



中國銀行  
BANK OF CHINA



# **RMB Internationalization Policies & Trade Finance Services**

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- **China-Hungary Relationship**
- **Status quo and Future of RMB Internationalization**
- **BOC's Financial Services**



# China-Hungary Relationship

➤ China has become Hungary's largest trading partner outside the EU, demonstrating bilateral friendly relations.

Sino-Hungary bilateral trade volume reached USD 8 billion in 2016



China's export to Hungary USD 5.4 billion

China's import from Hungary USD 3.5 billion





# China-Hungary Relationship

Hungary is.....

**RMB Clearance Bank**

**The first** CEE country where China established a RMB clearance bank

**Inter-Governmental Cooperation**

**The first** European country that signed an inter-governmental cooperation document on jointly advancing the "Belt and Road" construction with China

**RMB Bond**

**The first** CEE country that issued RMB bond

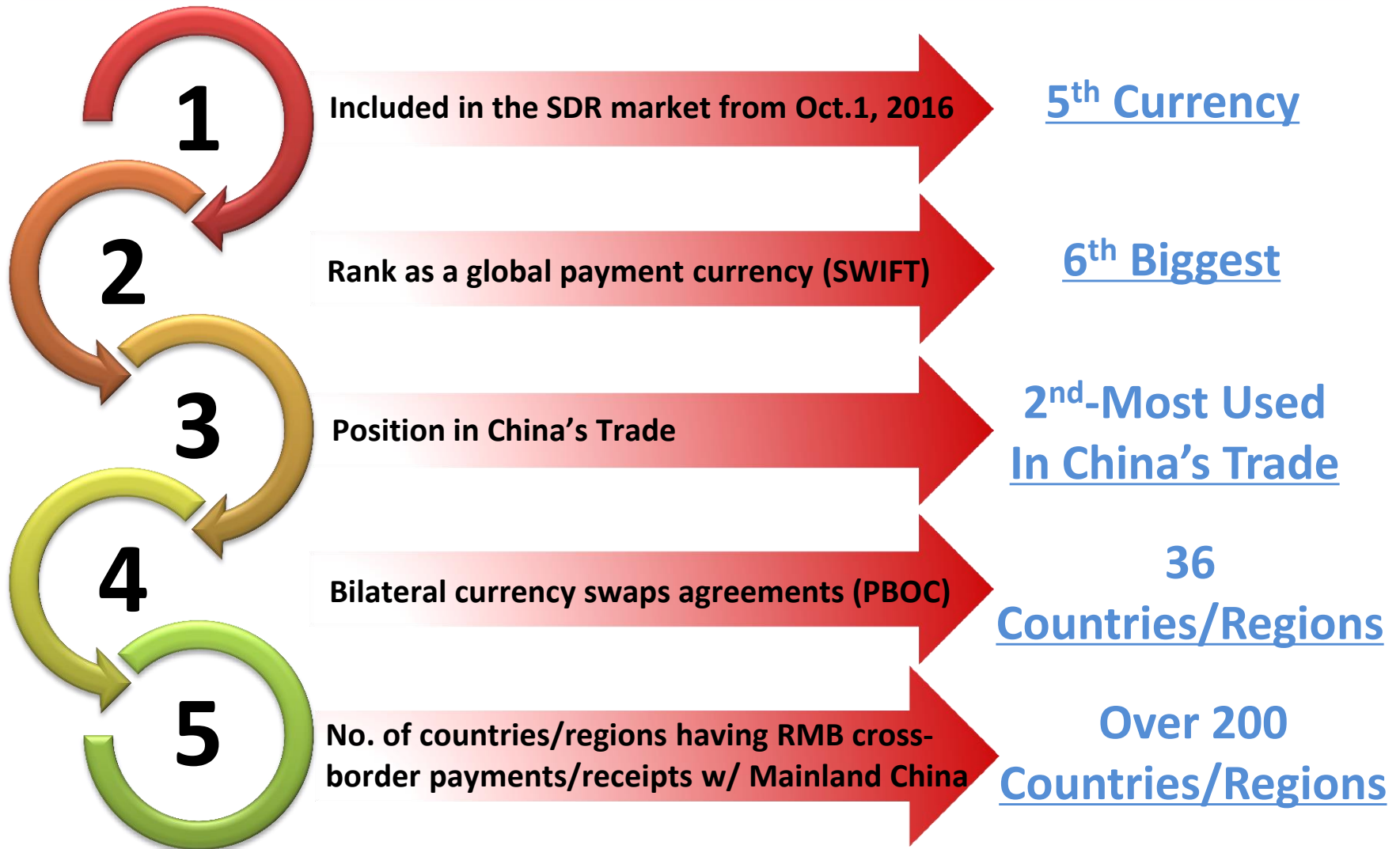


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# Status quo

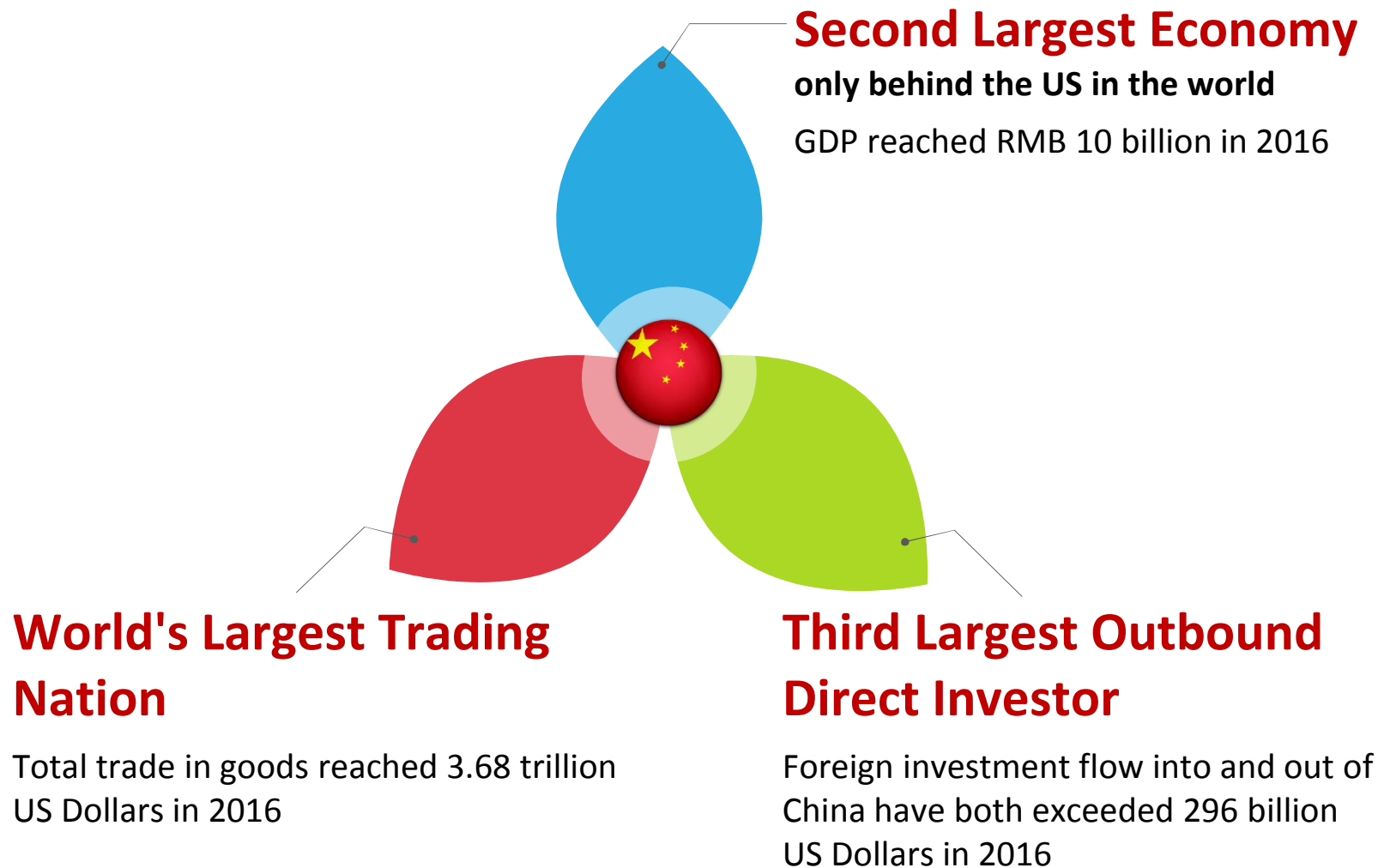






# China's Economic Development

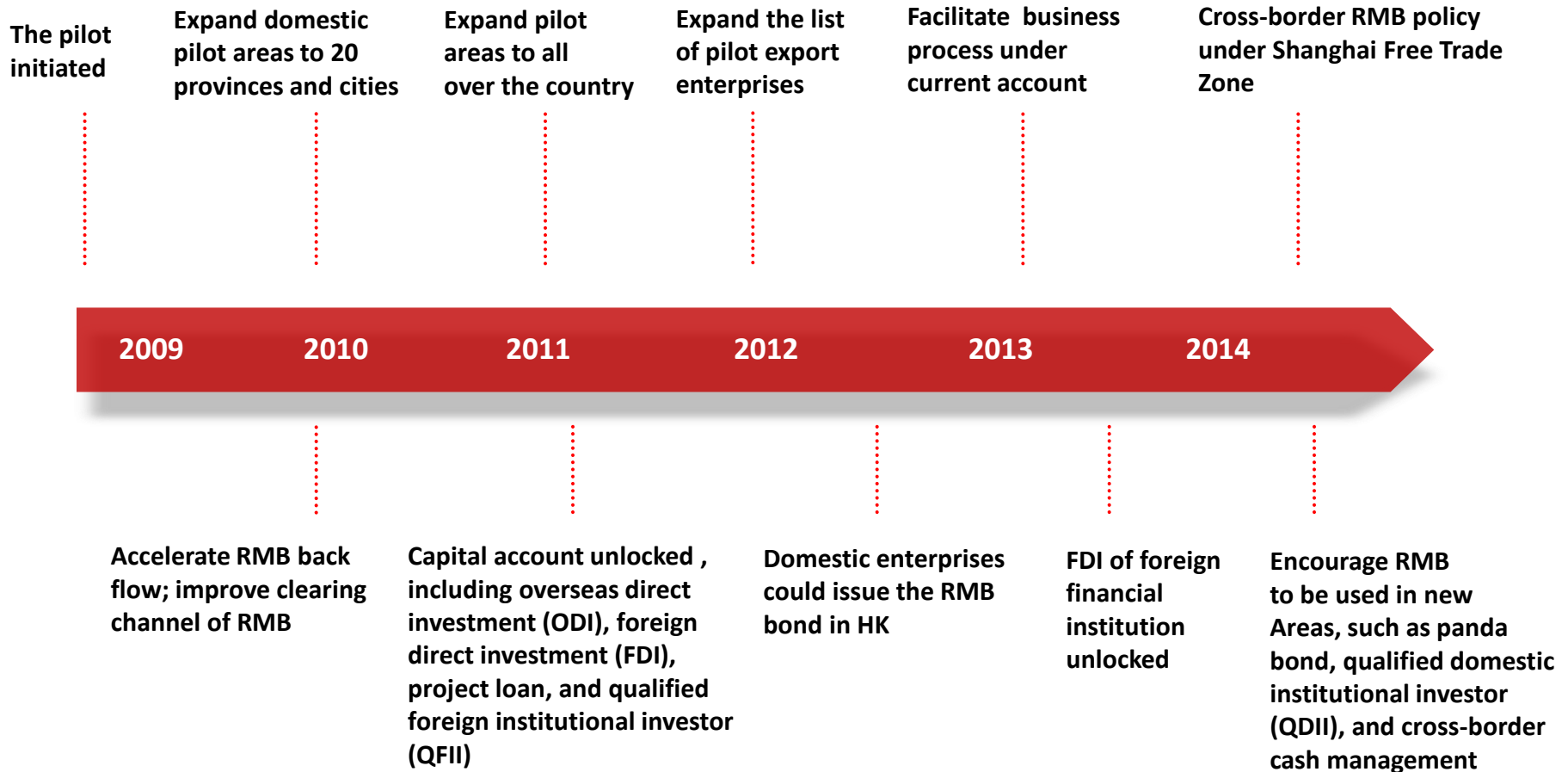
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# Policy Framework of RMB internationalization

## ➤ Milestones:







# Trade and Other Current Accounts

➤ Under the current accounts, policies on cross-border RMB settlement have covered the commodity trade, service trade, income transfer and other current account items.

Item	Policy			Market	
	Fully open	Partially open	Unopened	Current	Future
Goods					
Import	√			Special supervised list	Dynamic adjustments
Export	√				
Services	√				
Income	√				
Current transfer	√				



# Capital Accounts

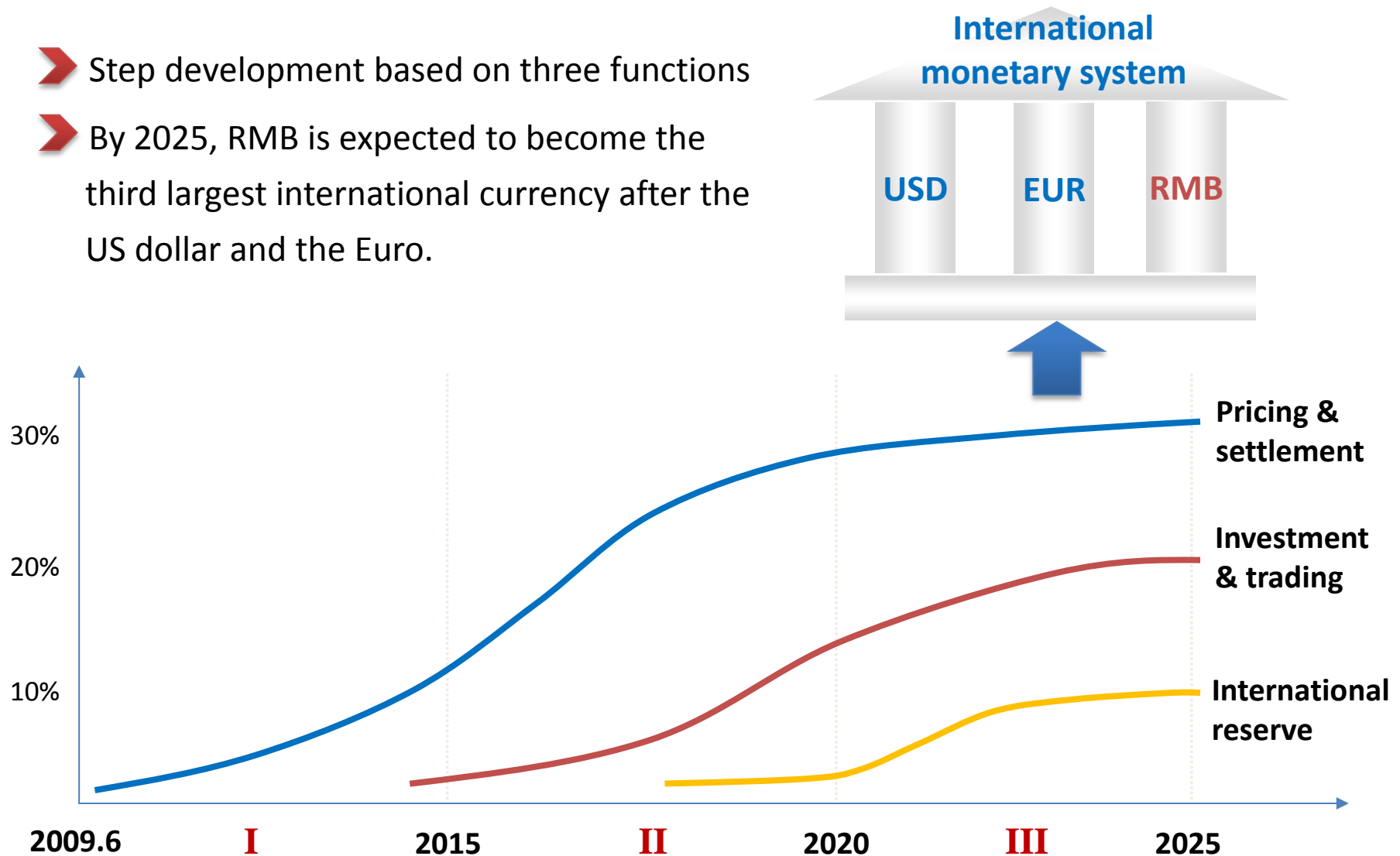
➤ Enterprises can conduct RMB ODI, FDI and cross-border RMB loans, etc.

Item	Policy			Market	
	Fully open	Partially open	Unopened	Current	Future
Capital Inflow					
FDI	√			Regulations introduced	Scale up gradually
Domestic inter-bank bonds mkt		√		Total scale control	
RQFII		√		Total scale control	
Others			√		
Capital Outflow					
ODI	√			Regulations introduced	Scale up gradually
Overseas bonds market		√		Case by case approval	
Overseas securities market		√		Case by case approval	
Others			√		



# Overall Trends of RMB Internationalization

- Step development based on three functions
- By 2025, RMB is expected to become the third largest international currency after the US dollar and the Euro.





# The Journey is Just Beginning

RMB took up only 1.68% of global payments and settlements, far behind USD

RMB fluctuate with.....



**RMB**

RMB contributes merely 4% to the world's daily average of global foreign exchange trade

RMB still takes up a very small portion in other countries' reserve diversification



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# History of BOC

## ➤ Brilliant History of 100 years

1912

Former Da Qing Bank restructured as Bank of China and established as central bank of the Republic of China



1928

began to conduct foreign exchange and international trade businesses

1953

the only licensed bank to handle foreign exchange businesses

1979

became the specialized bank for foreign exchange and trade

1994

reformed to be the state-owned commercial bank

2004

Bank of China Limited was formally Incorporated in Beijing as a joint stock commercial bank

2006

successfully listed in domestic and overseas markets





# BOC's Financial Services







# Broad Customer Base



Das Auto.



德国戴姆勒-奔驰汽车公司  
Daimler-Benz



GLENCORE  
INTERNATIONAL plc



Cargill  
嘉吉



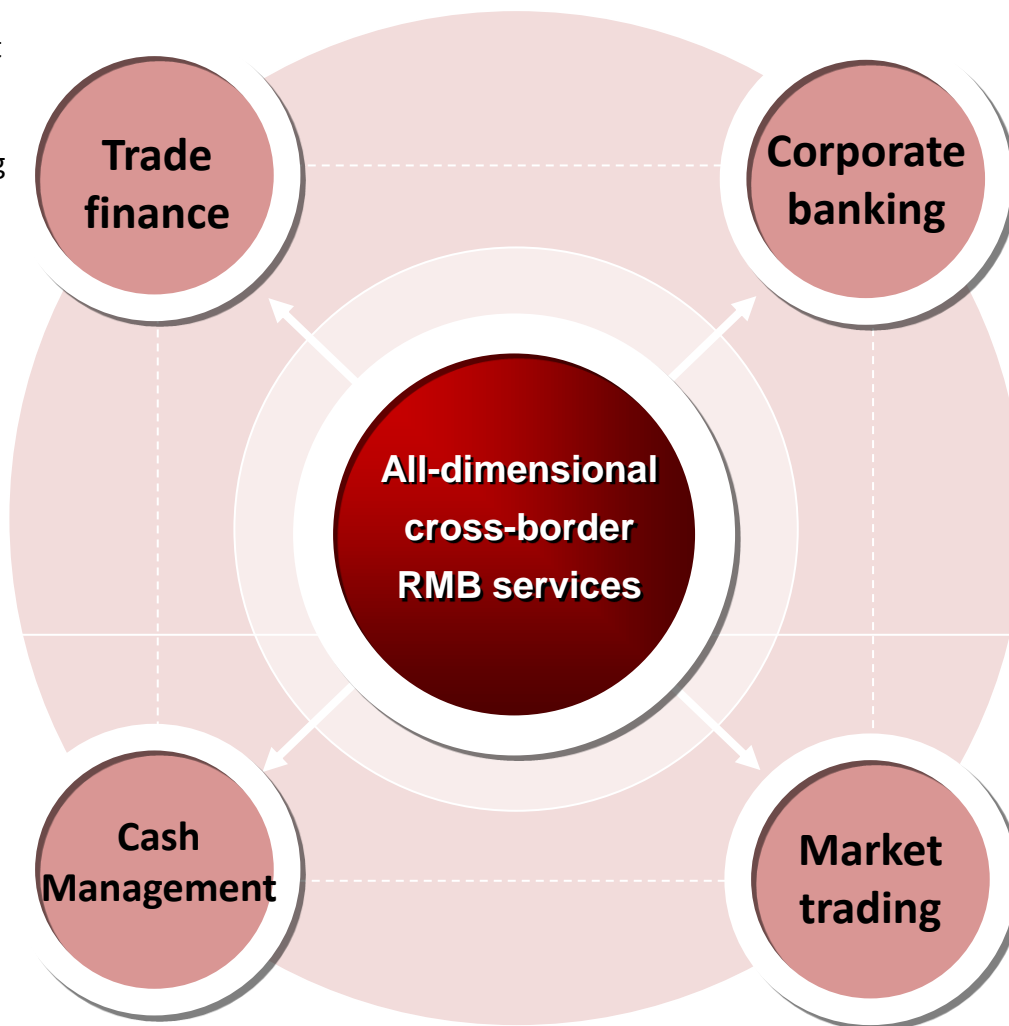
AIRBUS



IKEA®



# Rich Financial Products



- ✓ Cross-border RMB settlement
- ✓ RMB import/export financing
- ✓ Cross-border RMB guarantee
- ✓ Cross-border RMB refinancing
- ✓ RMB supply chain financing
- ✓ Cross-border RMB factoring
- ✓ Cross-border RMB forfaiting

... ..

- ✓ Quick account opening
- ✓ Cross-border RMB cash management
- ✓ Overseas institutional account services
- ✓ RMB wealth management
- ✓ RMB notes

... ..

- ✓ RMB deposits
- ✓ Cross-border RMB direct loans
- ✓ RMB export buyer's credit
- ✓ Cross-border RMB project loans
- ✓ Cross-border RMB advisory service

... ..

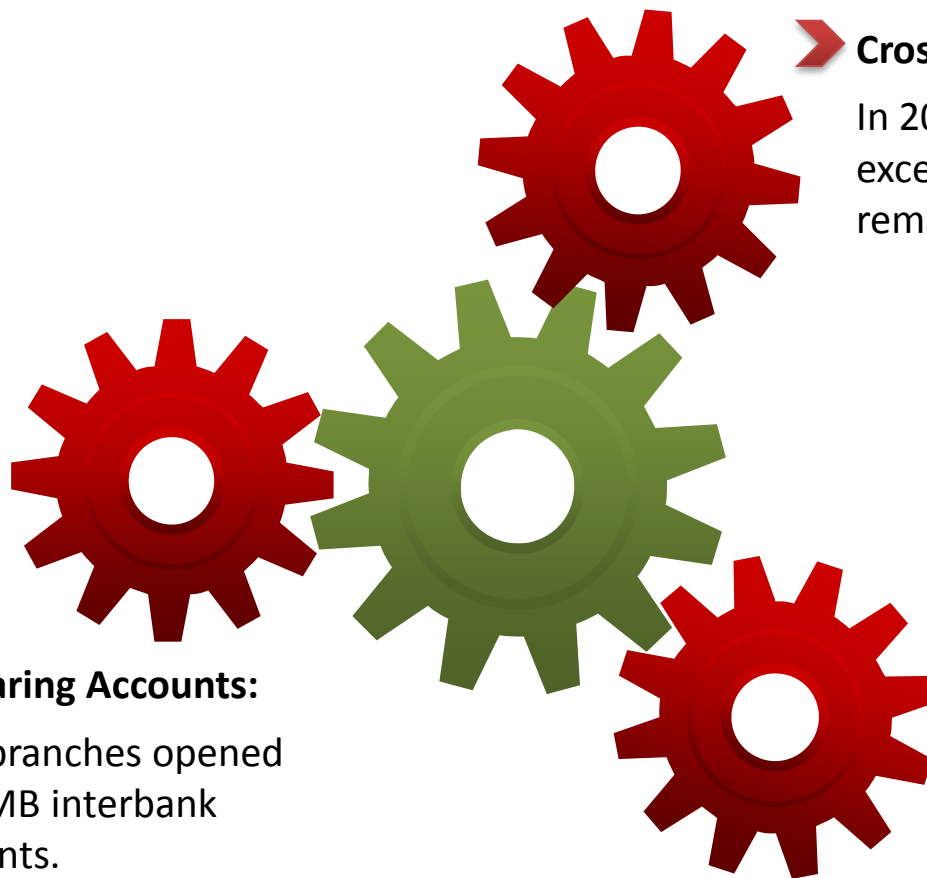
- ✓ RMB spot trading
- ✓ RMB forward trading
- ✓ RMB swaps
- ✓ Overseas RMB bond issuance
- ✓ RMB fund
- ✓ RMB agent investment

... ..



# Global Scale of RMB Business

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## ➤ Cross-Border RMB Settlement:

In 2016, total volume of BOC Group exceeded RMB 4.04 trillion yuan, remaining the top position globally

## ➤ Interbank Clearing Accounts:

BOC Oversea branches opened about 1500 RMB interbank clearing accounts.

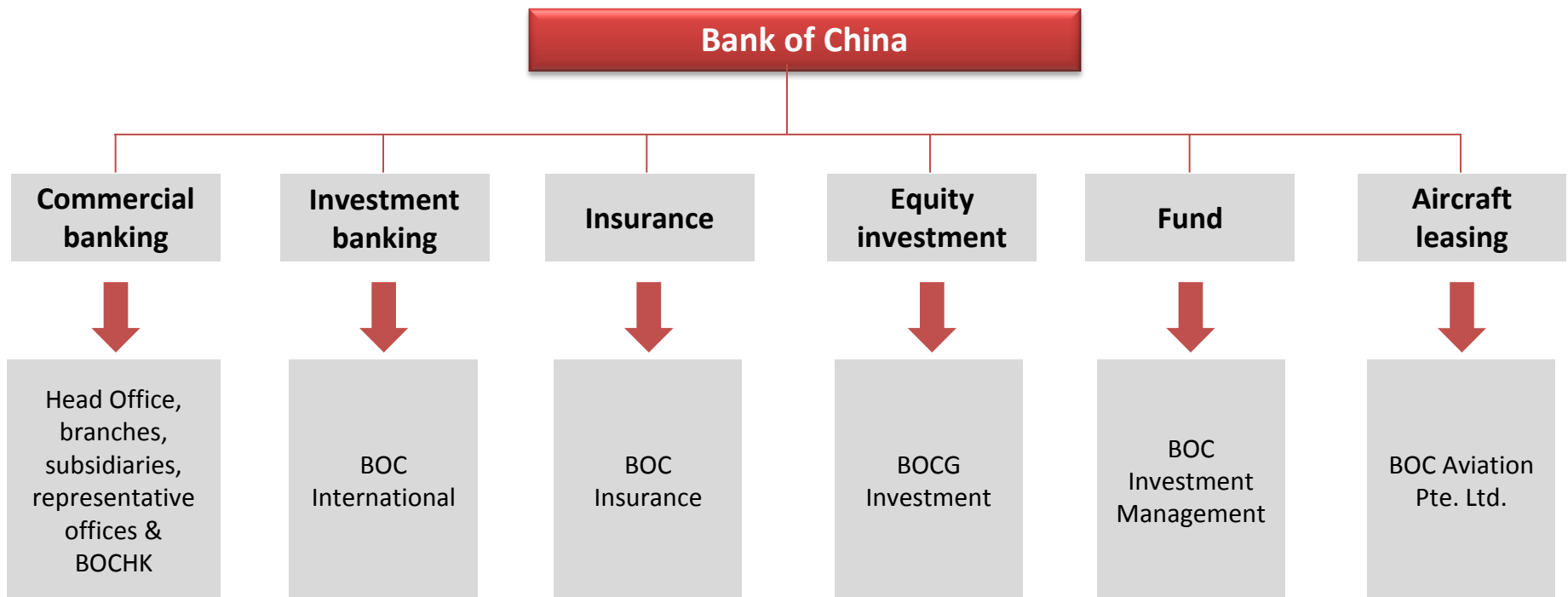
## ➤ RMB Clearing Banks Seat:

Among the 23 overseas RMB clearing banks designated by PBOC, BOC takes 11 seats



# Diversified Financial Platform

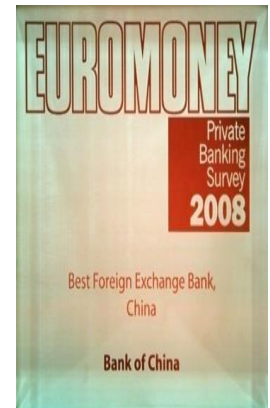
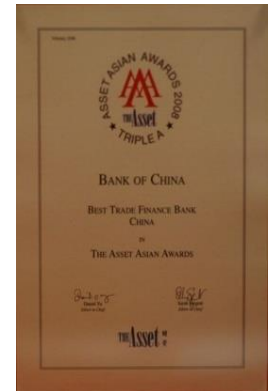
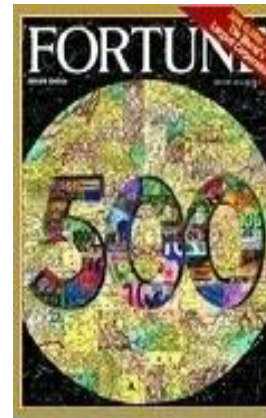
➤ BOC has a diversified and integrated financial service platform and delivers commercial banking, investment banking, insurance, asset management, aircraft leasing and other financial services.





# Sound International Brand

- Global systemically important financial institution.
- The first bank engaged in trade finance in Chinese mainland; The world's largest bank in terms of international settlement volume
- The most internationalized and diversified bank in China
  - Overseas institutions in 51 countries and regions;
  - More than 1,600 correspondent banks across the world;
  - Offer three RMB clearing patterns – agent bank, clearing bank and designated overseas clearing house, and taking the leading position in the quantity of cross-border RMB inter-bank clearing accounts;
  - The sole designated RMB clearing bank in Hong Kong, Macau and Taiwan regions, and France, Germany, Australia and Malaysia ;
  - Offer RMB account clearing services to global customers across time zones



Thank you!

