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CME Group and China Construction Bank Sign Memorandum of Understanding

First time that Offshore Chinese Renminbi Futures contracts will be physically deliverable into London

LONDON, Oct. 19, 2015 /PRNewswire/ -- CME Group, the world's leading and most diverse derivatives marketplace, and China Construction Bank, a leading commercial bank in China, announced today that they have signed a Memorandum of Understanding (MOU) to support the further strengthening of their business relationship.

CME Group is now able to offer Offshore Chinese Renminbi (CNH) Futures Contracts with physical delivery in London for the first time, which will be offered via CME Europe, CME Group's European exchange. They will be supported by China Construction Bank (CCB), the sole-People's Bank of China-designated clearing bank of RMB in London.

Under the MOU, CCB also intends to participate in the London Silver Pricing, as administered by CME Benchmark Europe Limited, as well as to facilitate the trading of CME Group products for CCB's customers in China.

"As the largest exchange-traded FX marketplace, we are pleased to partner with CCB which is one of the leading Chinese commercial banks and the official clearing bank of Chinese Renminbi in London," said Terry Duffy, Executive Chairman and President of CME Group. "We believe this relationship will generate multiple benefits for the marketplace and drive innovation across a range of asset classes."

Physically deliverable futures contracts for USD/CNH and EUR/CNH have been available on CME Europe since the European exchange launched in April 2014, delivering into Hong Kong. Now that CME Clearing Europe, which provides clearing services for CME Europe, intends to work with CCB, CME Europe plans to amend these contracts so that physical delivery will take place in London, bringing cost and time-saving advantages to market users.

"The ability to transact during London hours is of paramount importance to those institutions who value flexibility in managing their positions in markets where prices can move sharply in short periods of time," said William Knottenbelt, Senior Managing Director and Head of International, CME Group. "CME Group and CCB have shared a strong desire to promote RMB liquidity in London. We are committed to building out the necessary infrastructure and RMB products for a thriving marketplace as well as extending our partnership into other areas."

"CCB wants to support the development of the offshore RMB market in London through our engagement with an innovative financial institution such as CME Group," said CCB's Chairman, Mr. Hongzhang Wang.

CME Group and CCB intend to engage with the Chinese and UK authorities on the benefits of the development of RMB products across a range of asset classes as well as improving access for Chinese companies and financial institutions to international capital and the London markets.

A complete list of products, members and product specifications can be found at <http://www.cmegroup.com/europe/>. Clearing services for CME Europe are provided by [CME Clearing Europe](#).

As the world's leading and most diverse derivatives marketplace, CME Group (www.cmegroup.com) is where the world comes to manage risk. CME Group exchanges offer the widest range of global benchmark products across all major asset classes, including futures and options based on [interest rates](#), [equity indexes](#), [foreign exchange](#), [energy](#), [agricultural commodities](#), [metals](#), [weather](#) and [real estate](#). CME Group brings buyers and sellers together through its [CME Globex®](#) electronic trading platform, its trading facilities in New York and Chicago, and through its London-based [CME Europe](#) derivatives exchange. CME Group also operates one of the world's leading central counterparty clearing providers through [CME Clearing](#) and [CME Clearing Europe](#), which offer clearing and settlement services across asset classes for exchange-traded contracts and over-the-counter derivatives transactions. These products and services ensure that businesses everywhere can substantially mitigate counterparty credit risk.

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at www.cmegroup.com.

China Construction Bank Corporation, established in October 1954 and headquartered in Beijing, is a leading large-scale joint stock commercial bank in Mainland China with world renowned reputation. The Bank was listed on the Hong Kong Stock Exchange in October 2005 (stock code: 939) and listed on the Shanghai Stock Exchange in September 2007 (stock code: 601939). At the end of 2014, the Bank's total assets reached USD 207.9 billion, ranking it second amongst the Top 1000 World Banks (The Banker, 2014) based on Tier 1 capital.

The Bank has an extensive customer base with established banking relationships with many of the largest business groups and leading companies in industries which are strategically important to China's economy. With over 14,856 branches and sub-branches in Mainland China, the Bank provides services to about 3.48 million corporate customers and 314 million personal customers. Overseas branches are maintained in London, Luxembourg, Paris, Milan, Hong Kong, Singapore, Frankfurt, Amsterdam, Johannesburg, Tokyo, Osaka, Seoul, New York, Ho Chi Minh City, Sydney, Melbourne, Taipei, Brisbane and Toronto, and various subsidiaries fall under the group, such as CCB Asia, CCB International, CCB London, CCB Russia, CCB Dubai, CCB Europe, CCB New Zealand, CCB Principal Asset Management, CCB Financial Leasing, CCB Trust, CCB Life, CCB Futures and Sino-German Bausparkasse.

As a leading commercial bank in China, the Bank provides a comprehensive range of commercial banking products and services. The business consists of three principal segments: corporate banking, personal banking, and treasury operations. Its corporate banking business comprises the provision of a range of financial products and services to corporations, government agencies and financial institutions, including corporate loans, trade finance, deposit taking and wealth management services, agency services, financial consulting and advisory services, cash management services, remittance and settlement services, custody services and guarantee services. The personal banking business focuses on the provision of a range of financial products and services to individual customers, such as personal loans, deposit taking and wealth management services, card business, remittance services and agency services. The treasury operations business includes inter-bank money market transactions, repurchase and resale transactions, investment in debt securities, proprietary trading in derivatives and foreign currency, customer driven derivatives, foreign currency and precious metal trading and issuance of debt securities. For further information about its products and services visit www.ccb.com.

China Construction Bank (London) Limited is a wholly owned subsidiary of China Construction Bank Corporation, China and is registered in England & Wales, registered number 06455352. China Construction Bank (London) Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (www.uk.ccb.com).

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