

PBB Participates in the Renminbi Transfer System (RTS)

Philippine Business Bank (PBB), the financial arm of the Yao Group of Companies has recently entered into an agreement with Bank of China, Manila Branch and is in participation of the Renminbi Transfer System.

Statistics from China's Ministry of Commerce shows that China and the Philippines bilateral trade volume exceeded USD \$38 billion in 2013. China now has become the third largest trade partner of the Philippines which account for 14 percent of the total trade as of July 2014. In terms of imports, China was the Philippines' biggest source as it accounted for 13.01 percent of all shipments in 2014, government data showed.

Given the magnitude and importance of the country's transactions with China, it is only appropriate that the Philippines would have a safe and efficient payment and transfer service for Renminbi.

In 2013, the RMB Transfer System (RTS) jointly developed by Manila Branch of Bank of China and Philippine Dealing System (PDS) was put into official operation, which established that RMB had become the second foreign currency after US dollars for real-time domestic clearing and the first currency for real time cross-border clearing in the Philippines.

BSP expects this to provide bank members and their clients the facility to execute real-time payments in and transfers of, renminbi to domestic and international counterparties.

There are 11 banks offering renminbi-denominated products and services such as deposits, remittances, and trade settlement and Philippine Business Bank (PBB) is one of these banks.

"PBB is pleased to offer a gamut of Renminbi products to the Philippine market, from savings account, time deposit, loan, remittance and trade financing," said Jay Cabalde, senior vice president and treasury head of PBB. This is in addition to the bank's current offerings of deposit products, consumer loans, corporate credit facilities, treasury, trust, cash management services and emerging markets banking products.

"At PBB, our expertise, knowledge and products can help our clients tap the benefits presented by the continued internationalization of Renminbi (RMB) and the liberalization of China's RMB Cross Border Trade Settlement Scheme," remarked Rolando R. Avante, president and CEO of PBB.

From 2009 to 2012, renminbi deposits rose from 0.05 percent to 0.22 percent of the Philippine banking industry's deposit liabilities, and comprised around 0.22 percent to 1.04 percent of the total foreign exchange deposit liabilities, respectively.

The ability of renminbi account holders to denominate, settle and clear transaction with parties conducting businesses in renminbi minimizes exposure to exchange rate fluctuations of a third currency.

PBB announced that beginning February 20, the bank will start offering in all its branches the RMB savings account, time deposit, loans, remittance and trade financing.

Currently, PBB has 121 branches across the country.