中国银行 BANK OF CHINA | 贸易金融 TRADE FINANCE SERVICES

Session 2: Dialogue Between Main Stakeholders

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Outline

- Background of BOC
- BOC's efforts to facilitate trade
- Issues and Proposals

Background of BOC

- Outlets
- Position in the market
- HR resources

BOC's efforts to facilitate trade

- Provide trade services to all kinds of customers
  - SOE and private companies
  - Large corporates and SMEs
  - Financial institutions
- Global network
  - BOC branches and subsidiaries
  - Correspondent banks

BOC's efforts to facilitate trade

- Trade solutions
  - Settlement: L/C, collections and TT
  - Finance:
    - ✓Loan, Discount
    - ✓Factoring, Forfaiting, Supply chain financing, …
  - Guarantee:
    - ✓Bid bond
    - ✓Performance bond
    - ✓Financial guarantee

BOC's efforts to facilitate trade

- Case study
  - ECA backed financing (China export to Bangladesh)
  - Forfaiting (China export to Nigeria)
  - Risk participation (China export to Indonesia)
  - Pre-export financing guaranteed by multilateral institution (Brazil export to Asia)

BOC's efforts to facilitate trade

trade related data of BOC in 2013

- Volume of trade settlement: USD3 trillion
- Volume of guarantee: over USD30 billion
- Volume of cross border Renminbi settlement: over RMB 3.9 trillion
- Turnover of trade financing: over USD300 billion

Issues and Proposals

There still exists financing gaps between demand and supply. Why?

- Low credit ratings for issuing banks
- Constraints on bank's balance sheet
- High funding costs
- Lack of information
- Compliance requirements
- …

Issues and Proposals

Proposals

- Increase the amount of credit enhancement to issuing banks by multilateral institutions and ECAs
- Strengthen cooperation between commercial banks (information, funding and credit line)
- Introduce RMB as a choice of trade finance
- …

Thank You