for market-oriented adjustments of deposit rates, and help stabilize and bring down the financing costs for businesses and individuals. It will take the initiative to revitalize financial resources that are inefficiently occupied and improve the efficiency of capital utilization. Moreover, it will deepen the market-oriented reform of exchange rate, guide enterprises and financial institutions to remain risk-neutral, and implement a mix of policy measures to rectify deviations and stabilize expectations. It will resolutely correct procyclical behaviors and guard against the risk of exchange rate overshooting so

as to prevent the formation and self-reinforcement of one-sided expectations and to keep the RMB exchange rate basically stable at an adaptive and equilibrium level.

It was noted at the meeting that the supply-side structural reform of the financial sector should be deepened to build the system and mechanism needed to provide effective financial support for the real economy. The PBOC will guide large banks to shift the focus of their services to communities, encourage small and medium-sized banks to focus on their main duties and major business, and provide more support to banks in capital replenishment. In doing so, the financial sector will work together to safeguard the stability of the financial market. The PBOC will also make significant efforts in the areas of sci-tech finance, green finance, inclusive finance, old-age finance and digital finance, make good use of existing structural monetary policy tools, ensure effective use of central bank lending and discount quotas, continuously increase support for inclusive finance, green transition, technological innovation, digital economy and infrastructure construction, and adopt a mix of policies to support coordinated regional development. It will put efforts into implementing the action plan to increase financial support for technology-based enterprises, and guide financial institutions to issue more medium- and long-term loans to the manufacturing sector, so as to expedite the building of a modern industrial system. Upholding the Two Unswerving Commitments, the PBOC will provide better financial services for the development and growth of the private economy. It will improve the green finance system for peaking carbon emissions and achieving carbon neutrality. It will optimize consumer financial services in the areas of bulk consumer goods and social services, and continue to enhance financial support for enterprises to retain and recruit



employees and for targeted groups to seek jobs or start business. In addition, the PBOC will ensure the implementation of city-specific housing credit policies to meet the essential demand for housing and the needs to improve living conditions, and to meet the reasonable financing needs of real estate companies regardless of their ownership types, thus promoting the stable and healthy development of the real estate market. It will also scale up financial support for government-subsidized housing construction, public infrastructure development for both normal and emergency uses, and urban village renovation, thus facilitating the establishment of a new development model for the real estate sector. Work will be done to implement financial policy measures to promote the healthy development of the platform economy. The PBOC will effectively advance the high-level two-way opening-up of financial markets, and enhance the capacity for economic and financial oversight as well as risk management in an open economy.

It was stressed at the meeting that under the guidance of Xi Jinping Thought on Socialism with

Chinese Characteristics for a New Era, the PBOC will fully implement the guidelines of the 20th CPC National Congress, the Central Economic Work Conference, and the Central Financial Work Conference, as well as the decisions and deployment of the CPC Central Committee and the State Council. Upholding the general principle of pursuing progress while ensuring stability, the PBOC will firmly pursue high-quality development as a top priority, solidly promote Chinese modernization, apply the new development philosophy fully, faithfully and comprehensively, and speed up the building of a new development paradigm. It will pursue the strategy of expanding domestic demand while deepening supply-side structural reform, strengthen policy coordination with other authorities, give full play to the role of monetary and credit policies, and properly balance internal and external equilibria. It will resolutely enhance economic vigor, forestall and defuse risks, and improve social expectations, thus reinforcing the momentum of economic recovery and effectively upgrading and appropriately expanding the economic output.