



對外經濟貿易大學  
UNIVERSITY OF INTERNATIONAL BUSINESS AND ECONOMICS

# Chapter 1

## The Banking Industry in China





# I. 教学目的

By the end of the chapter, students should be able to know about

- the development of the banking industry in China
- the structure of the central banking system
- the major tasks of the three policy banks in China



## II. 教学计划

This chapter will cover 3 hours. 2 hours for the introduction of background information and explanations of terms and the texts. And the other 1 hour for discussion and practice.



### III. 教学方法


- Translation: key sentences and terms
- Paraphrasing: major words and sentences
- Summarizing: important paragraphs
- Discussion: key issues
- Questions and answers




## IV. 背景知识

The evolution of the Chinese banking system can be broadly divided into three phases:

- 1) The establishment of the People's Bank of China (PBC) in December 1948 marked the beginning of the first phase, which was characterized by a mono-bank engaged in both policy and commercial banking operations.



2) The second phase began in 1984 when the State Council decided to make the PBC function as a central bank. Four specialized banks (the Industrial and Commercial Bank of China, the Agricultural Bank of China, the Bank of China, and the China Construction Bank) were established and took over part of PBC's business activities. A central banking system began taking shape, but the transformation of the PBC into a full-fledged central bank has turned out to be a lengthy process.



3) The third phase began in 1993 when the State Council issued the Decision on Financial Reform. The PBC did not have a clear legal status until the enactment of the Law of the People's Bank of China in March 1995. The law provides the key functions of PBC.



Three policy banks (the State Development Bank, the Agricultural Development Bank of China and the Export and Import Bank of China) were established in 1994 to facilitate the separation of policy banking from commercial banking operations.





Through years of reform efforts, China has developed a banking system consisting mainly of the wholly state-owned commercial banks and joint-equity commercial banks under the supervision of the central bank. As of the end of 2000, China's banking system had three policy banks, four wholly state-owned commercial banks and more than 100 joint-equity commercial banks. The non-bank financial sector mainly consisted of trust and investment companies, securities firms, finance companies and insurance firms as well as many urban and rural credit cooperatives.



## V. 重点讲解

### 1. 概念讲解

- **PBC: People's Bank of China 中国人民银行**  
PBC is the central bank of the People's Republic of China with the power to control the Chinese monetary policy and regulate Chinese financial institutions.

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- **All in one monopolistic banking system**  
大一统银行体制

Highly centralized banking system engaged in both central banking and commercial banking operations.



◆ **Specialized bank: Specialty Bank**  
专业银行

是以特定主体为授信对象的银行



- **Central bank** 中央銀行

a government monetary authority that issues currency and regulates the supply of credit and holds the reserves of other banks and sells new issues of securities for the government.



- **Foreign exchange reserves 外汇储备**

Foreign exchange reserves are the foreign currency deposits held by national banks of different nations. These are assets of Governments which are held in different hard currencies such as Dollar, Sterling, Euro and Yen.



- **Monetary base** 基础货币

Also termed the high-powered money, Usually, the currency and central bank deposits that together provide the base for the money supply under fractional reserve banking. It is often used as a guide for the central bank's money control ability and monetary policy.



- **Benchmark interest rate 基准利率**

Also called the base interest rate, the minimum interest rate that investors will demand for investing in a non-Treasury security.





- **Fiscal agent 财政代理**

An organization, such as a bank or trust company, that takes responsibility for the fiscal duties of an unrelated party. Here the central bank acts as an agent empowered to collect taxes, revenues, and duties on behalf of the government.



- **Aggregate credit 总信贷**

Total amount of credit



- **Fiscal deficit** 财政赤字

The fiscal deficit is the difference between the government's total expenditure and its total receipts (excluding borrowing). The fiscal deficit can be financed by borrowing from the central bank (which is also called deficit financing or money creation) and market borrowing (from the money market, that is mainly from banks).



- **Position:** 部位；头寸

- 1) 指银行的营业终止后，所保有的各种外国通货的净余额。若买入多余卖出，则呈现超买（overbought），卖出多于买入，则呈现超卖（oversold）。买卖相抵后没有余额者，称为均衡部位（equilibrium position）
- 2) 指银行存款与放款之间有未轧平（mismatch）的情形。

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- **Break even** 收支相抵、损益两平  
make neither profit nor loss
  - **Lending facilities** 贷款工具

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- **Priority construction** 重点建设: key construction
  - **Fixed-asset investment** 固定资产投资



- **Bottleneck** 瓶颈

Noun (C)

- 1 a place where a road becomes narrow, or a place where there is often a lot of traffic, causing the traffic to slow down or stop: Roadworks are causing bottlenecks in the city center.
- 2 a problem that delays progress: Is there any way of getting round this bureaucratic bottleneck?

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- **Commodity reserves** 商品储备
  - **Subsidiary** 子公司  
A company owned by another company that controls more than 50% of its voting stock.
  - **poverty alleviation** 扶贫






## 2. 句子讲解


1. With PBC as the central bank, the current banking system in China consists mainly of wholly state-owned commercial banks, which coexist and cooperate with policy banks and joint-equity commercial banks operating in their respective authorized business domains.

译：现已形成以中国人民银行为中央银行，国有独资商业银行为主体，政策性银行、股份制商业银行等银行机构并存、分工协作的银行业体系。




2. Placing priority on both economic efficiency and social benefits, the policy banks operate in their designated areas and are not expected to compete with commercial banks. Their basic operational financial goal is to break even and only to make small profits when conditions allow.

译：政策性银行注重经济效益与社会效益的结合，在特定的服务领域经营，不与商业银行竞争。银行经营管理基本目标是保本微利。




3. PBC is duly authorized to manage monetary base, control aggregate credit and adjust benchmark interest rates as well as issue currency.

译：中国人民银行掌握货币发行权、基础货币管理权、信用总量调控权和基准利率调节权。



4. The potential recipients of the State Development Bank's credit are mainly those large projects that are designed to alleviate the bottlenecks in the economy, operate in the leading industries or extend the application of advanced technology as well as those inter-regional policy-based projects.

译：国有发展银行的信贷主要用于那些大型项目的建设，如缓解制约经济发展的“瓶颈”项目、支柱产业项目、高新技术在经济领域应用的项目、跨地区的政策性项目等。



5. The Export-Import Bank of China provides export credit and related loans to encourage export of such goods as machinery, electronic products, and equipment for complete plants. Its services include export credit insurance and guarantee as well as those aimed at facilitating economic and technical cooperation.

译：中国进出口银行为机电产品和成套设备等提供出口信贷和有关贷款。业务还包括办理出口信用保险和担保，以及为经济和技术合作提供金融服务。