



Michael Geoghegan, chief executive officer of HSBC Holdings Plc, speaks at a media briefing yesterday in Shanghai. HSBC is ready for listing on the international board in the city and will use the proceeds from the planned initial public offering to invest in China, he said.

HSBC 'ready' for Shanghai listing when China decides

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HSBC Holdings Plc is "ready" for listing on the international board in Shanghai and will use the proceeds from the planned initial public offering to invest in China, its chief executive officer said yesterday.

"Obviously we are interested when the authorities feel it's right to list international companies here in Shanghai," HSBC CEO Michael Geoghegan said. "We will certainly welcome the opportunity to participate in that process.

"It's a matter for the Chinese government as to when, but HSBC is ready when China is ready."

He said its A share IPO proceeds will be invested in China, where it has already poured in more than US\$5 billion. It was reported earlier that the bank plans to raise US\$5 billion in the Shanghai listing.

The international board is part of China's efforts to position Shanghai as a global financial hub by 2020.

Europe's biggest bank moved Geoghegan to Hong Kong from London last month to sharpen its focus on Asia, especially in the growing Chinese mainland market.

In February, he also became chairman of the Hong Kong and Shanghai Banking Corp, the Asian arm of HSBC.

"There's no secret why HSBC moved its management headquarters to Hong Kong," he said. "It's because we believe China is on the right direction."

HSBC made profits before tax of US\$1.63 billion on China's mainland in 2009, up 2 percent from a year ago, according to the bank's annual report.

HSBC offers personal, commercial, global banking and markets services on the mainland mainly through its local subsidiary, HSBC Bank (China) Co, whose registered capital stood at 8 billion yuan (US\$1.2 billion).

HSBC also holds stakes in the Bank of Communications, Ping An Insurance Co and the Bank of Shanghai.

The British bank is committed to participating in the Bank of Communications, Geoghegan said.

Shanghai-based BoCom, 19 percent held by HSBC, said earlier that it will raise as much as 42 billion yuan to bolster its capital and support expansion through a rights offer in Shanghai and Hong Kong.

"We will announce our decision in due course. But our commitment is that Bank of Communications is our No. 1 banking entity associate in China," he said.

The bank opened 19 new outlets on the mainland last year to bring its total on the mainland to 99. The 100th outlet will be opened soon. It is also due to move into new headquarters in Lujiazui in Shanghai in June.