

News Release

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HSBC COMPLETES ITS FIRST TRANSACTION UNDER FREE TRADE ACCOUNT IN SHANGHAI FREE TRADE ZONE

HSBC has completed its first transaction under a Free Trade Account in the China (Shanghai) Pilot Free Trade Zone (“Shanghai FTZ”) by implementing a trade financing deal for a corporate client. This is the first transaction completed by HSBC after it recently became one of the first foreign banks to launch Free Trade Accounts in the pilot zone.

HSBC assisted the client, an offshore trading arm of a large commodities trading company in mainland China, to settle an export bill received from a mainland Chinese buyer via the Free Trade Account and provided it with a bill discounting of RMB 45 million.

Terence Chiu, Executive Vice President and Head of Commercial Banking for China at HSBC, said: “The Free Trade Account is an important breakthrough in the Shanghai FTZ that provides greater convenience to corporates engaged in cross-border businesses and enables them to employ innovative financial products and solutions to drive business growth. With this type of account available, corporates are able to leverage advantages of markets onshore and offshore to seek cost-effective solutions in addressing their business needs. HSBC will fully mobilise its cross-border expertise and collaboration to help more clients explore the benefits of this new account for enhanced efficiency and lowered funding costs.”

Standing at the forefront of financial innovations in the Shanghai FTZ, HSBC opened its Shanghai FTZ sub-branch early last year, becoming one of the first foreign banks to establish a presence in the pilot zone.

HSBC has since reinforced its leading position by introducing new products and services for its corporate customers in the Shanghai FTZ, including RMB cross-border two-way cash pooling; centralised payments and collections of cross-border RMB; and centralised foreign currency management. Last September, HSBC was among the first banks to trade on the Shanghai Gold Exchange International Board as a member of the new trading platform in the pilot zone.

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HSBC completes its first transaction under Free Trade Account in Shanghai Free Trade Zone / 2

Note to editors:

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.

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