

Bank of China Global RMB Clearing

26.March 2015



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The Trend of RMB internationalization

Current Development



The market-oriented reforms of interest rates will be further deepened on RMB



The cross-border RMB policy will become more accommodative.



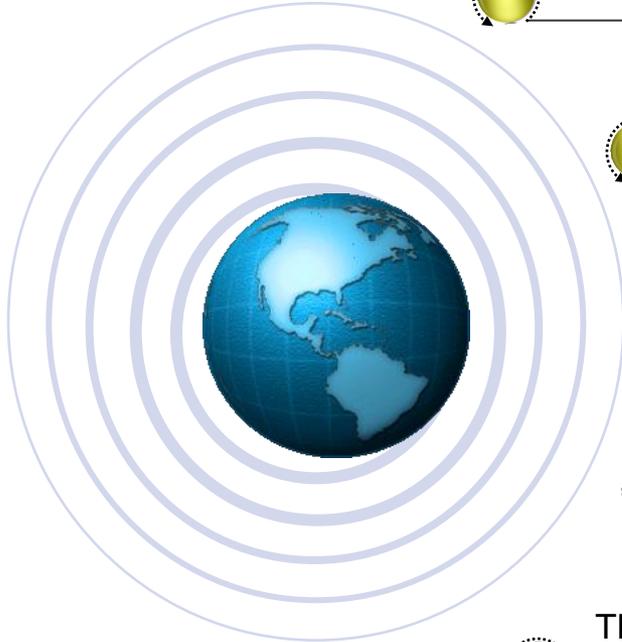
The framework of offshore RMB pooling has set up gradually



The offshore RMB products are further diversified. Trade and Capital Market



The offshore RMB RTGS clearing system is running efficiently.
Global payment frame has been built up (HK RTGS+CNAP, CIPS)



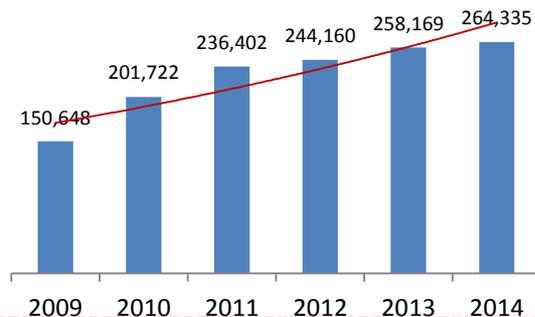
The Trend of RMB internationalization

Macro-Economy

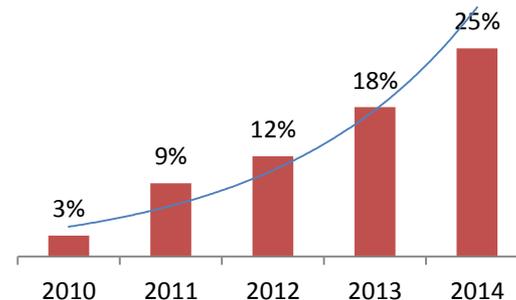


2009-2014 import and export

单位：亿元

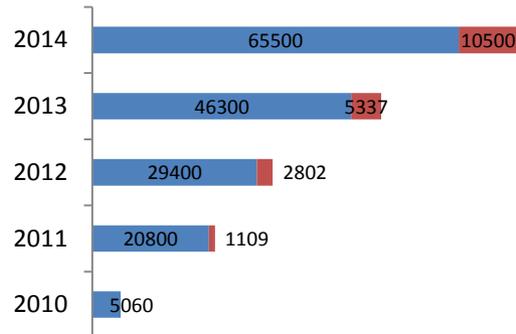


2010-2014 RMB settled in import and export



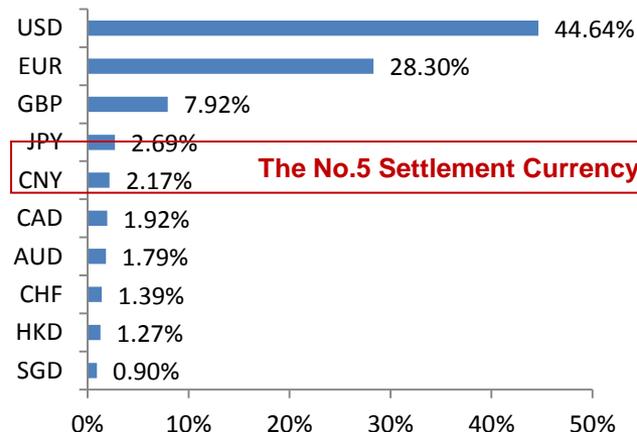
2010-2014 RMB in cross border settlement

单位：亿元



■ 跨境贸易人民币结算额 ■ 直接投资人民币结算额
Value of Cross-border Trade Value of Direct Investment

Top 10 currencies in payment



The No.5 Settlement Currency

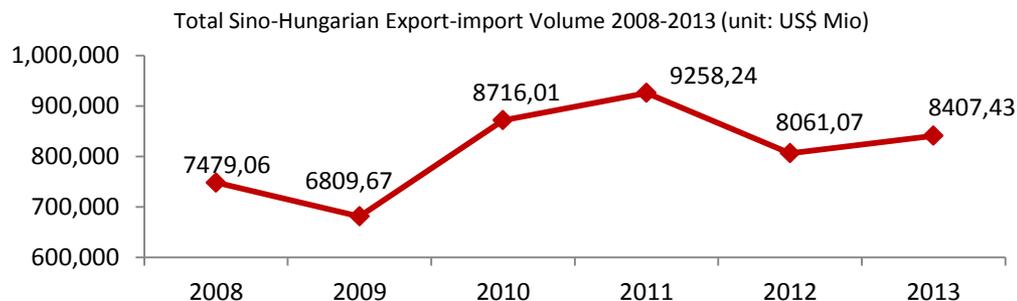


The Trend of RMB internationalization

RMB market in Hungary: current and future

Close economic and trade contacts between Hungary and China

- Hungary and China have established close economic and trade contacts. In CEE region, nowadays Hungary is one of the largest trading partners of China, and the total export-import volume between both countries hit a record of US\$ 8.4 billion in 2013.



High investing enthusiasm from Chinese enterprises

- Hungary is one of the countries attracted with the largest investment amount from China. In recent years, quite a few large-sized Chinese enterprises made investment in Hungary, for instance, Huawei, ZTE Corporation, Yantai Wanhua Polyurethanes.

Superior geographical position, with perfect access to Central and Eastern Europe (CEE)

- As a bridgehead in CEE region, Hungary is endowed with wonderful accessing conditions to the other countries such as Austria, Czech Republic, Croatia, Bulgaria, Romania and Slovakia.

Rapid growth of RMB business and huge market potentials

- Hungary and China entered into a Bilateral currency swap agreement in 2013, with value of RMB 10 billion
- The RMB payment business in Hungarian market in 2014 reached up to a total volume of RMB 27.2 billion with a growth rate of 140.8% than that in the previous year.

Advantages of BOC Group clearing business

Leading Position of BOC Group

No. 1 RMB Service Provider in the market

Cross-border RMB
clearing amount
(Jan. – Dec. 2014)

- The cross-border RMB clearing amount fulfilled by BOC Group hit a record of **RMB 240.8 trillion yuan**, with a growth rate of 86.6% than that in the previous year.
 - **Ranking the first place in the whole world**
-

RMB clearing
accounts
(as of the end of 2014)

- BOC Group opened **1,322** cross-border RMB clearing accounts for interbanks, **244** more than that in the previous year.
 - **Ranking the first place in the market**
-

Offshore RMB
clearing bank
(as of Jan. 2015)

- BOC Group acts as **the RMB clearing banks** respectively in Hong Kong, Macao, Taiwan, Frankfurt, Paris, Sydney and Malaysia , as well as **the RMB Market Maker** in Russia.
- **Ranking the first place in banking industry in terms of the amount of RMB clearing banks**

Advantages of BOC Group clearing business

Multiple advantages of BOC in RMB clearing

Network

- The number of the clearing banks makes the biggest clearing network, there are the only current channels to link to onshore markets by CNAPS through BOC Hong Kong and BOC Macao.
- BOC GUPP centralized platform can support and cover all time zones
- BOC launched offshore central Hub in Hong Kong is the most important RTGS system in the world, the participants are from more than 30 countries

Professionalism

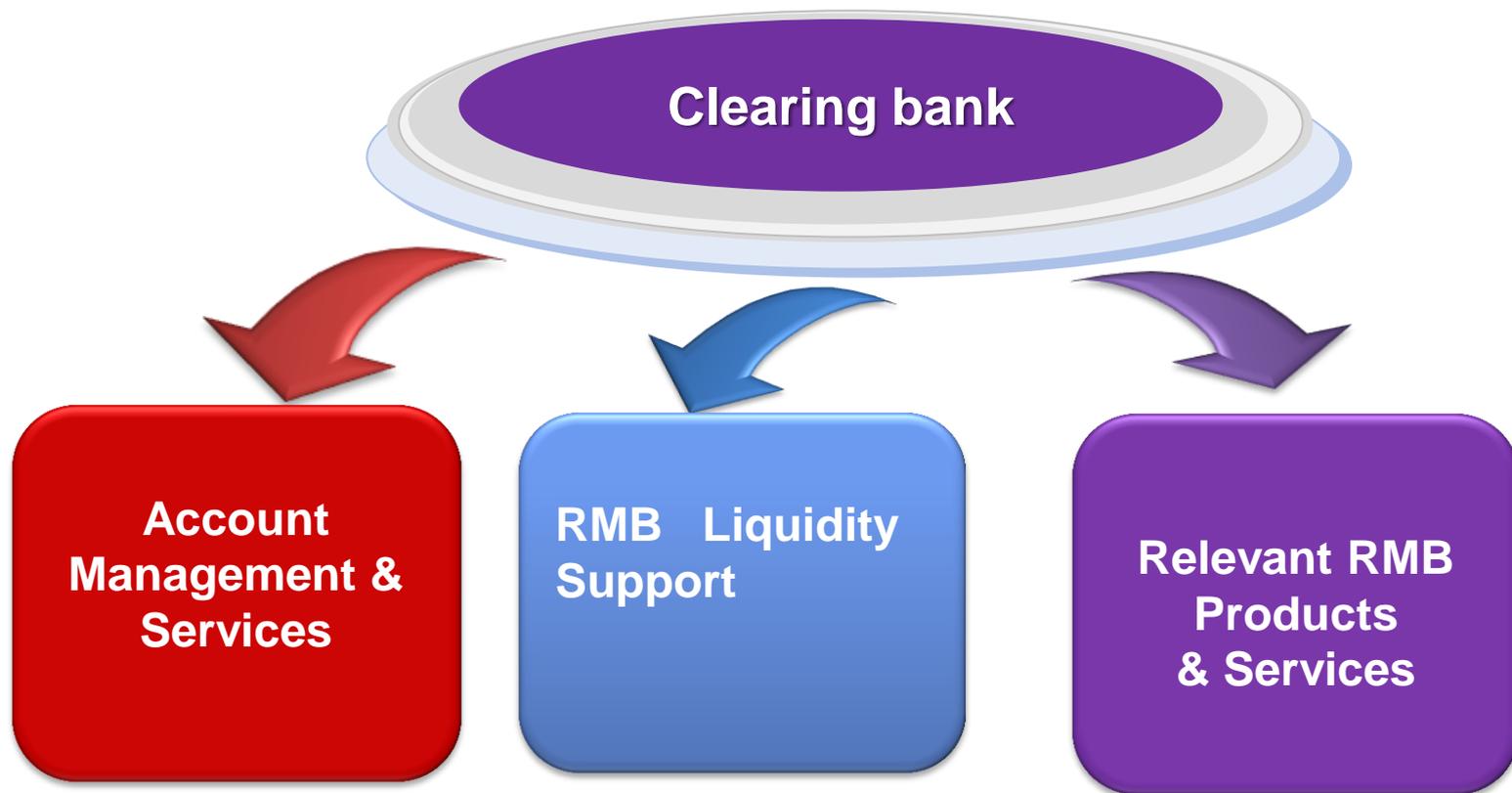
- Most internationalized bank over 100 years of history.
- Experienced and good performance in multiple markets all of the world.
- Prudent risk control management structure with efficient Business Continuous Plan
- Very experienced teams works on clearing business in main currency areas.

Leading position

- Top brand name according to Flmetrix' investigation for 549 banks from 2012-2013
- 2010-2014, consecutive won the best RMB clearing bank in Asian-Pacific region from Asian Banker for 5 times

BOC Global RMB Clearing Service in Hungary

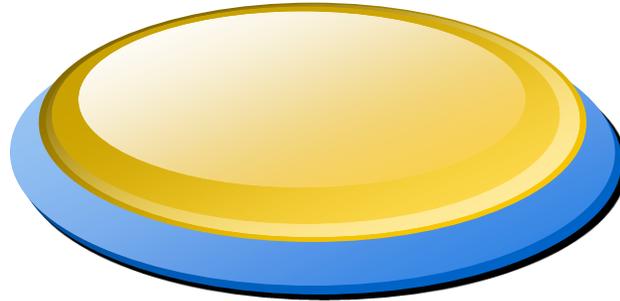
Services Offered by Clearing Bank to Participant Banks



BOC Global RMB Clearing Service in Hungary

What Clearing Bank could offer to the supervision authorities

- Undertaking separated management on clearing business and the other business of its own
- Submitting data to supervision authority
- Submitting model agreements with participant banks to supervision authority

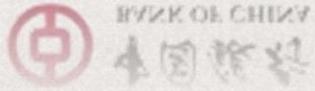


- Submitting internal operation rules and risk control guidelines to supervision authority
- Organizing relevant training courses as per supervision requirements
- Offering agent services on RMB investment for supervision authority

BOC Global RMB Clearing Service in Hungary

Advantages of BOC Group Hungary Branch

- Offering RMB settlement channel under Hungary law frame
- Centralized Global payment platform in BOC Head Office
- From one point links to BOC Group Global products from and Client Group
- More than 20 years Experienced exports from Headquarters based on Budapest and leading local staffs team
- Sufficient RMB Liquidity supporting by the BOC group



Thank you!

