

11 November 2011

## **HSBC INJECTS NEW CAPITAL INTO ITS CHINA FLAGSHIP**

*\*\*\*Paid-in-capital increased to RMB10.8 billion from RMB8 billion\*\*\**

*\*\*\* Strongest capital base among all foreign banks in China\*\*\**

*\*\*\*1st foreign bank permitted to use RMB to inject capital\*\*\**

HSBC Bank (China) Company Limited (“HSBC China”) announced today that its parent company – The Hongkong and Shanghai Banking Corporation Limited (“HSBC Asia Pacific”) – has paid in RMB2.8 billion to boost HSBC China’s registered capital to RMB10.8 billion. With the injection, HSBC China holds the largest capital base among all foreign banks in China, enabling HSBC to build further on its leadership in the world’s fastest-growing major economy.

Furthermore, HSBC continues to be at the vanguard of China’s renminbi (RMB) internationalisation process, becoming the first foreign bank permitted to inject new capital using the Chinese currency under a pilot programme announced by the government in August.

The capital injection for HSBC China reaffirms the HSBC Group’s long-term commitment to the strategically important China market. In May, the Group set out its strategy execution plan and stressed that it will continue to invest in markets with strategic relevance and with high returns or high potential returns.

Peter Wong, Chief Executive of HSBC Asia Pacific, said: “I’d like to thank the Chinese government for enabling us to take this pioneering step. This is an important milestone for us because China is one of our first home markets, and we are very appreciative of the opportunity this provides to increase our capacity for expansion. It’s also a milestone in the internationalisation of the RMB, demonstrating the currency’s readiness to be a medium for cross-border investment as well as trade.”

*more*

## **HSBC injects new capital into its China flagship/2**

Helen Wong, President and Chief Executive Officer of HSBC China, said: “It is encouraging to receive fresh capital from our parent company to fund our future business growth in China. Since local incorporation in April 2007, HSBC China has achieved tremendous growth with our network more than tripled and our profit continuing to rise. China’s fast wealth creation and strengthened global trade and capital links are opening huge market potential; therefore, the new capital will position us strongly for further growth through these opportunities.”

As the largest international bank in China with over 100 outlets across 29 major cities, HSBC leverages its global connectivity to serve the financial needs and global aspirations of its customers. It was among the first foreign banks to join China’s pilot programme launched in 2009 for RMB cross-border trade settlement and has been instrumental in promoting the currency’s onshore and offshore use. HSBC, with its RMB leadership, now offers RMB-based trade products in over 50 countries and territories, and provides RMB services to individual retail and wealth customers in over a dozen markets worldwide.

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### **Notes to editors:**

#### **1. 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 100 outlets across 29 cities. HSBC China’s head office is based in Pudong, Shanghai.

#### **2. The Hongkong and Shanghai Banking Corporation Limited**

The Hongkong and Shanghai Banking Corporation Limited is the founding and a principal member of the HSBC Group which serves customers worldwide from around 7,500 offices in over 80 countries and territories in Europe, the Asia-Pacific region, North and Latin America, the Middle East and Africa. With assets of US\$2,716bn at 30 September 2011, HSBC is one of the world’s largest banking and financial services organisations.

*ends/all*