

News Release

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HSBC AND BOCOM TO COOPERATE IN MUTUAL RECOGNITION OF FUNDS BETWEEN MAINLAND CHINA AND HONG KONG

**** HSBC-BoCom strategic partnership strengthened
to deepen participation in financial markets liberalisation ****

The Hongkong and Shanghai Banking Corporation Limited (HSBC) today announced it will cooperate with Bank of Communications Co., Ltd. (BoCom) in the mutual recognition of funds between mainland China and Hong Kong. This achievement follows the regulatory initiative on the Mainland-Hong Kong Mutual Recognition of Funds (MRF), announced by the China Securities Regulatory Commission and Hong Kong's Securities and Futures Commission.

HSBC and BoCom will collaborate in fund distribution and agency services, in accordance with rules and regulatory guidelines. The cooperation will further enhance the long-term partnership between the two banks and foster wider information exchange on business innovation and financial services development.

Helen Wong, Chief Executive for Greater China at HSBC, said: "Building on a successful partnership in a range of areas between both banks, the agreement marks a new step forward in our strategic cooperation that will cover securities services, asset management and retail banking and wealth management. By fully leveraging the combined strengths of HSBC's global connectivity and BoCom's strong presence in mainland China, we are even better positioned to offer premium services to customers in the Mainland and Hong Kong. Preparations are underway in line with governing rules and regulations, and we will look to launch new products and services soon."

Ms Wong added: "HSBC welcomes the MRF initiative, which we believe will be yet another major step towards achieving the Mainland's capital market liberalisation . It will provide greater options for investors and help advance the development of mainland China's asset management sector, while acting as another catalyst for RMB internationalisation. Furthermore, the MRF highlights once again Hong Kong's pivotal role in mainland China's capital account liberalisation and will be significant to the diversification of Hong Kong's financial market, enhancing its status as a regional asset management centre."

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Wang Jiang, Executive Vice President of BoCom, said: “Collaboration between BoCom and HSBC has achieved good results over the past decade as both parties continue to deepen that collaboration across a wider scope. In responding to the financial needs of outbound Chinese companies and RMB internationalisation, cooperation in such areas as syndication loans and offshore bond issuances has been remarkably fruitful in recent years. The MRF presents a new spectrum where both banks can further work together. Following rules and regulations governing this new initiative, we will work to enhance services provided to customers in both markets by leveraging our respective strengths in customer base, service network and brand value so as to achieve a more collaborative outcome.”

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The Hongkong and Shanghai Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group, which serves around 51 million customers through four global businesses: Retail Banking and Wealth Management, Commercial Banking, Global Banking and Markets, and Global Private Banking. The Group serves customers worldwide from over 6,100 offices in 73 countries and territories in Europe, Asia, North and Latin America, and the Middle East and North Africa. With assets of US\$2,670bn at 31 March 2015, HSBC is one of the world's largest banking and financial services organisations.

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