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HSBC DRIVES BANGLADESH'S FIRST CROSSBORDER BLOCKCHAIN LC TRANSACTION

***The first-ever crossborder Blockchain Letter-of-Credit transaction in Bangladesh**
First transaction between Bangladesh and Singapore using Contour*

HSBC hits another Blockchain milestone in the successful execution of the first-ever crossborder Blockchain Letter-of-Credit (LC) transaction in Bangladesh.

The transaction involved the import of 20,000MT of fuel oil by United Mymensingh Power Limited, Bangladesh from Singapore, for their power plant. This is the first time a crossborder Blockchain transaction has been executed in Bangladesh. The transaction was completed using the Contour platform and the LC processing time was reduced from the standard 5-10 days to under 24 hours.

Md. Mahbub ur Rahman, Chief Executive Officer, HSBC Bangladesh said, "I am very pleased that HSBC has pioneered Bangladesh's first-ever crossborder Blockchain LC transaction. This showcases our strong commitment and ability to support crossborder trade by Bangladeshi businesses using cutting-edge technology platforms. I believe this will usher in a new era of routing international trade transactions as businesses and governments recognise the transparency, security and swiftness in performing tasks using Blockchain technology."

This marks a significant step for Bangladeshi companies in the digitisation of trade. It makes doing business simpler and faster by reducing transaction times and boosts working capital efficiency, something that's especially appealing to local firms navigating through the current economic challenges.

Mr. Moinuddin Hasan Rashid, Group Chairman and Managing Director, United Group said "We are very enthusiastic over the use of Blockchain technology for our imports. We understand that we are headed towards a digital era and we are ready to evolve in our effort to adapt to the changes. Fuel Oil LCs are highly time sensitive where every second counts and we believe this Blockchain technology will help to manage time efficiently and also ensure increased efficiency and better cost management."

For the first half of 2020, Bangladesh's trade under LCs was over US\$34 billion according to SWIFT. So the potential efficiencies for domestic companies is tremendous.

HSBC has effectively pioneered Blockchain platform in many a country including but not limited to India, Dubai, Malaysia, Oman, Saudi Arabia, Singapore, South Korea and Vietnam. The Contour platform is built using R3's Corda Blockchain technology. It links together banks and corporates on a decentralised trade finance network.

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Note to editors:

The Hongkong and Shanghai Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group. HSBC serves customers worldwide from offices in 64 countries and territories in its geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of US\$2,923bn at 30 June 2020, HSBC is one of the world's largest banking and financial services organisations.

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