

HSBC Malta's latest trade finance fund: €60 million take-up

A €75 million trade fund launched by HSBC Bank Malta ten months ago to help Maltese businesses expand internationally has crossed the 80 per cent utilisation mark, becoming another attestation to the potential of Malta's rapidly expanding economy.

This was announced by HSBC Bank Malta CEO Andrew Beane during a speech delivered during The Economist Mediterranean Leadership Summit.

The €75 million Malta Trade for Growth Fund was launched in June 2015 for businesses seeking capital to strengthen export. The €75 million fund came on the heels of the first €50 million fund, in 2013, which was completely exhausted in under a year.

"Business tends to find a way to grow and can serve as a good force to catalyse economies. Despite challenges around Malta, businesses in Malta have registered confidence in the domestic economy by absorbing the Fund," said HSBC Malta Head of Commercial Banking Michel Cordina.

"The success of the fund is a clear message being sent by business: we are ready to be a stimulant to economic growth and job creation."

HSBC Malta established the Malta Trade for Growth Fund as a vehicle to internationalise businesses and support the long-standing entrepreneurship that has been a hallmark of Maltese businesses for many years. The Fund grants businesses with a sound expansion plan access to HSBC's trade and lending resources, as well as its worldwide network of local trade experts.

Mr Cordina, said: "Small and medium enterprises (SMEs) are the engine of a modern day service economy. Interestingly, the ratio of service exports of Malta as compared to its GDP is 73%, the second highest in Europe after Luxemburg. We are committed to seeing this number rise even higher by making vital finance available."

Senior HSBC trade economist, Douglas Lippoldt, provided the impressive services exports ratio of Malta during an earlier session on trade and investment at the same conference.

The MTFG Fund offers customers a number of incentives such as the waiver of the fee related to the first documentary letter of credit for those new to HSBC Malta's Trade Finance. A reduction in effective interest rate of up to 50 basis points applies on Trade & Receivables Finance facilities. In addition, a 20% discount is provided on the opening and advising fees on documentary letters of credit to or from emerging markets. Other incentives relate to the waiving of the administration fee for finance against trade export or import facilities for trade with emerging markets, as well as discounts on Receivables Finance and preferential rates on Foreign Exchange, including currencies such as the Chinese renminbi (RMB).

Continues on page 2/...

Press Release

As part of HSBC Group, HSBC Bank Malta is the only bank on the islands offering Direct Trade Settlement in RMB. The bank is well positioned to assist customers wanting to carry out transactions in RMB as well as facilitate trade through this currency, as part of the MTFG initiative. Aside from creating new trade avenues, the growing use of China's currency worldwide is also generating capital investment and financing opportunities for companies doing business internationally. Further, HSBC Malta also offers unique foreign exchange solutions, such as GetRate, through which clients can get real-time exchange rates from the heart of the bank's global trading floors in London, Dubai, New York and Hong Kong.



HSBC CEO Andrew Beane announced the promising utilisation of the €75m fund at The Economist event

Approved and issued by

HSBC Bank Malta p.l.c.

80 Mill Street
Qormi QRM 3101
Customer Service 2380 2380
www.hsbc.com.mt

HSBC 