



中國銀行

BANK OF CHINA



# Making Better Use of RMB: Bank of China's Solution

Qian Hongguang

Executive Vice President of BOC Panama

## **Paving path to a universal use of RMB**

Pains and gains in the progress of expansion

An on-going trailblazer in promoting RMB internationalization

# AN EXTENSIVE PRODUCT LINES HAVE BEEN BUILT



**CORPORATE BANKING**

FINANCIAL INSTITUTION

PERSONAL BANKING

ONSHORE & OFFSHORE MARKET INDEXES FOR RESERCH AND REPORT

# Corporate Banking

## ❑ Overseas Import & Export Enterprises in association with China

### **Basic settlement products:**

- Cross-border RMB inward/outward remittance,
- L/C, Letter of Guarantee,
- Import/Export Bill Advance, etc..

### **Basic deposit/loan products:**

- RMB Corporate Demand Deposits,
- RMB Corporate Term Deposits,
- RMB working capital loans

### BASIC PRODUCTS

### **Basic trading products (subject to regulatory requirements):**

- Sale and Purchase of Spot Foreign Currencies against RMB,
- Sale and Purchase of Forward Foreign Currencies against RMB (including ultra long-term Forward),
- RMB and Foreign Currency Swap (ultra long-term, forward-forward Swap)

### **Featured trading Products (subject to regulatory requirements):**

- Sale and Purchase of Spot Foreign Currencies against RMB,
- Sale and Purchase of Forward Foreign Currencies against RMB (including ultra long-term Forward),
- RMB and Foreign Currency Swap (ultra long-term, forward-forward Swap)

# Corporate Banking

## □ China Domestic Enterprises

FINANCING



- Full-Caliber Foreign Currency Financing
- Import Bill Advance By Overseas Institution
- Overseas Export Financing
- Overseas Direct Loans
- Overseas financing for the enterprises in the Free Trade Zone

# Corporate Banking

## □ Going-out Enterprises or Their Overseas Subs

TRADE SETTLEMENT  
&  
CURRENT ACCOUNT TRANSFER

- Basic settlement products
- Basic deposit/loan products
- Basic trading products

FINANCING

- Overseas Credit supported by Domestic Guarantee
- Cross-Border RMB Global Credit
- Cross-Border Collaborated Back to Back LC
- Syndication Loan

CASH MANAGEMENT

- Centralized Cross-border RMB Payments
- Two-way Cross-border RMB Cash Pool

# Corporate Banking

## ❑ Multinational Corporation/ Regional Headquarters (RHQ)

### BASIC PRODUCTS

- Basic settlement products
- Basic deposit/loan products
- Basic trading products

### FINANCING

- M & A loans
- Equity Investment loans
- Off-shore RMB bond
- Free Trade Zone bond
- Hong Kong Exchange-listed RMB-denominated stock

### CASH MGMT

- Centralized Cross-border RMB Payments
- Two-way Cross-border RMB Cash Pool

CORPORATE BANKING

**FINANCIAL INSTITUTION**

PERSONAL BANKING

ONSHORE & OFFSHORE MARKET INDEXES FOR RESERCH AND REPORT



# Financial Institution

---

- Banking financial institution
- Non-bank financial institution
- Foreign Center Banks, Sovereign Wealth Fund, Int'l Org

# Financial Institution

## □ Banking Financial Institution

### BASIC PRODUCTS

- Cross-Border RMB Settlement Services and Account Services:  
RMB Interbank Account Opening, Batch Payment, Forward/Back value, Real-time Account Query, Bill Service, Transfer of funds between accounts, Overdraft Facility, Scheduled Payment, Tracking Payment, Customer- Service hotline, etc..

### FEATURED SERVICES

- Money Market Lending, Certificates of deposit and Notes, Foreign Exchange of Cross-Border RMB, Offshore RMB Market-maker Quotation, Spot/Forward Swap, RMB Cash Note Delivery, etc..

# Financial Institution

## ❑ Non-Bank Financial Institution

### DIVERSIFIED PRODUCTS

- Basic Products
- Direct Investment Products
- Financing Products

### SECURITIES INVESTMENT

- RQFII
- RQDII
- Settlement Service
- Custody Service

### OTHER TARGETED PRODUCTS

- Cross-border reinsurance business
- Supporting cross-border settlement services
- Mainland China-Hong Kong Funds Connect (BOC Hong Kong)

# Financial Institution

## □ Foreign Center Banks, Sovereign Wealth Fund, Int'l Fin Orgs

- Global Central Banks, Sovereign Wealth Funds and International Financial Organizations are now allowed to invest directly in the China Interbank Bond Market (CIBM) , trade all FX products directly in China's interbank FX market.

SUPPORTING  
SERVICES

- RMB Swap Agreements with Central Banks

CORPORATE BANKING

FINANCIAL INSTITUTION

**PERSONAL BANKING**

ONSHORE & OFFSHORE MARKET INDEXES FOR RESERCH AND REPORT

# Personal Banking

## DOMESTIC PERSONAL CLIENT

- RMB Personal Account; RMB Debit Card; RMB Credit Card; RMB Payroll Service
- Shanghai-Hong Kong Stock Connect (Hong Kong)
- Shenzhen-Hong Kong Stock Connect (Hong Kong)
- Mainland China-Hong Kong Funds Connect (Hong Kong)
- Individual cross-border RMB settlement services under the current account for the residents of Hong Kong, Macau and Taiwan

## OVEASEAS PERSONAL CLIENT

- Account Opening Witness Service (subject to regulatory requirements)
- Shanghai-Hong Kong Stock Connect (Hong Kong)
- Mainland China-Hong Kong Funds Connect (Hong Kong)
- Individual cross-border RMB settlement services in Free Trade Zone
- Individual cross-border RMB inward/outward remittance in the commodity trade

CORPORATE BANKING

FINANCIAL INSTITUTION

PERSONAL BANKING

**ONSHORE & OFFSHORE MARKET INDEXES FOR RESEARCH AND REPORT**

# Onshore & Offshore Market Indexes for Research and Report

## □ Use of Cross-Border RMB



Monthly Released

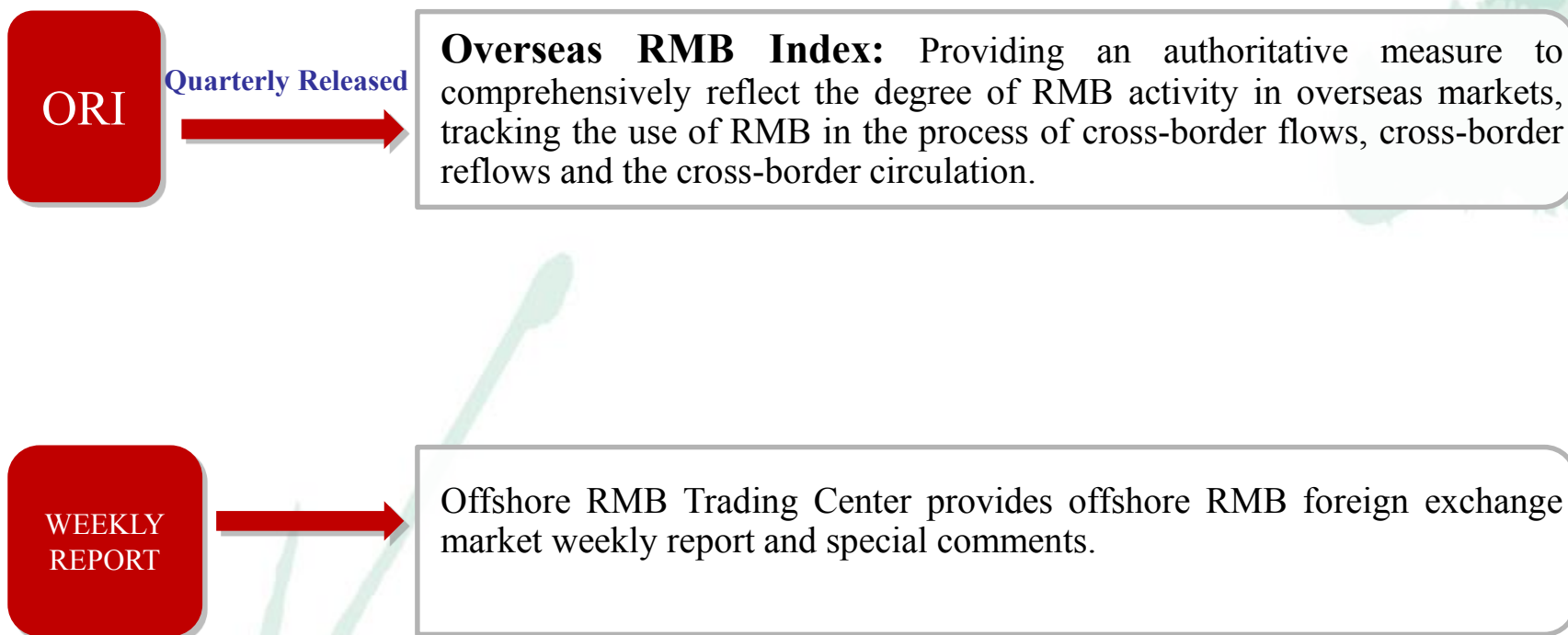


- **Cross-Border RMB Index:** Providing an authoritative measure to comprehensively reflect the degree of RMB activity in cross-border and overseas transactions, tracking the use of RMB in the process of cross-border flows, cross-border reflows and the cross-border circulation. Issue Monthly.



## Onshore & Offshore Market Indexes for Research and Report

### □ For Off-shore RMB Market



## Onshore & Offshore Market Indexes for Research and Report

- Customer's willingness to use RMB(by PBoC)

WHITE-  
PAPER

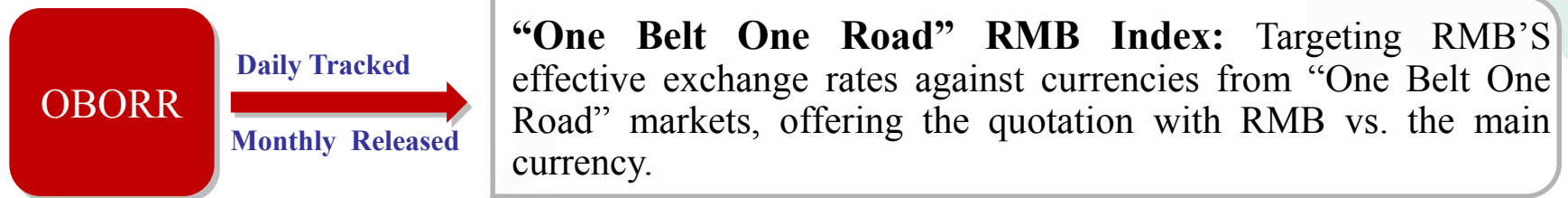
Yearly Released



**RMB Internationalization Index:** Research regarding to the expectations on RMB internationalization and the globally use of RMB, reflecting customer's willingness to use RMB in the worldwide.

## Onshore & Offshore Market Indexes for Research and Report

- ❑ RMB Exchange Rate against currencies from “One Belt One Road” markets



## Onshore & Offshore Market Indexes for Research and Report

- ❑ RMB Exchange Rates against currencies from “One Belt One Road” markets

WEEKLY  
REPORT



Foreign Exchange Market weekly report contains the research on the currencies of “One Belt One Road” countries and regions.

## Onshore & Offshore Market Indexes for Research and Report

### □ Offshore/ Onshore RMB Bonds Financing



BOC Credits Investment & Financing Environment Difference Index: Tracking the yield differentials between offshore and onshore RMB bonds on a comprehensive, objective and synchronized basis. A positive level indicates a higher yield condition onshore versus offshore, greater the value, larger the yield differentials, and vice versa.

## Paving path to a universal use of RMB

The achievements of Bank of China with regard to the RMB internationalization in 2016 are mainly presented in the leading positions in 3 categories:

Business scale

Customer groups

Business innovation ability

Paving path to a universal use of RMB

**Pains and gains in the progress of expansion**

An on-going trailblazer in promoting RMB internationalization

## Pains and gains in the progress of expansion

A mature currency experiences both appreciation and depreciation; and in the way of internationalization, both opportunities and challenges.

In the year of 2016, the development environment of the RMB internationalization has gone through great changes over the past few years. In summary, we've made essential progress and also faced with multiple challenges.






Paving path to a universal use of RMB

Pains and gains in the progress of expansion


**An on-going trailblazer in promoting RMB internationalization**

## An on-going trailblazer in promoting RMB internationalization


### □ Our outlooks of the internationalization progress of RMB.



- China will continue opening the capital account to the outside world smoothly and orderly, improve the mechanism of both outflow of CNY and the backflow of CNH.



- The importance of the offshore financial markets keeps highlighted.



- The enterprises hold an optimistic view of the international status of RMB, and react to the market volatility more maturely.

## An on-going trailblazer in promoting RMB internationalization

- Our suggestion for Caribbean countries.

### Way to make good use of RMB

- Import Chinese products, pay seller RMB...
- Give an infrastructure project to Chinese companies, obtaining finance in RMB from Chinese banks, pay the EPC contractor RMB...

### Where is the RMB coming from?

- By entering a currency swap agreement with PBOC, or issuing a Panda/Dim Sum bond at the onshore/offshore market, or a debt from banks...

- **Who can help manage the position of your RMB?**



中國銀行

BANK OF CHINA

---

**Thank you!**

