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HSBC MAURITIUS LEADS AGAIN WITH RENMINBI (RMB) OPPORTUNITIES

Already the world's second largest economy, China is likely to be the biggest by the 2030s. It is already the world's biggest exporter. Yet to date, its currency, the Renminbi (RMB) has been severely underrepresented in global trade and capital markets. As China seeks to close the mismatch between the global presence of its economy and that of its currency, the world may be looking at a financial revolution of truly epic proportions.

As a strategic priority, Chinese policymakers have already (and will continue to) introduced multiple accommodative taxation, trade finance and capital account measures to facilitate the RMB internationalisation process. More importantly, cost savings on foreign exchange transactions and the appreciation of the RMB should increasingly encourage traders and investors, both in and out of China, to switch to the currency at the dollar's expense.

Sensing the potential for business, banks – including HSBC – have also been eager to get involved in RMB cross-border trade; their early participation effectively helped launch a global clearing system for the RMB within a matter of months. Supported at the highest political levels, this catalytic mix of drivers means that the acceleration and contours of the RMB internationalization process will be faster and more varied than many expect.

RMB FOR INDIVIDUALS

HSBC was the first bank in Mauritius to offer cross border trade settlement in Renminbi (RMB) for corporate and global business customers in October 2010. For the first time in Mauritius HSBC now enables individual customers to open accounts in RMB. HSBC is leading the way again with the **HSBC Renminbi Savings and Term Deposit Account which gives personal customers the opportunity, to access, what has until now, been a restricted emerging market currency.**

Talking about this new offer for individual customers, Siew Meng Tan, CEO HSBC Mauritius, says: *“Driven by China’s contribution in global trade and the gradual internationalisation of Renminbi, it will become an important currency in the region in the coming decade. With the increasing sophistication of customers, we can expect more demand, particularly from affluent customers, for such products that will allow them to gain access to the Renminbi, as it provides an avenue to diversify their*

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investments and unlock the full potential of the China growth story. The Renminbi is expected to appreciate further in the coming years and that China's growing importance in terms of both exports and imports makes the Renminbi hugely attractive."

RMB FOR CORPORATES

Launched in Oct10, HSBC RMB Trade Settlement products include trade finance, foreign exchange, remittances, commercial current accounts and deposits. Trading with China became easier and more advantageous with the help of HSBC.

Mauritius-based companies can now effect payments to their Chinese suppliers in Renminbi, Settling trade invoices in RMB may enable a supplier to save up to 5-7% of their total bill amount, which can be attributed mainly to lower foreign exchange risks lower transaction charges and potential discount from suppliers.

The ability for HSBC to support Mauritius companies in making payments to their suppliers in Renminbi (RMB), means that they will now have another option that will make it simpler and more efficient for businesses that trade with China.

- HSBC has the strongest network in China among international banks to handle RMB business
 - 10 out of the 18 expanded China provinces
 - 100 outlets in 20 major cities in China -22 branches and 78 sub-branches

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For media enquiries please contact **Mrs Amélie Desvaux de Marigny** on (230) 403 0785 or email: ameliedesvauxdem@hsbc.co.mu

Note to editors:

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, with around 7,500 offices in 87 countries and territories and assets of US\$2,455 billion at 31 December 2010, is one of the world's largest banking and financial services organisations.

HSBC Mauritius

Present in Mauritius since 1916, the HSBC has two entities – a branch of the Hongkong and Shanghai Banking Corporation Limited and a local subsidiary, HSBC Bank (Mauritius) Limited. Through its 11 branches, HSBC provides a wide range of products and services, including corporate loans, trade finance, foreign exchange products, online banking, savings, call, current and term accounts, credit cards, investment products, housing loans and personal loans. HSBC is the leader in the offshore sector in Mauritius, offering its clients sophisticated and structured financial products which take advantage of the numerous non-double taxation treaties to which Mauritius is a signatory.

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CHINESE CURRENCY OPPORTUNITIES**

FREQUENTLY ASKED QUESTIONS	
PERSONAL FINANCIAL SERVICES	CORPORATE BANKING AND TRADE SERVICES
WHAT TYPE OF RENMINBI ACCOUNT DOES HSBC OFFER?	
<p>Individuals:</p> <p>The minimum balance requirements for the opening of Renminbi Currency Accounts are as follows:</p> <p>Savings: CNY 10,000</p> <p>Fixed deposit: CNY 25,000</p>	<p>Corporates:</p> <p>HSBC offers current and deposit account to corporate customers.</p> <p>There is no minimum balance required to open a Renminbi account.</p>
WHAT ARE THE SERVICES ASSOCIATED WITH THE RENMINBI ACCOUNT?	
<p>Remittances: Customers will also be able to transfer funds internationally to other Renminbi accounts or to accounts in any other foreign currency. Limitations concerning the transfer of Renminbi funds to mainland China and Macau exist.</p> <p>RMB foreign exchange: Customers can capitalise on shifting exchange rates by exchanging other currencies to and from Renminbi.</p>	
CAN A CUSTOMER TRANSACT BANK NOTES OVER THE COUNTER?	