

## **MUFG Bank, Ltd.**

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# **MUFG Bank (China) Awarded Bond Settlement Agent License in China Interbank Bond Market**

Tokyo, June 16 2020 --- MUFG Bank, Ltd. (“MUFG Bank”) announced that its wholly owned subsidiary MUFG Bank (China), Ltd. (“MUFG Bank (China)”) was awarded a Bond Settlement Agent license in the China interbank bond market by the People’s Bank of China (“PBOC”), the central bank of the People’s Republic of China. MUFG Bank (China) is the first Japanese bank to receive this qualification.

The Chinese bond market has grown rapidly in recent years, and is now the second largest in the world after the US.

Although there are several routes<sup>[1]</sup> from which overseas investors can access the bond market in mainland China, they can only invest in Renminbi-denominated bonds with the help of a qualified custodian bank.

This license will enhance MUFG Bank (China)’s ability to support investors by not just mediating deals as a bond settlement agent, but by providing custody services.

To enhance the China bond business, MUFG Bank (China) established its Bond Project team, which has been working together with the head office in Japan as well as MUFG Bank’s branch in Hong Kong, which has established itself as a leading offshore Renminbi hub.

MUFG Bank (China) is also the first Japanese bank to obtain a license as an official Bond Connect market maker in July 2017. It was also awarded a bond underwriting license to support issuance activities of non-financial institutions in the China interbank bond market in October 2019.

With this latest license, MUFG Bank and MUFG Bank (China) will further contribute to the development of the China bond market and strive to provide the best- quality financial services to our valued investors.

<sup>[1]</sup> Investment routes via Renminbi clearing bank, Qualified Foreign Institutional Investor (“QFII”), Renminbi Qualified Institutional Investor (“RQFII”), and China Interbank Bond Market Direct.

<sup>[2]</sup> Under QFII and RQFII investment framework, the overseas investor is required to obtain the necessary qualifications from PBOC in advance.

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## **About MUFG Bank**

MUFG Bank, Ltd. is Japan's premier bank, with a global network spanning around 50 countries. Outside of Japan, the bank offers an extensive scope of commercial and investment banking products and services to businesses, governments and individuals worldwide.

MUFG Bank's parent, Mitsubishi UFJ Financial Group, Inc. (MUFG) is one of the world's leading financial groups. Headquartered in Tokyo and with over 360 years of history, MUFG has a global network with over 2,700 locations in more than 50 countries. The Group has over 180,000 employees and offers services including commercial banking, trust banking, securities, credit cards, consumer finance, asset management, and leasing. The Group aims to "be the world's most trusted financial group" through close collaboration among our operating companies and flexibly respond to all of the financial needs of our customers, serving society, and fostering shared and sustainable growth for a better world. MUFG's shares trade on the Tokyo, Nagoya, and New York stock exchanges. For more information, visit <https://www.mufg.jp/english>.