

Press Release

For editors
12 November 2014

Commerzbank launches renminbi clearing in Frankfurt

- **Agreement signed with Bank of China**
- **Number of renminbi-using companies forecast to rise**

Commerzbank has signed an agreement with Bank of China in Frankfurt regarding the direct settlement of renminbi payments in the financial hub Frankfurt. The launch of the Frankfurt Renminbi Clearing Centre on 17 November enables Commerzbank to offer its corporate clients a new way of making Chinese currency payments directly to the Chinese mainland without channelling them via Hong Kong.

“As a leading bank for German foreign trade, it is important to us to be able to support our clients with all currencies, including and in particular for their business with China. We are systematically expanding our offering in China and in renminbi business. In our opinion the launch of renminbi clearing in Frankfurt will increase the share of German SMEs using the renminbi for their trade with China to well over the current 10 percent”, said Frank-Oliver Wolf, Divisional Head, Cash Management & International Business. “The psychological effect is also important. German companies see that the clearing bank in Frankfurt is closer to them. This will make it easier for many corporate clients to put this currency topic on the agenda”, he added. Commerzbank settles around a third of all Germany’s foreign trade. Trade with China alone amounted to EUR 86.5bn in the first seven months of this year (up 7.5% on the previous year; full-year 2013: EUR 140.6bn).

Michael Rugilo, Asia expert within Commerzbank’s Corporates & Markets segment, sees key benefits: “The new renminbi hub in Frankfurt means that SMEs, too, now have the opportunity to trade hedging products at attractive prices within their own time zone with the help of relationship managers they know and trust.” Rugilo also highlights the massive simplification of transactions: “It means business with China no longer necessarily has to be settled in US dollars. It can now also be done directly using the renminbi.” Commerzbank’s experts also expect the launch of the Renminbi Clearing Centre in Frankfurt to lead to a marked increase in trade in renminbi-denominated currency and interest rate hedging instruments. The market for offshore renminbi bonds is booming as well. These are becoming an increasingly important asset class.

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About Commerzbank

Commerzbank is a leading international commercial bank with branches and offices in more than 50 countries. The core markets of Commerzbank are Germany and Poland. With the business areas Private Customers, Mittelstandsbank, Corporates & Markets and Central & Eastern Europe, its private customers and corporate clients, as well as institutional investors, profit from a comprehensive portfolio of banking and capital market services. Commerzbank finances more than 30 per cent of Germany's foreign trade and is the unchallenged leader in financing for SMEs. With its subsidiaries comdirect and Poland's mBank it owns two of the world's most innovative online banks. With approximately 1,200 branches Commerzbank has one of the densest branch networks among German private banks. In total, Commerzbank boasts approximately 15 million private customers, as well as 1 million business and corporate clients. The Bank, which was founded in 1870, is represented at all the world's major stock exchanges. In 2013, it generated gross revenues of more than EUR 9 billion with an average of approximately 54,000 employees.