

# Case Study

Inaugural BPO Transaction  
by China Merchants Bank

# Identification of Opportunity

- During the initial stages of the co-operation, the transaction banking department at **China Merchants Bank** visited **Angel Yeast** regularly, and conducted training on BPO operations for the business teams, allowing them to understand their current financing structure and to propose suitable BPO solutions.
- China Merchants Bank saw the BPO scheme as a service which offers both the convenience of credit-based sales and the security features of letter of credit, which would in turn benefit their client.
- Project plan was finalised, and discussions were held regarding the details of the project plan, relevant workflow, risk control, and prevention and operating rules.
- Both parties agreed on the structure after a series of discussions.
- On 7 April 2015, the bank's first ever SWIFT BPO transaction was successfully concluded.

# Main Benefits of BPO

## For China Merchants Bank:

- Solves electronic presentation related issues inherent in traditional payment models.
- Replaces physical delivery, review and acceptance of printed documents with electronic transmission of data.
- Offers both the convenience of credit-based sales and the security features of letter of credit.
- *“The BPO is a completely new payment method distinctive from all other traditional models and represents a major innovation in international trade. We are keen to deliver innovative services in trade finance using the new BPO payment method as this responds to corporates’ demands for faster payments and on-demand financing.” – China Merchants Bank*

## For Angel Yeast:

- Efficiency of document flow for transactions between the company’s branches.
- *“BPO significantly assists banks to support trade between a buyer and a seller. This innovative product replaces the previous more traditional methods like L/C, and is greatly beneficial for corporates like us who conduct numerous transactions between our branches across the country.” – Angel Yeast*

# About China Merchants Bank



## Facts and Figures

- Founded in 1987 with its head office in Shenzhen, China
- A national commercial bank with significant scale and strength in China.
- Mainly focuses on the market in China with its distribution network primarily covering China's more economically developed regions such as Yangtze River Delta, Pearl River Delta and Bohai Rim, and some large and medium cities in other regions.
- Currently has 1,941 domestic and overseas correspondent banks in 110 countries (including China) and regions.
- Listed on the Shanghai Stock Exchange in April 2002 and on SEHK in September 2006.

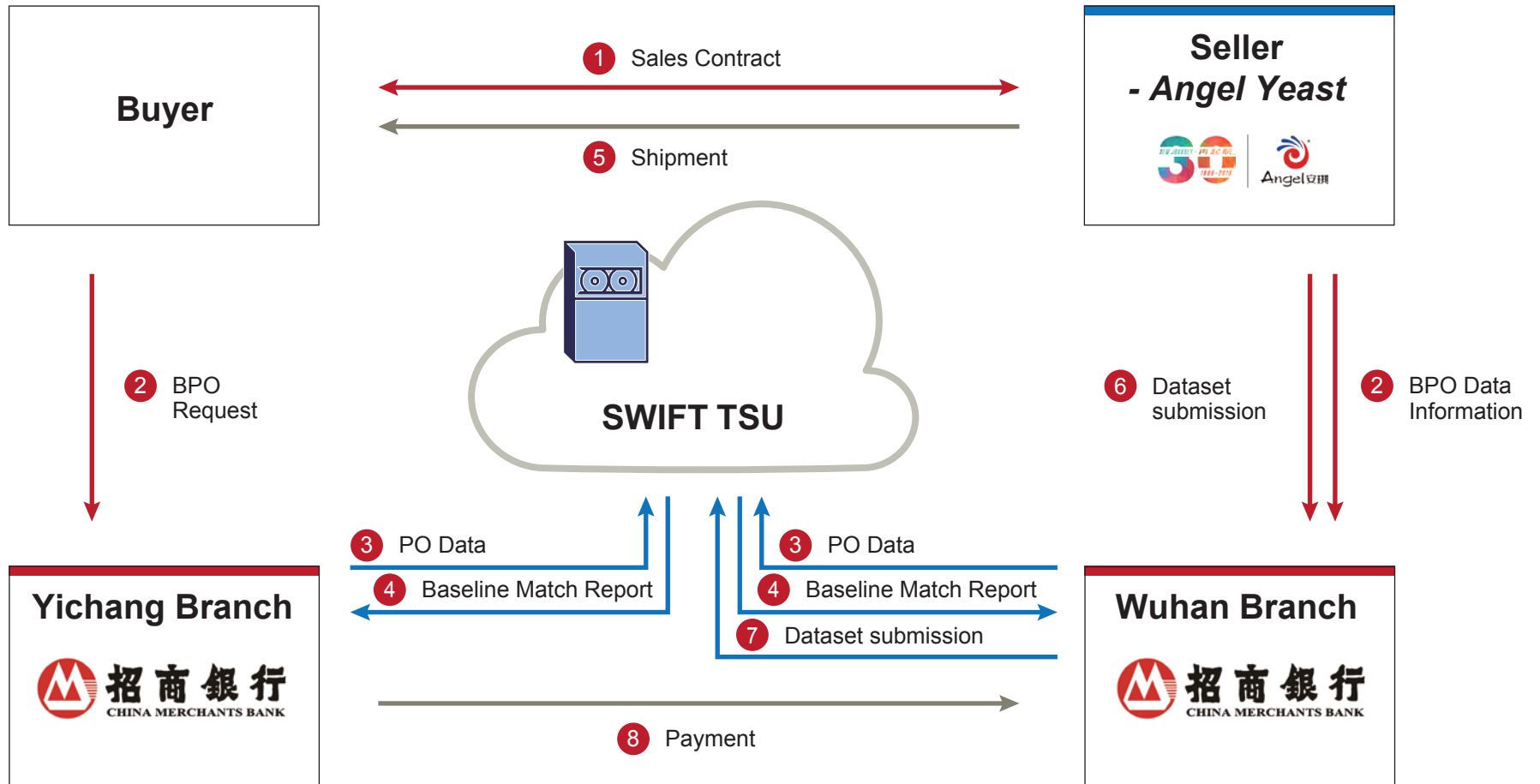
# About Angel Yeast Co. Ltd.



## Facts and Figures

- Founded in 1986, a listed high-tech yeast company in China, which specialises in the production of yeast and yeast derivatives.
- As one of the largest yeast and yeast extract manufacturers in the world, up to now, Angel has set up 10 factories in China and Egypt, 12 technical centres and more than 100 technical engineers providing specialised technical support for the global market.
- Angel provides products and services for more than 140 countries and regions globally.

# Participating Parties and BPO Flow



# Contacts



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