

Looking Ahead To The Next 45+ Years

An Interview with Xiaojun (Dennis) Huang, Executive Vice President, Bank of China U.S.A.

EDITORS' NOTE Dennis Huang, Executive Vice President of Bank of China U.S.A., leads the Bank's strategic management practice, including risk-based strategic planning and strategy implementation and monitoring. He also oversees in-house research on macro-economy, banking industry, and business development. Huang leads the Secretariat of the newly established ESG Committee, and heads the New York Research Center under the BOC Group Research



Xiaojun (Dennis) Huang

Institute and the BOC Academy New York. Prior to joining BOC, Huang had extensive securities industry experience in both China and the U.S. He was also extensively involved in the establishment of the Shenzhen Stock Exchange. He is an elected board member of the China International Finance Society, and an advisory board member of the Emerging Market Institute at the Johnson School of Business at Cornell University. He holds an MBA from Cornell University.

COMPANY BRIEF As China's most international and diversified bank, Bank of China (www.boc.cn/en) has a well-established global service network with institutions set up across the Chinese mainland, as well as in more than 60 countries and regions. It has established an integrated services platform based on the pillars of its corporate banking, personal banking, financial markets, and other non-commercial banking businesses, which covers investment banking, direct investment, securities, insurance, funds, aircraft leasing, and other areas, thus providing its customers with a comprehensive range of financial services. Bank of China U.S.A. (BOC U.S.A.) (www.bocusa.com) has branches in New York City, Queens, Chicago, and Los Angeles.

How do you define Bank of China U.S.A.'s mission and purpose?

At Bank of China U.S.A., we continue to play a key role in bridging the China-U.S. economies, serving as a trusted partner to provide high-quality financial services while supporting local economies and communities. The Bank prides itself as a model for sound risk and compliance management, cross-border trade investment and finance, digital transformation, investing in its employees, and good corporate citizenship.

With guidance from Bank of China Group, the Bank's vision is to enhance our global service network and facilitate bilateral economic and trade exchanges, continuing to serve as a bridge between China and the U.S. to the benefit of both economies and its people.

With over 40 years in operation in the U.S., our motivation stems from our core values, which are to:

- Provide excellent service
- Innovate with prudence
- Uphold openness and inclusiveness
- Collaborate for mutual growth

Will you highlight Bank of China U.S.A.'s strength and track record in the U.S. market?

We are the largest Chinese bank in the U.S. market with the longest history. BOC U.S.A. has been operating in the U.S. for more than 40 years, offering products and services in corporate banking, trade, and commodity services, USD and RMB clearing and settlement, global markets services, and personal banking. We work with about 60 percent of the Fortune Global 500 companies headquartered in the U.S. and about 30 percent of the U.S. Fortune 500. We have a strong reputation and track record for success, reliability, and professional services.

We view ourselves as a global bank with a local spirit. We have branches in Manhattan, Queens, Chicago, and Los Angeles, serving communities and businesses across the states. More than 85 percent of our clients are local companies, over 90 percent of our credit portfolios originated from local markets, and more than 90 percent of our full-time employees are hired locally.

BOC U.S.A. ranks 1st among Chinese peers in the U.S. market, 21st among 164 foreign-funded banks, and 57th among 4,071 commercial banks in the American banking industry by asset size, as of Q3 2023. We are proud to be recognized as the "Best RMB Bank in the U.S." for three straight years by *The Asset* magazine.

We also make significant investments in the U.S. through our corporate social responsibility (CSR), environmental, social and governance (ESG), and community reinvestment act (CRA) initiatives, with dedicated committees in place to lead and govern these programs. From 2021 to 2023, the Bank closed 20 green finance loan projects with over \$1 billion in total outstanding loans booked. We have also participated in various charitable activities, such as donating to COVID-19 relief efforts, supporting financial literacy programs, and sponsoring other arts and cultural events in the communities we serve.

2024 marks the 45th anniversary of diplomatic relations between China and the U.S. What are your views on this milestone and the critical importance of the relationship between the two countries?

We have witnessed the remarkable development of the economic cooperation between China and the U.S. over the past 45 years. The diplomatic relations established in 1979 have laid a solid foundation for mutually beneficial outcomes for the two countries, as well as the stability and prosperity of the global economy.

The bilateral trade volume between China and the U.S. has increased from about \$4 billion in 1979 to over \$570 billion in 2023, according to U.S. Census Bureau data, making them each other's top trade partners. The two

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countries have also collaborated on various regional and global issues, such as climate change, public health, counter-terrorism, and non-proliferation.

However, the relationship between China and the U.S. is also facing challenges and uncertainties. Supply chains disruptions, uncertainties for markets, businesses, and consumers, misunderstandings between the two sides, among others, are still to be worked through.

With that, the 45th anniversary of diplomatic relations between China and the U.S. is not only a time to celebrate our achievements, but also a time to envision the road ahead. The relationship between China and the U.S. is too important to fail.

We must continue engaging in dialogue and consultation, reconcile differences and disputes, and expand in areas of mutual benefit and cooperation. The U.S.-China Economic and Financial Working Groups, established last September, reflect the mutual desire of both countries to have a regular and constructive dialogue on economic and financial issues, policies, and trends. Through their three meetings so far, both countries have demonstrated a commitment to address the challenges and opportunities in the bilateral and global economic and financial landscape. Ensuring the next 45 years of relations is a smooth and productive one will require vision, practicality, and a dedicated effort by all involved.

Despite some of the economic and political challenges in recent years, how have the thriving bilateral trade activity and investments between the U.S. and China over the past 45 years allowed Bank of China U.S.A. to grow and thrive?

As a senior business executive, I have witnessed the remarkable growth and development of the bilateral trade and investment relations between our two countries in the past decades. Despite some of the economic and political challenges in recent years, the situation of the thriving bilateral trade activity and investments between the U.S. and China is still very positive and promising.

According to the latest statistics from the U.S. Census Bureau, U.S. to China exports reached \$147 billion in 2023, while U.S. imports from China totaled \$427 billion in 2023, five times and three times larger, respectively, compared to 20 years ago.

The U.S.-China trade relationship directly and indirectly supports millions of jobs in both countries and contributes to the economic growth and development of both nations. According to a report by Oxford Economics, in 2019 U.S. exports to China supported 1.2 million American jobs across various sectors, such as agriculture and manufacturing. Meanwhile, Chinese imports provided American consumers with high-quality and affordable goods.

The U.S. and China are also important sources and destinations of foreign direct investment (FDI) for each other. According to Statista, in 2022 about \$7 billion worth of direct investments from China were made in the United States, an increase of 180 percent compared to a decade ago, but still below the peak from 2016. These investments created jobs, enhanced innovation, and fostered cooperation in various industries, such as energy, technology, and entertainment.



The headquarters building for Bank of China U.S.A. in Manhattan

The bilateral trade and investment relations between the U.S. and China have also enabled the Bank to grow and thrive in the U.S. market. Since we re-established our presence in New York in 1981, we have expanded our network to four branches across the states,

servicing customers with a wide range of financial products and services. We have also provided financing solutions to Chinese companies investing in the U.S., while supporting U.S. companies expanding across the U.S. and into China. Additionally, we have participated in many major projects that benefit both countries, such as financing the construction of solar farms in California, and supporting the export of American soybeans and other agricultural products to China.

We are proud to be a driver of a dynamic business partnership, and we believe that by enhancing the trade and investment cooperation we can create more opportunities for growth and development for both economies, as well as for the Bank.

What do you see as some of the key trends or opportunities that will shape the next 45 years of China-U.S. business cooperation and how does the Bank's strategy play into that future cooperation?

Some of the key trends or opportunities I see shaping the next 45 years of China-U.S. business relations include the areas such as biotechnology, clean energy, e-commerce, and fintech. These sectors not only offer new sources of growth and competitiveness, but also solutions to global issues such as climate change, healthcare, food supply and safety, and poverty reduction. Our Bank is committed to supporting our clients in these and other sectors, both in China and the U.S., by providing them with financial services, market access, and risk management solutions.

Another trend I see is the expansion of trade and investment. Despite the trade tensions and uncertainties in recent years, I believe these are the foundation of valuable economic relations. Both countries have complementary strengths and needs, and can benefit from greater market openness, fair competition, economic stability, and win-win cooperation. The Bank is actively facilitating trade and investment flows between China and the U.S. by offering our clients cross-border payment, financing, and settlement services.

I also see cross-culture, person-to-person exchanges improving. Beyond the economic value, I think cultural and educational exchanges are vital for building trust and friendship between China and the U.S. Both countries have rich and diverse cultures, histories, and values, and can learn from each other's experiences and perspectives. BOC U.S.A. is proud to support various initiatives that promote such exchanges, including forums, cultural events, and charitable activities.

As mentioned, there's no doubt that many obstacles remain, but tension can often be a catalyst for innovation, compromise, and growth. We've seen this already over the past 45 years between the U.S. and China, and for this reason I believe that the relationship has more opportunities than obstacles. BOC U.S.A. values being a trusted driver of economic development between the nations for much of the past 45 years and is excited about the work to come over the next 45 plus. ●