

News Release

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HSBC OPENS NEWEST CHINA DESK IN POLAND TO CAPTURE BELT AND ROAD OPPORTUNITIES IN CENTRAL, EASTERN EUROPE

HSBC is launching a business desk in Poland to facilitate trade and investment flows between China and countries in Central and Eastern Europe (CEE), as bilateral trade grew to nearly USD59 billion in 2016¹.

The new service in the Polish capital Warsaw brings the number of HSBC's China Desks to 24 globally, covering major destinations for Chinese outbound direct investments ("ODI") at a time when the Belt and Road Initiative (BRI) is creating more opportunities to connect the world's second largest economy with regions such as Europe, ASEAN, the Middle East and Africa.

David Liao, President and Chief Executive Officer for China at HSBC, said: "We are seeing increasing demand from both Chinese firms and their overseas partners involved in Belt and Road projects for banking services, such as strategic advisory, financing, hedging solutions, and cash and liquidity management. HSBC's universal banking model, underpinned by our wide geographic coverage through the China Desks, means we are uniquely positioned to meet all of our clients' financial needs as they conduct business along the Belt and Road."

Officially launched in 2012, HSBC's China Desks now cover six continents, including 11 markets in Asia Pacific, five in Europe, four in the Middle East and Africa, and four in the Americas². The number of markets covered by these desks totals more than 40 globally, with some of them supporting multiple territories. This presence supports Chinese companies and their foreign counterparts in identifying new business opportunities and accessing financial products in currencies including the renminbi.

HSBC has one of the most competitive global footprints, covering 90% of global trade and capital flows, and approximately 50% of markets related to the Belt and Road Initiative³. The Bank is involved in nearly 100 projects connected with the Initiative, also commonly known as the New Silk Road, leveraging its universal banking model and strengths in investment banking, corporate banking, financial markets solutions and transaction banking.

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Reflecting the Bank's commitment to being the leading financial partner to clients engaged in BRI projects, HSBC has been named Best Overall International Bank for BRI and the Best Bank for BRI-Related Finance in CEE in the inaugural Asiamoney New Silk Road Finance Awards. It was also named the Best Belt and Road Bank by FinanceAsia in its 2017 Achievement Awards.

Michał H. Mrożek, Chief Executive Officer for Poland at HSBC, said: "We're observing continued interest in growing the business between the CEE economies and China. Traditionally there has been a lot of imports from China to this part of Europe but our CEE customers are increasingly interested in selling more to the world's second biggest economy. We're also seeing considerable interest from Chinese investors in allocating their capital in this region. Apart from the size of the domestic market and its strong links with the EU, Poland's presence on the New Silk Road, with existing train connections between Łódź and two Chinese cities, and the country being one of the founding members of the Asian Infrastructure Investment Bank, were important arguments for locating the newest China Desk in Warsaw."

China-CEE trade expanded 4.3% year on year in 2016 despite lacklustre global trade and surged 14.1% in the first three quarters of last year, while Chinese investments into the region's 16 countries grew over five years from USD3 billion to over USD9 billion in 2016⁴.

HSBC's new China Desk will focus in particular on Poland, Czech Republic, Slovakia, Hungary and Romania, which together attracted the bulk of China's investments in the region. According to research consultancy Rhodium Group, Chinese investments in these five countries totaled EUR 4.5 billion from 2000 to 2016⁵.

HSBC is a leading international bank supporting China-CEE economic collaboration including landmark renminbi bond issues by Poland and Hungary in China's interbank bond market in recent years⁶. HSBC was also the first bank to offer renminbi trade settlement to Polish, Czech and Slovakian businesses trading with China.

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Note to editors:

1. Xinhua news story on Chinese Premier Li Keqiang's visit to CEE in November 2017
http://www.china-ceec.org/eng/zdogjhz_1/t1514065.htm
2. The 24 countries and territories in which HSBC has China Desks are: Argentina, Australia, Bangladesh, Canada, France, Germany, Hong Kong, India, Indonesia, Luxembourg, Macau, Malaysia, Mauritius, Mexico, Poland, Saudi Arabia, Singapore, South Africa, Sri Lanka, Thailand, UAE, United Kingdom, United States, Vietnam.
3. Based on HSBC's analysis of markets that are closely aligned with the BRI and associated opportunities (total of 90 markets)
4. Speech by Chinese Premier Li Keqiang at the 16+1 summit in Budapest
<https://en.delfi.lt/lithuania/foreign-affairs/speech-by-chinese-pm-li-keqiang-at-the-161-summit-in-budapest.d?id=76507837>
5. Record Flows And Growing Imbalances, Chinese Investment in Europe in 2016
http://rhg.com/wp-content/uploads/2017/01/RHG_Merics_COFDI_EU_2016.pdf
6. Poland is the first European sovereign that issued Panda Bonds in China. The issuance by Hungary makes it the first country to have sold renminbi-denominated debt both onshore as well as offshore.

HSBC Bank (China) Company Limited

HSBC was one of the first foreign banks to locally incorporate its operations in mainland China, establishing HSBC Bank (China) Company Limited in April 2007. HSBC China's network currently comprises over 170 outlets across more than 50 major cities. HSBC China's head office is based in Pudong, Shanghai.

HSBC Bank Polska SA

HSBC Bank Polska SA, headquartered in Warsaw, Poland, is a fully-owned subsidiary of HSBC Bank plc. It focuses on corporate and institutional banking, supporting Poland-domiciled businesses in their international expansion and foreign businesses in establishing and growing their presence in Poland.

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