

Supply Chain Finance

A Win-win Solution for Enterprises and Banks

Sept.2012

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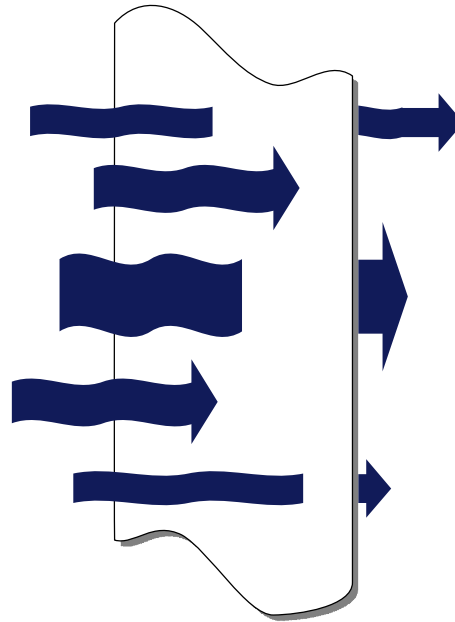
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I .Understanding of Supply Chain Finance from the Perspectives of Enterprises and Banks Individually

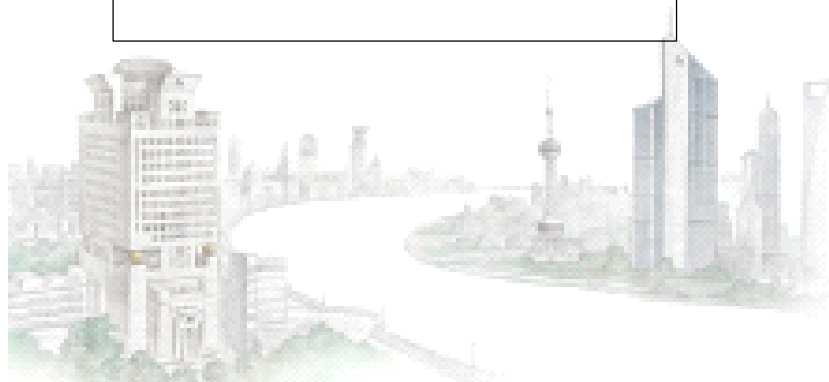
Perspective of Enterprises

- The purpose of Supply Chain Finance is to coordinate the various nodes of the supply chain financing pattern and to avoid unexpected financial shortage.
- Based on Supply Chain Management



Perspective of Banks

- The supply chain is not only the capital flow, the product chain and the information chain, but also a credit chain. However, the credit level shows great difference among the nodes, and they affect each other.
- It is the extension and re-utilize of the high grade credit (core business)



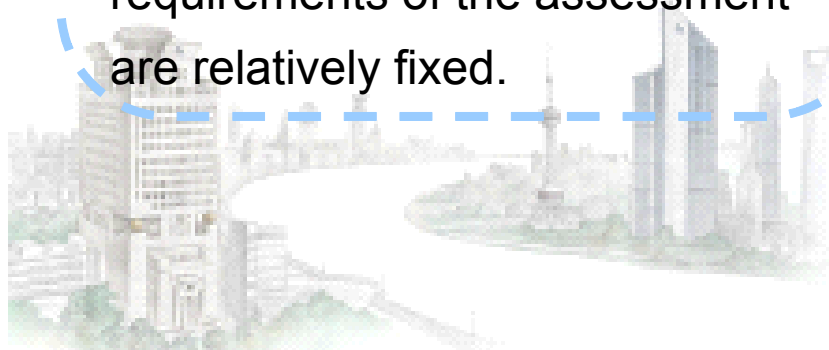
II .A Comparison of Supply Chain Finance and Traditional Financing solution

Traditional Finance

- ◆ The credit permission assessment is in a simplified and single way.
- ◆ Focus on the assets and scales of enterprises.
- ◆ The contents and the requirements of the assessment are relatively fixed.

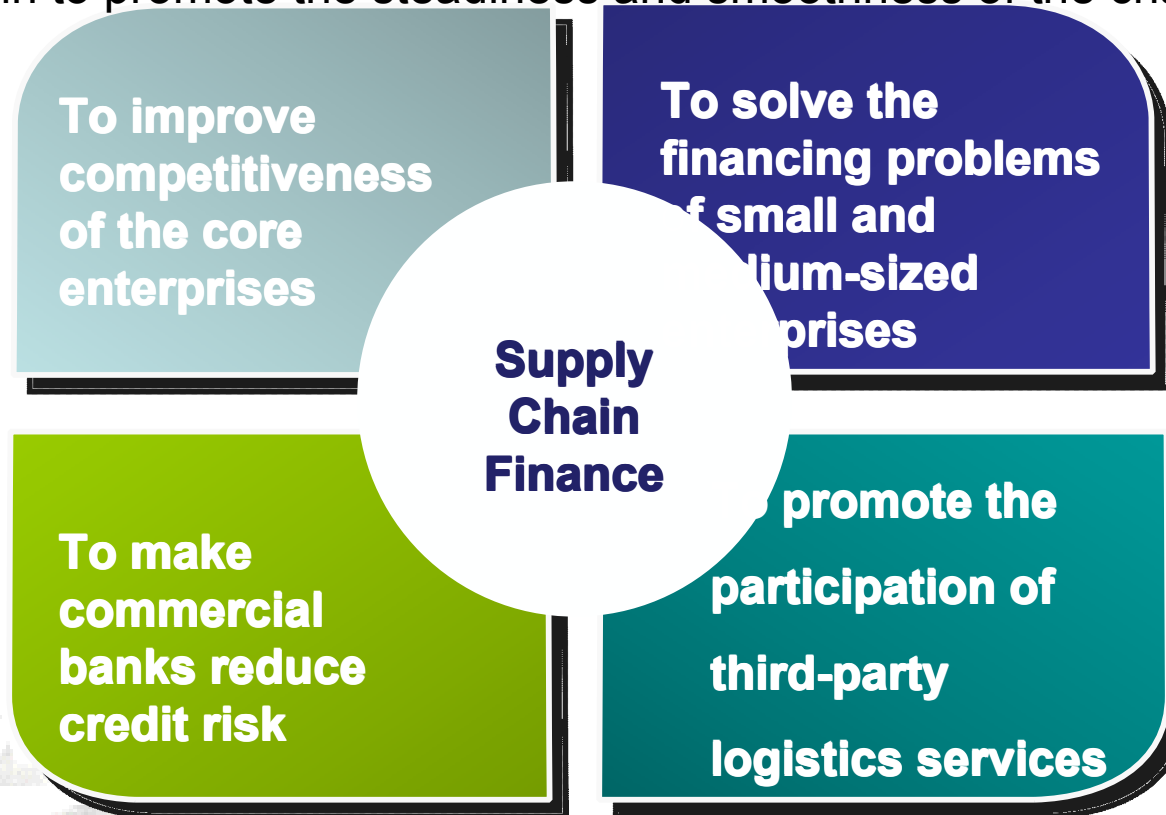
Supply Chain Finance

- ◆ The credit permission assessment focuses on the importance of the entire supply chain, the transaction history and the trade background with the core businesses.



III. The Function of Supply Chain Finance

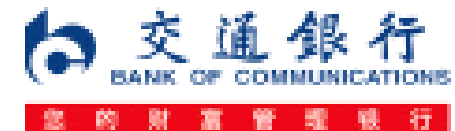
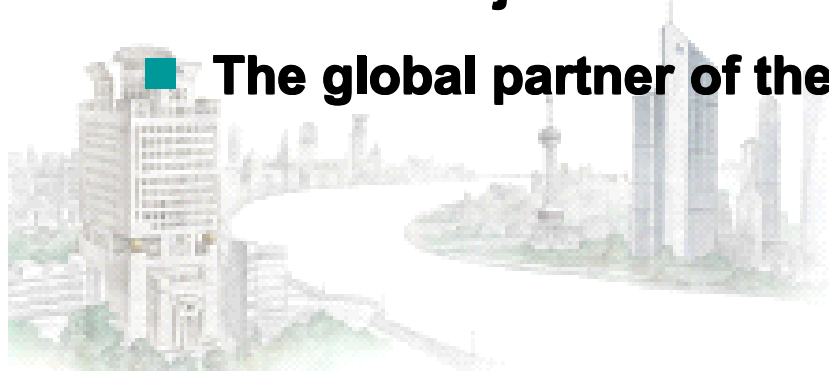
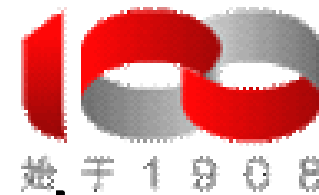
The Supply Chain Finance is to integrate all resources on the chain of "product-provide-sale". It provides comprehensive financial services for both individual enterprises and the upstream and downstream companies on the supply chain to promote the steadiness and smoothness of the chain.



IV. The Supply Chain Finance of Bank of Communications

Our History

- **Founded in 1908 with a centuries-old history.**
- **The fifth largest commercial bank in China.**
- **China's first national joint-stock commercial bank.**
- **China's first commercial bank issued overseas IPO; Successfully recruit the domestic and foreign strategic investors such as HSBC, the Social Security Fund and the Central Huijin investment Ltd.**
- **The global partner of the 2010 Shanghai World Expo.**



IV. The Supply Chain Finance of Bank of Communications

Our Honors



《EUROMONEY》 “Best Cash Management Bank China”

《MONEY TALKS》 “Best Wealth Management Bank”



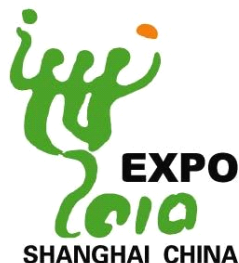
《GLOBAL FINANCE》 “Best Local SME financing bank”



《Treasury》 “the most potential bank of Cash management in China”

《The Chinese Banker》 “Best Wealth Management Bank”

WORLD BRAND LAB: Excellent Brand (NO.1 in bank industry)



The global partner of the 2010 Shanghai World Expo.



您的财富管理银行

IV. The Introduction of Supply Chain Finance of BOC

Structure of the Integrated Financial Group

BOC Schroder Fund Management

A leading AUM Scale nationally

BOC International Trust

474.7 billion of assets entrusted

BOC Financial Leasing

70 billion of financial leasing assets

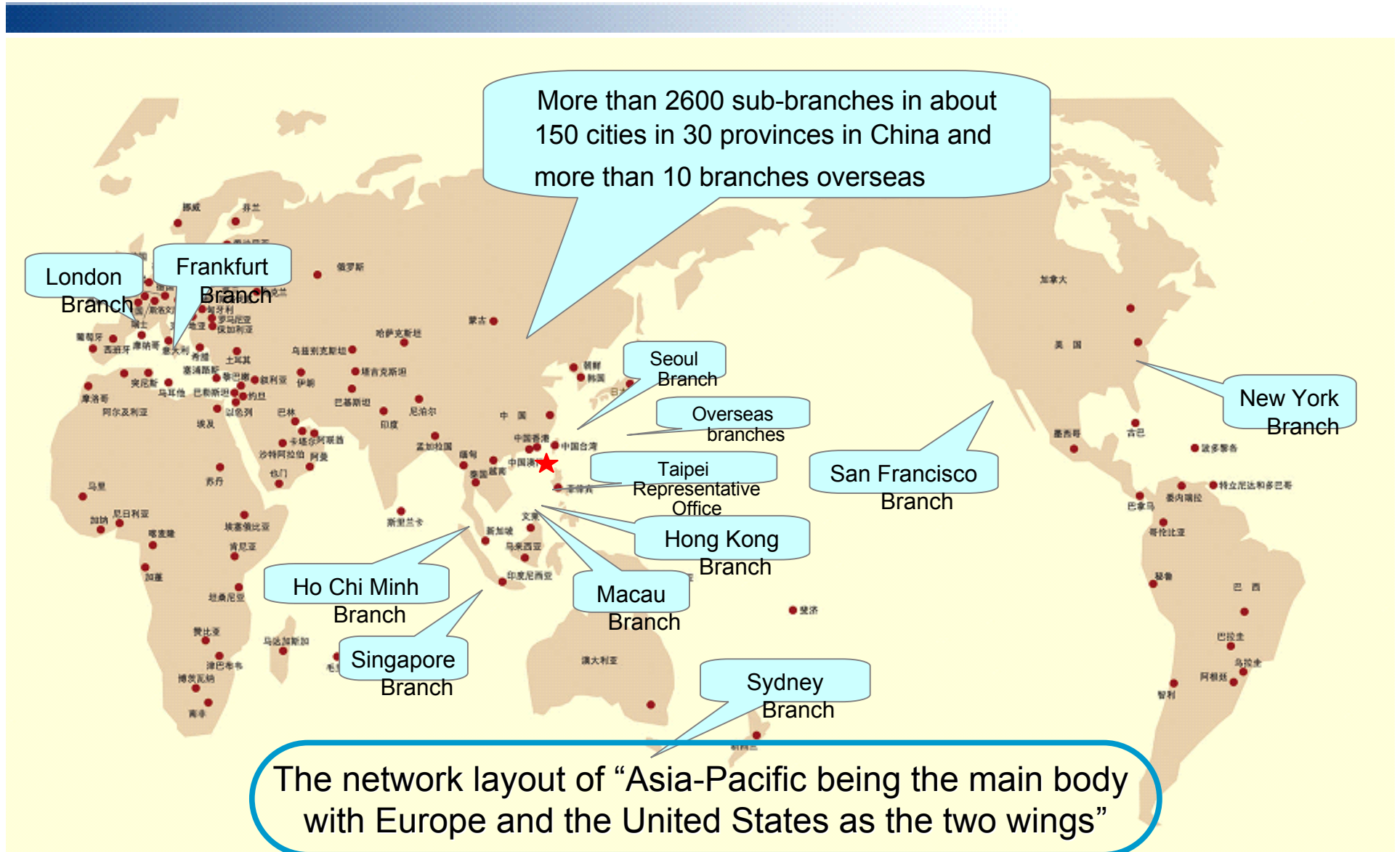
BOC International

Registered in HongKong

BoComm life Insurance

A joint venture insurance institutions

IV. The Introduction of Supply Chain Finance of BOC



IV. The Introduction of Supply Chain Finance of BOC



World Expo Bureau



Shanghai Disney



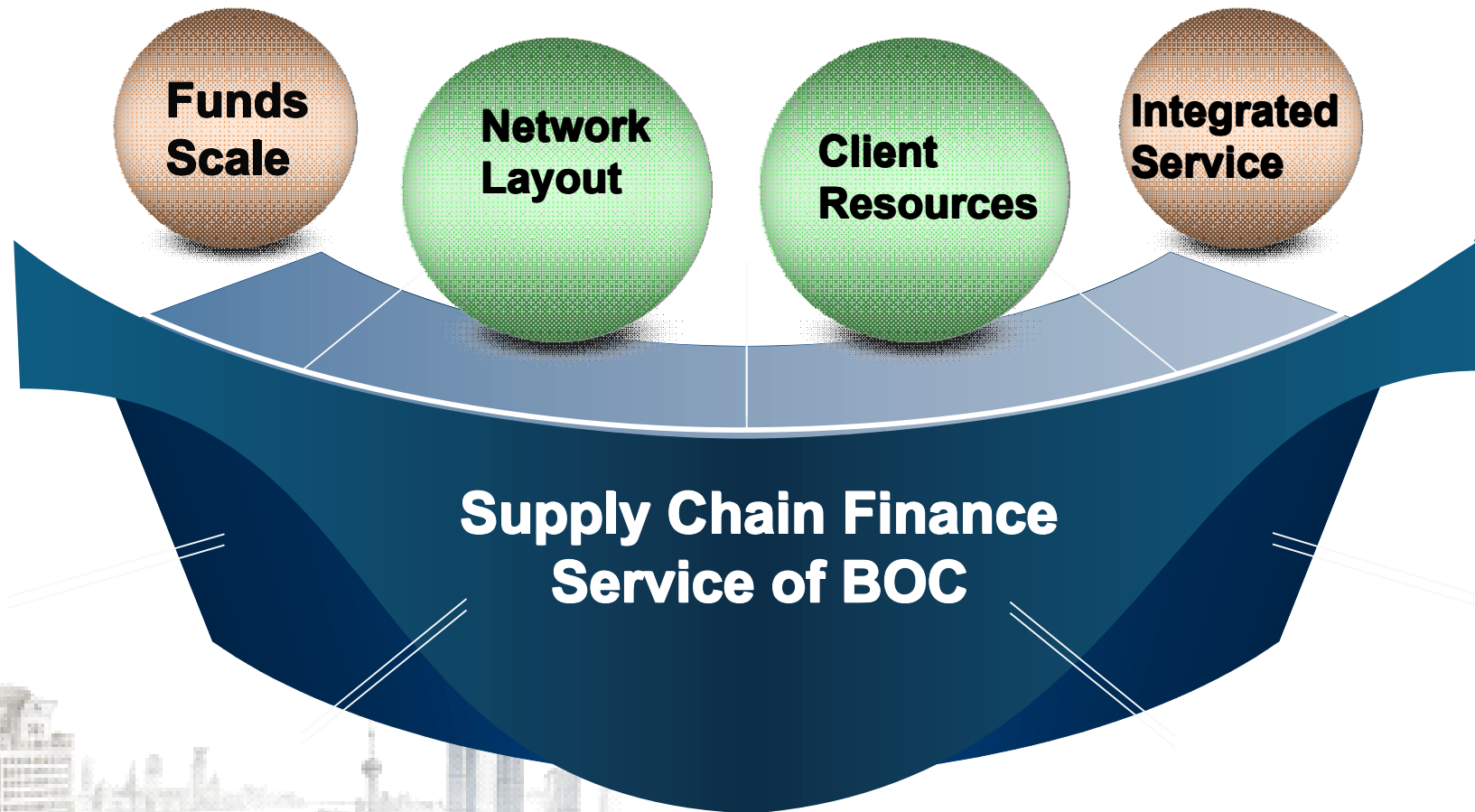
China Commercial Aircraft



Baosteel Group



IV. The Introduction of Supply Chain Finance of BOC



IV. The Introduction of Supply Chain Finance of BOC

1. History

The clients of Wuhan Branch BOC proposed the idea of financing their downstream distributors, which achieved good results after the actual operation of the branch.

2002

2005

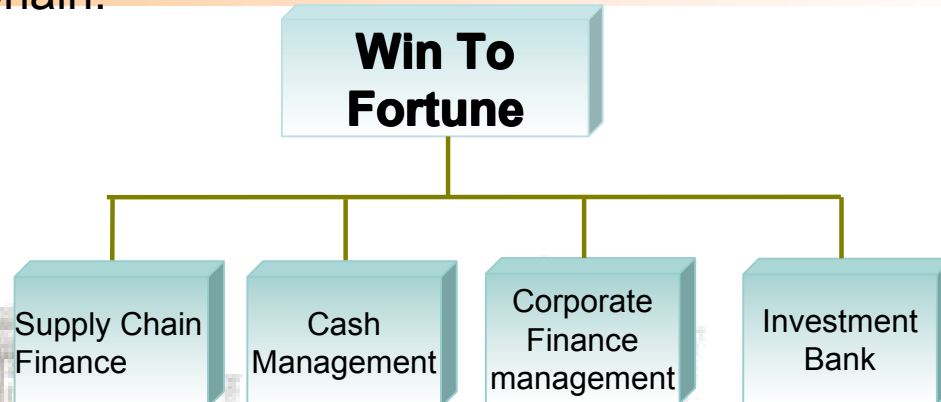
BOC signed an overall pledged regulatory cooperation agreement with Sinotrans and introduced logistics supervision. It marks the entrance into a new period of rapid development for the supply chain finance business of BOC.

IV. The Introduction of Supply Chain Finance of BOC

2. Brand System

Win To Fortune Supply Chain

A new Supply Chain Finance brand covering all the business from upstream suppliers to the downstream distributors and end-users of the whole industrial chain – Win To Fortune Supply Chain.

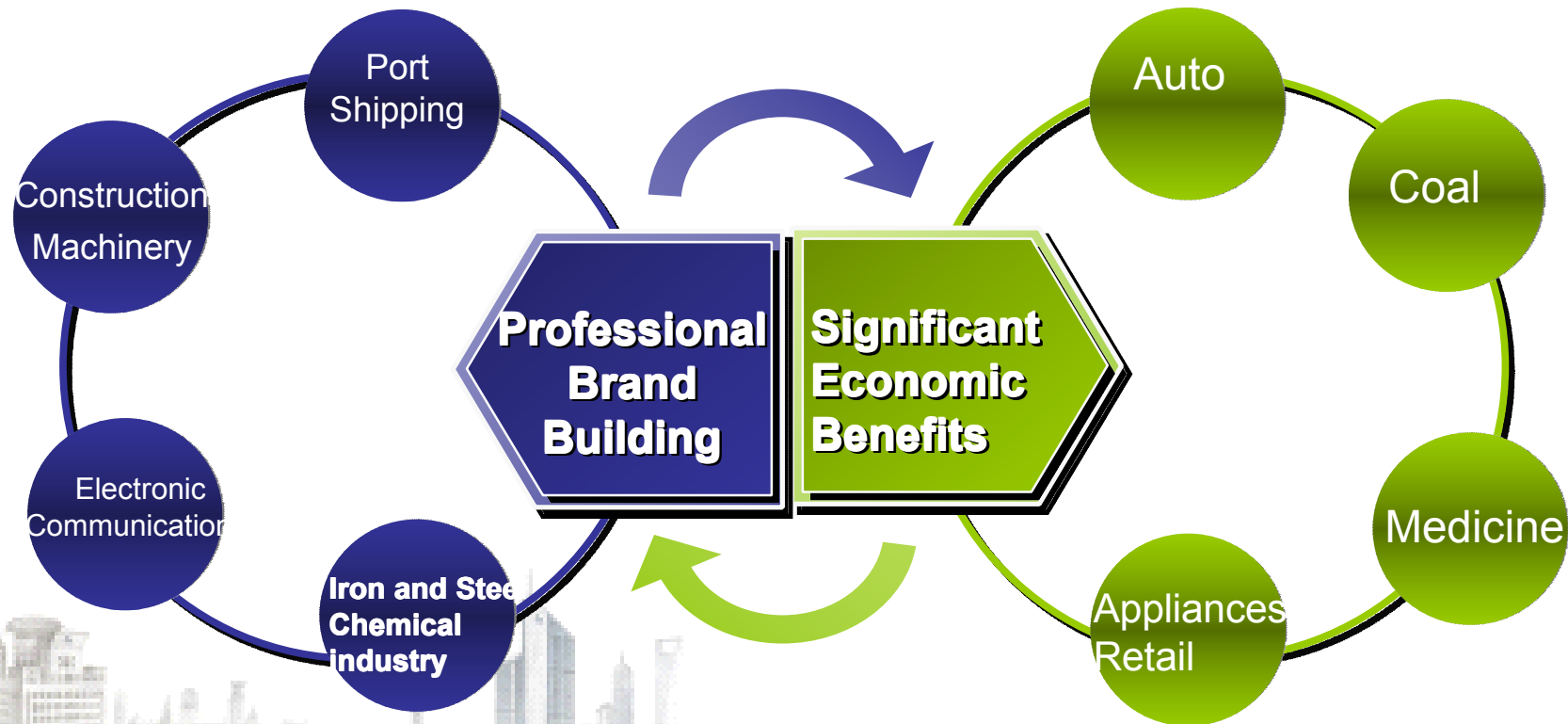


Win To Fortune Supply Chain is an independent sub-brand.



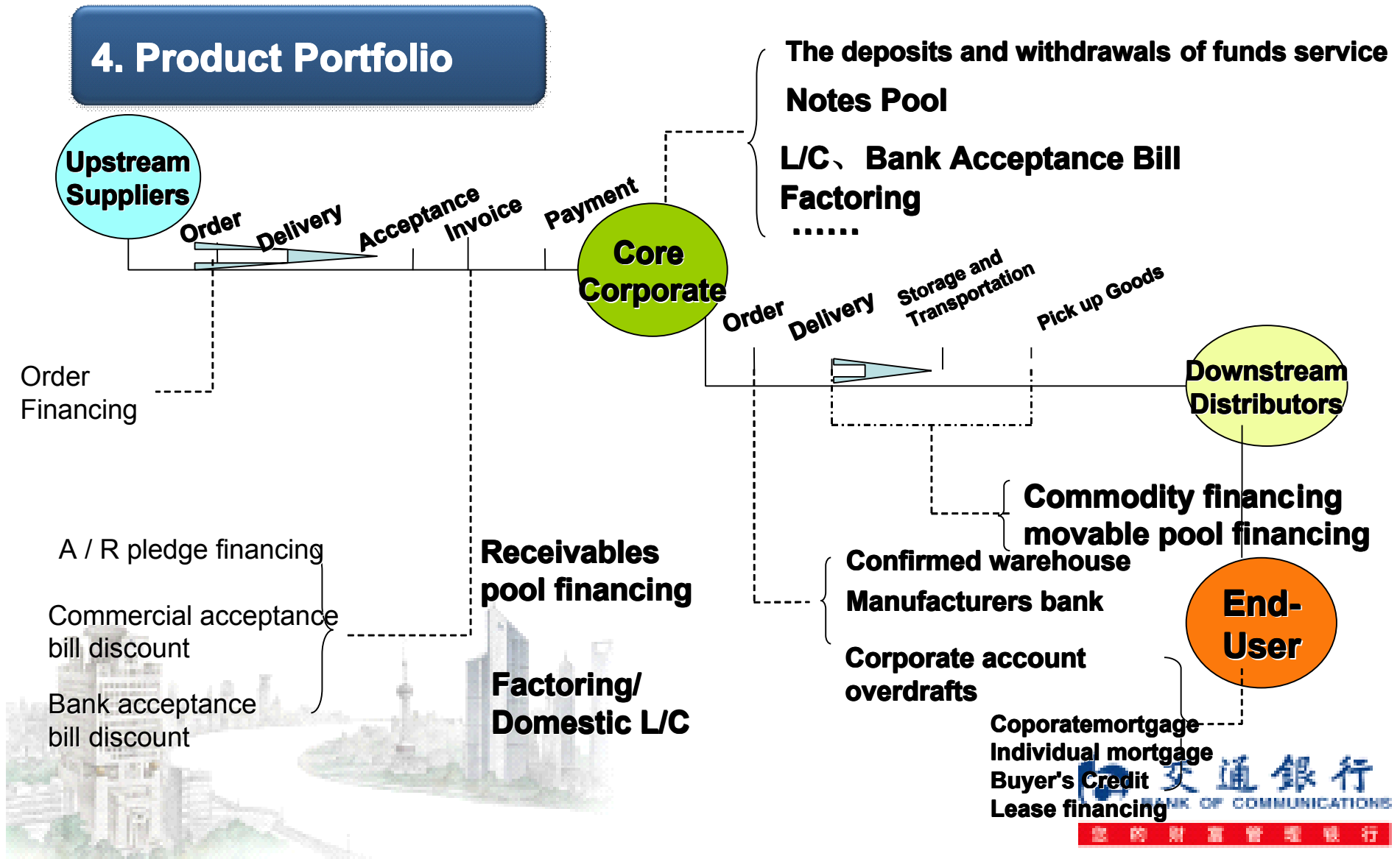
IV. The Introduction of Supply Chain Finance of BOC

3. Industry Coverage



IV. The Introduction of Supply Chain Finance of BOC

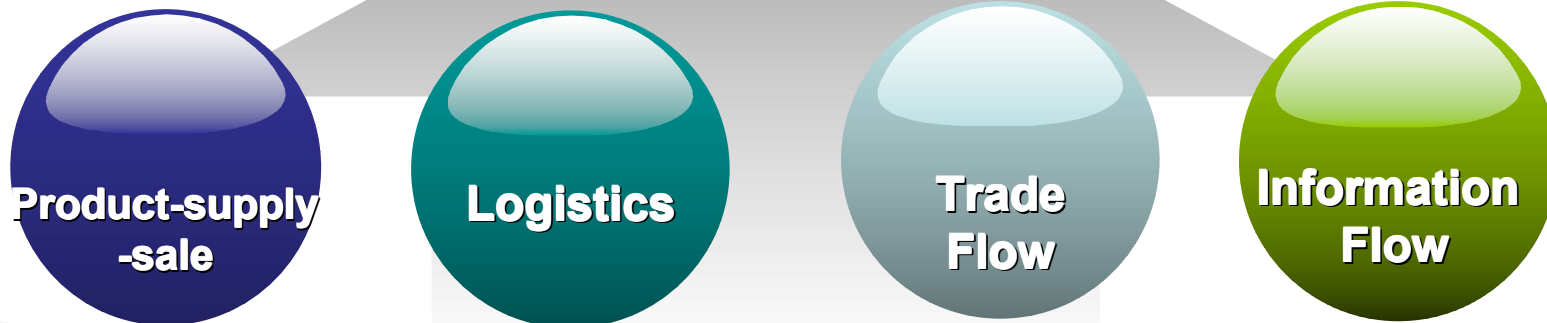
4. Product Portfolio



IV. The Introduction of Supply Chain Finance of BOC

5. Brand Value

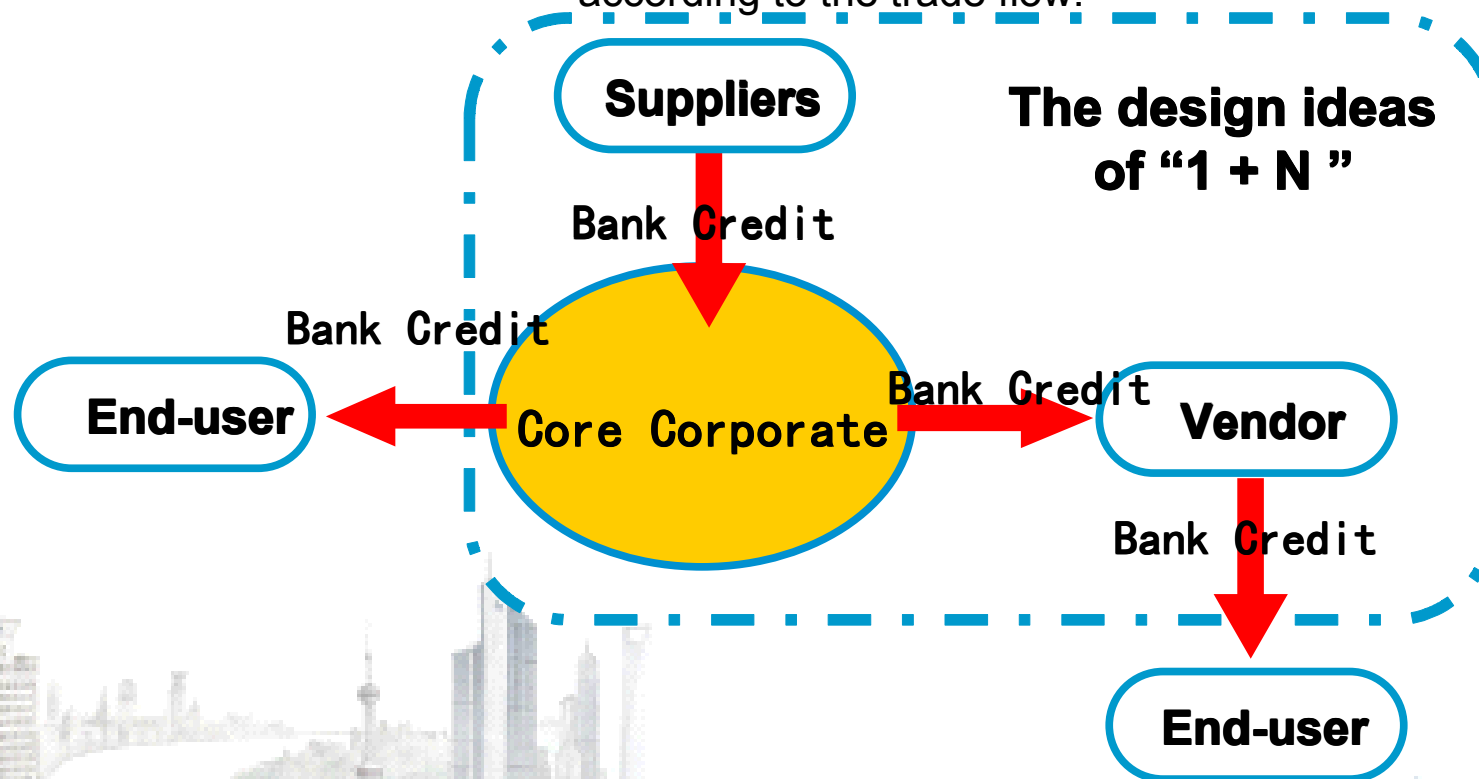
Support SMEs of the core corporate on the supply chain



IV. The Introduction of Supply Chain Finance of BOC

4. Risk control

It has a complete product system and operation platform. With the support of the logistics monitoring platform, the credit insurance platform and the guarantees platform, the financing can be carried out by the business process of the corporate. It can also make personalized product portfolio according to the trade flow.



IV. The Introduction of Supply Chain Finance of BOC

- ◆ In the selection of “China's Most Trusted Bank of the CFO” Sponsored by 《CFO》, BOC has won the “Best Supply Chain Finance Award” for four consecutive years.
- ◆ The “Financial Solution of the Win To Fortune Supply Chain ”is selected as “Top Ten Financial Products of Financial Marketing” by The Banker magazine.



5. Case Introduction of Supply Chain Finance

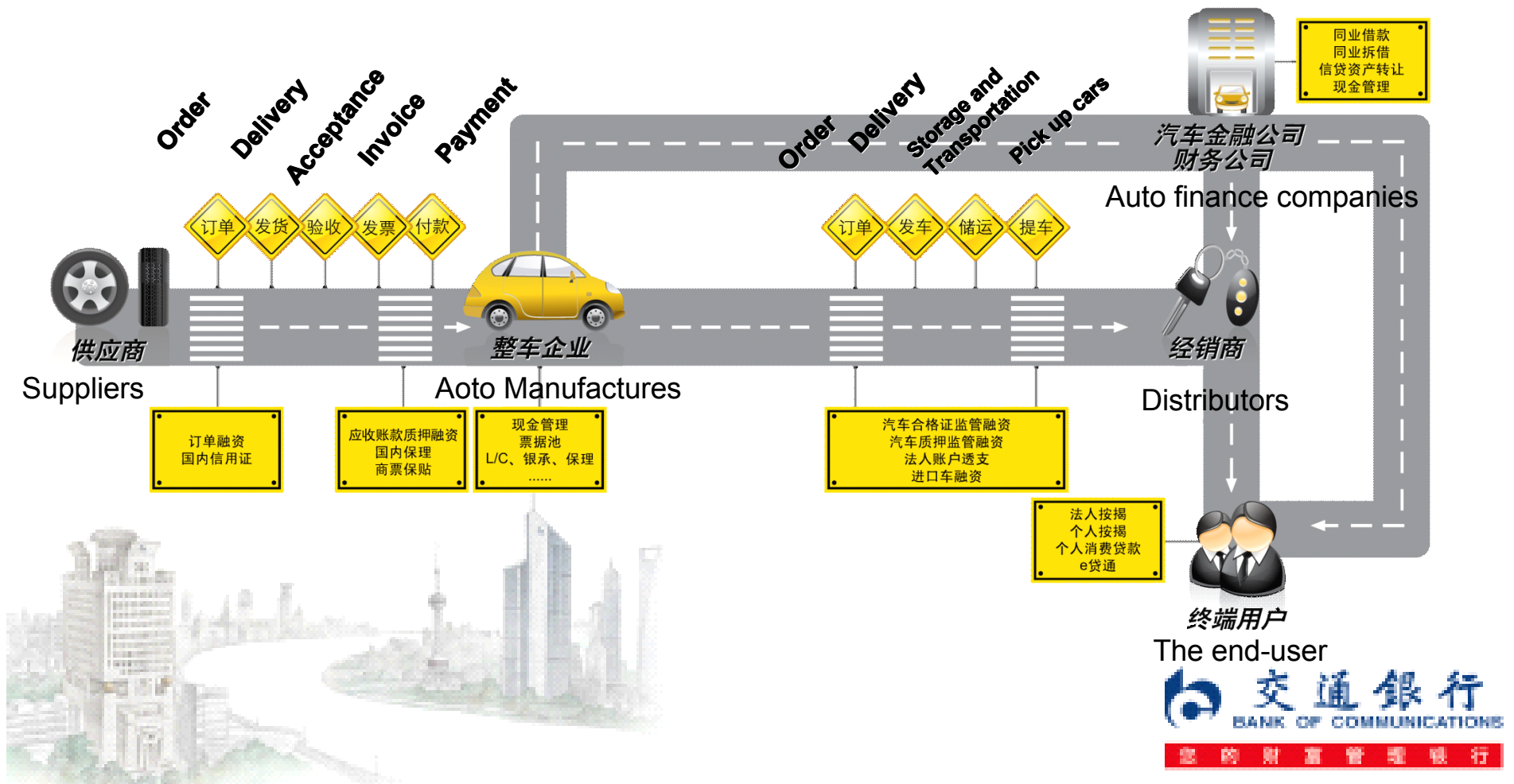


Financial Solution for Automotive Supply Chain



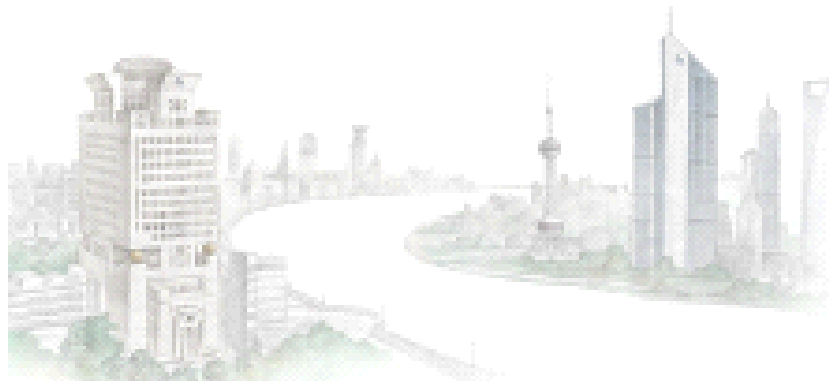
5. Case Introduction of Supply Chain Finance

Financial Solution for Automotive Supply Chain

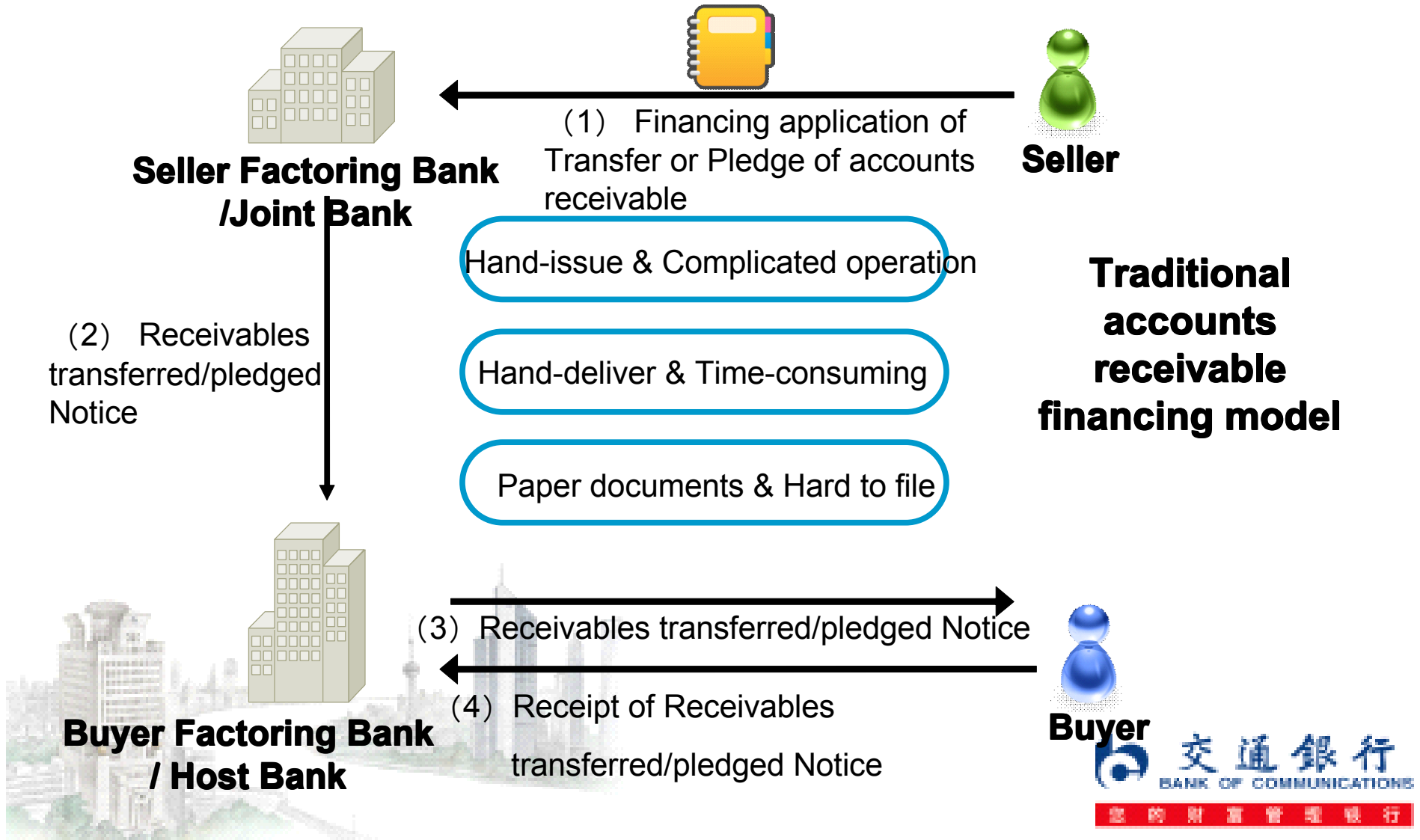


5. The Introduction of Innovative Services of Supply Chain Finance

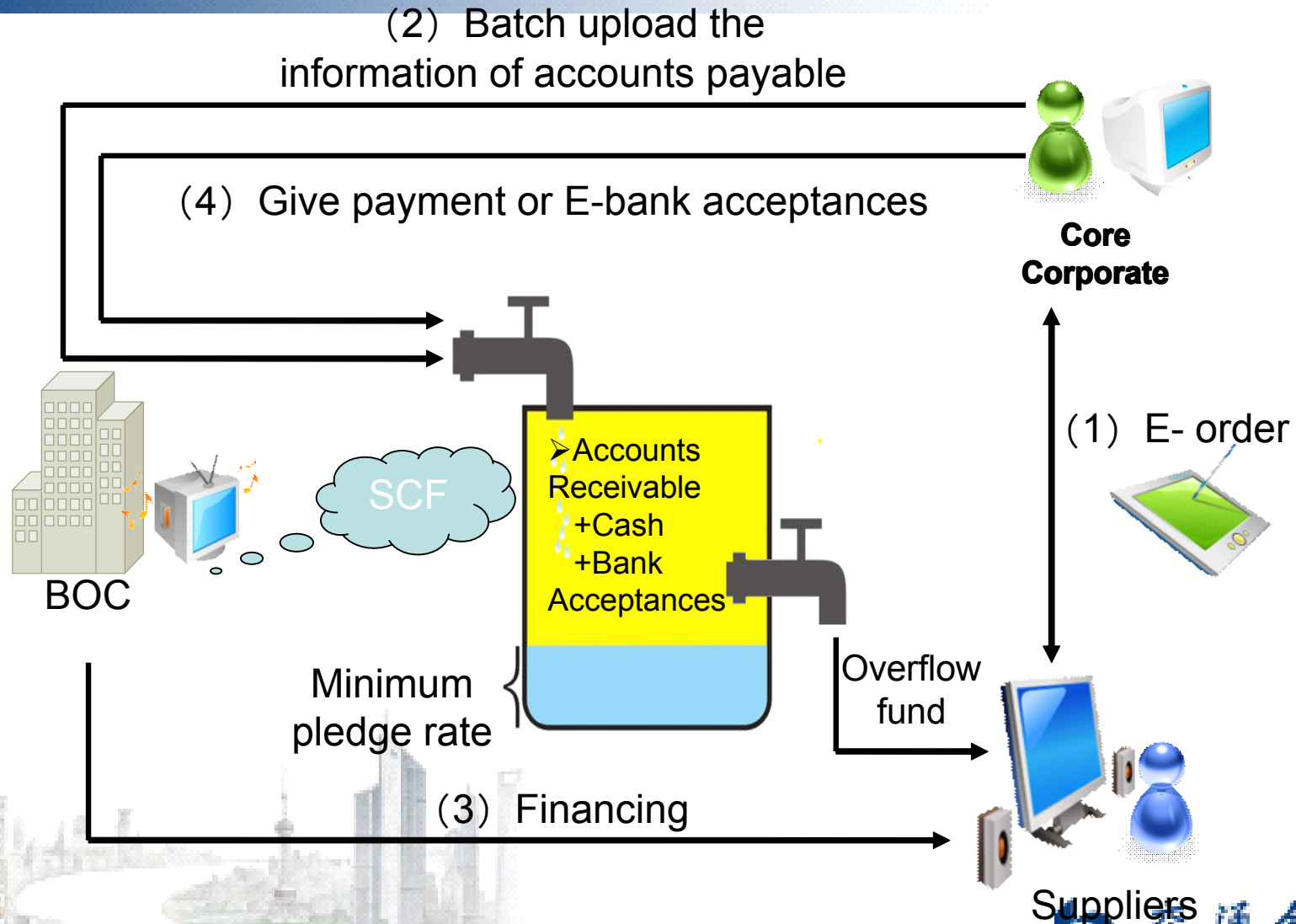
Innovative Services of Win To Fortune Supply Chain Finance



5. The Introduction of Innovative Services of Supply Chain Finance



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5. The Introduction of Innovative Services of Supply Chain Finance

The benefits of the electronic supply chain

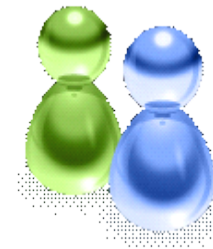
- The electronic instructions such as commodity pledge, withdrawals and goods pick up are initiated by the corporate side.
- The bank conducts online approval and directly connects the COSCO Logistics warehousing system to realize the two-way electronic interaction of the pledge supervision, the delivery instructions and the involved bills.
- The system automatically makes approval and sends delivery notice when picking up goods.
- SMEs can conduct all the business in process such as goods pledge, financing application, financing restitution and commodity delivery without going to the bank.
- In addition to commodity finance, the electronic finance products such as the accounts receivable financing, the factor market financing are on the way.



5. The Introduction of Innovative Services of Supply Chain Finance

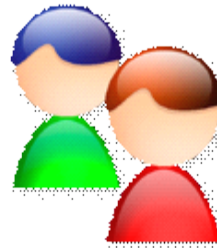


A linkage of Domestic and Overseas Trade Financing Products



Domestic and Overseas suppliers

- Domestic Factoring Business
- Pledge of Accounts Receivable
- Pledge of Movable
- Bill Financing



Core Corporate

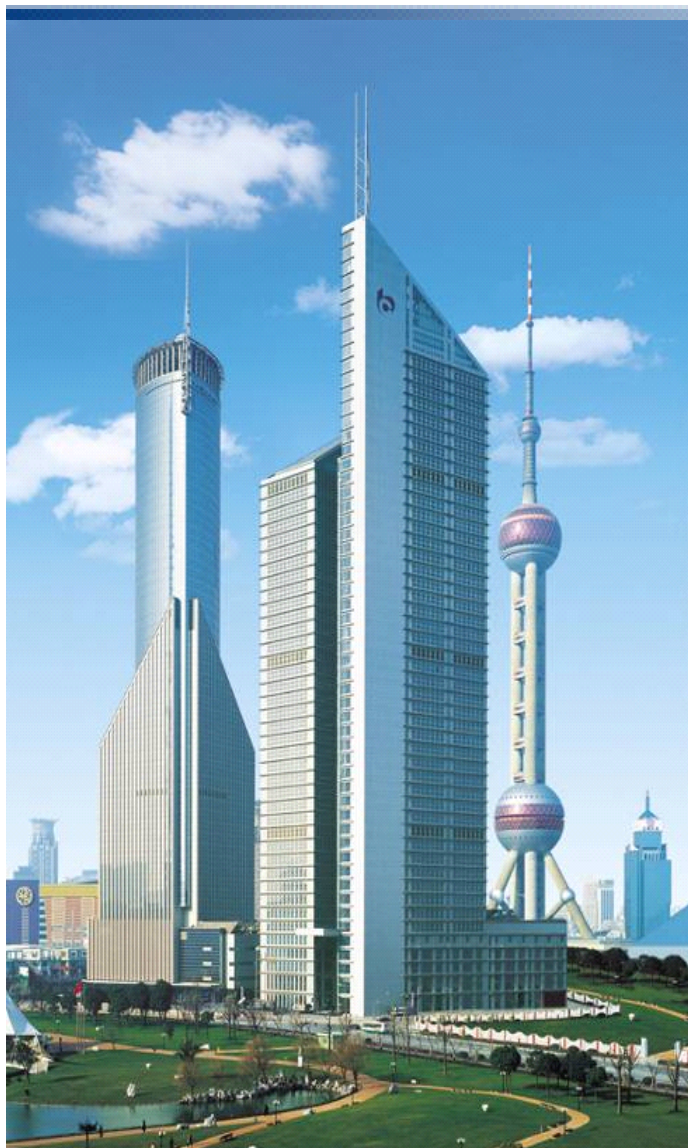
Domestic and Overseas distributors / end-users

- Bill Purchased (B/P)
- Export Collection
- Export Invoice Financing
- Factoring Business

5. The Introduction of Innovative Services of Supply Chain Finance

Information Platform





**Make Financial Solutions more flexible
&
Achieve Higher Value**

Thank You!

**Mr. Shen Weidong
Bank of Communications**

