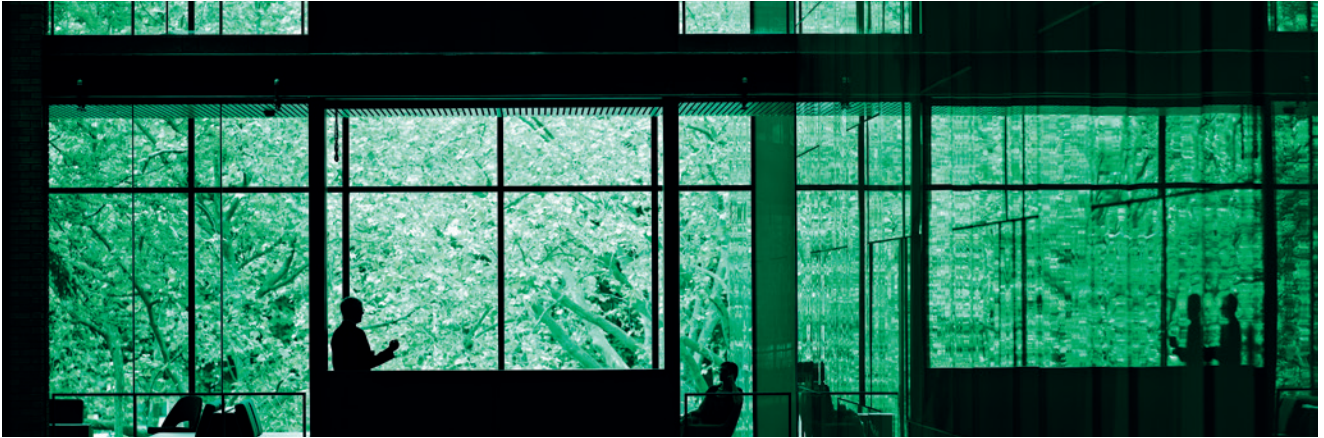


COMMERCIAL BANKING



WINNING IN RENMINBI

Whether you're selling goods and services into China or buying from Chinese suppliers, it counts to equip your business to trade in the key currency, the Renminbi (RMB).

The significance of Renminbi has grown steadily since the Chinese Government liberalised its use in global trade, it is now one of the world's most recognisable and fastest growing currencies. The ability for importers and exporters to trade in this key currency can have many operational advantages.

Four ways we'll help

Lloyds Bank's portfolio of RMB services provides you with four key facilities:

1. Payments capability

We can make payments to both mainland China and offshore accounts. For payments to mainland China, you must include details of the trade transaction (Purchase Order and/or Invoice Number) in the payment message.

- a. The transaction must be for the sole purpose of settling a trade transaction.
- b. The payment must contain an invoice or purchase order number relating to the trade transaction. If the payment does not contain an invoice or purchase order number the payment will be delayed.
- c. Payments can only be made to companies and not individuals.
- d. The 12-digit CNAPS (China National Advanced Payment System) number must be provided. If the payment does not contain a CNAPS number the payment may be delayed or returned unpaid and incur additional charges.
- e. The relevant Purpose of Payment Code (see list below) must be inserted in Field 72:
 - "/TRADE/GOODS"
 - "/TRADE/SERVICE"
 - "/CURRENT/TRF"
 - "/CAPITAL/TRF"
- f. All information must be in English; Chinese characters are not acceptable.
- g. There is a requirement to retain documentary evidence of the underlying invoice for seven years.



LLOYDS BANK

2. RMB currency accounts

We can offer RMB currency accounts for you to receive and hold Renminbi, pending either currency conversion or subsequent outward payments.

3. Foreign exchange facilities

We can assist you in managing your China currency risk, by helping you transact spot deals and currency risk management trades. As with any foreign exchange, we appreciate that each approach has different merits and potential pitfalls and we would be delighted to work with you to develop an approach that works for you.

4. RMB trade services

For importers

- If your Chinese supplier requires an RMB – denominated Import Letter of Credit*, we'll provide it and process all the associated documentation
- We can process RMB-denominated inbound documentary collections
- We'll provide RMB-denominated import loans* for agreed terms linked to your trading cycle.

For exporters

- If you've arranged a Letter of Credit with your Chinese customer, we'll process the documentation – and may “confirm” payment of the credit to give you extra security
- We can process RMB-denominated outbound documentary collections
- We'll provide RMB-denominated export loans* and discount (i.e. make early payment on) bills of exchange accepted by Chinese importers and guaranteed by their bank
- To help you win contracts in China, we'll provide a full range of contract bonds and guarantees, including bid and performance bonds* and advance payment guarantees.

At a glance

Key facilities: Lloyds Bank's portfolio of RMB services provides you with:

RMB international payments capability

- RMB currency accounts
- Foreign exchange facilities

- Full trade-related services (Documentary Credits, Collections, Contract Guarantees and Trade Finance).

Main benefits

By conducting international business in Renminbi, you can:

- Benefit from discounts or preferential terms as an importer
- Gain competitive advantage with Chinese customers as an exporter
- Minimise your foreign exchange costs with an RMB currency account
- Make payments to both mainland China and offshore accounts
- Hold Renminbi in an RMB currency account
- Exchange RMB against other currencies on a “spot” basis
- Secure forward cover against RMB payables and receivables.

If you're an importer, we will:

- Provide your Chinese supplier with an RMB – denominated import Letter of Credit*
- We can process RMB-denominated inbound documentary collections
- Provide agreed RMB-denominated import loans* linked to your trading cycle.

If you're an exporter, we will:

- Process your Letter of Credit documentation
- We can process RMB-denominated outbound documentary collections
- We'll provide RMB-denominated pre and post shipment export loans* and discount (i.e. make early payment on) bills of exchange accepted by Chinese importers and guaranteed by their bank
- Help you win contracts in China with contract bonds and guarantees*.

CHANGES IN THE EXCHANGE RATE MAY INCREASE THE STERLING EQUIVALENT OF YOUR DEBT. All enquiries for foreign currency accounts will be referred to a specialist manager who will provide more information about charges for these services upon request.

*Subject to credit status.

 **Contact your relationship manager**

 **Go to lloydsbank.com/business**

Please contact us if you would like this information in an alternative format such as Braille, large print or audio.

If you have a hearing or speech impairment you can use Text Relay (previously Tynetalk).