HSBC The world's local bank

Analyst Roadshow to Asia-Pacific

Commercial Banking Case Study | Intertek

Aston Swift,

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Group Treasurer, Intertek Group Plc

Intertek's a FTSE250 company in the support services sector. Based in the West End of London, We're in 110 countries around the world. We've got over 20,000 employees.

We provide quality and safety services, mainly through testing, inspection and certification, to a very wide range of industries, from consumer goods such as toys and textiles through to commodities such as oil, chemicals and agri products. We provide services to leading retailers in the world as well as manufactures.

Elaine Wong, SVP, Major CMB, HSBC (Hong Kong)

In Hong Kong the Intertek relationship has been a very solid one.

The types of banking services we offer include, but are not limited to, payments and cash management, we handle their cash and cheque collections. And also monitor their receivables and payables in many, many different currencies through different country accounts through our electronic platform HSBC.net. And we also offer import/export services to help the customer to handle their import/export requirements, and this is HSBC's bread and butter.

Christina Law, CFO Consumer Goods, Intertek (Hong Kong)

Basically we are very demanding. So All the relationship managers they are all very committed to each and every request that we've made so far. No matter it's very tedious, no matter it's a procedural thing. I think they find their way to help us to do what we want and within our timeframe as well.

The development of HSBC as a relationship bank to Intertek

Christina Law, CFO Consumer Goods, Intertek (Hong Kong)

With my close relationship with HSBC in Hong Kong I work together with Elaine and try to deploy the global relationship outside Hong Kong.

Aston Swift, Group Treasurer, Intertek Group Plc

Our relationship with HSBC really developed about six months ago, just before Christmas, when I was looking through the UK banking relationships and our funding requirements and our need to continue to expand overseas, especially in these emerging economies. I contacted HSBC to see if they were prepared to lend £30m to help fund this growth, and they came back very enthusiastically, and were very positive about lending. And we are currently going through the

process of borrowing that money now.

Patrick Florence, Corporate Banking Manager, HSBC (United Kingdom)

The whole transaction is formalised and we are committed and signed in to the facility. But it's a very important issue for the Group Treasurer because there are aspects of his work, there are ancillary lines of business which are available to his group of relationship banks, but that's the point. They're available to the relationship banks. To banks who are prepared to commit to that corporate.

Aston Swift, Group Treasurer, Intertek Group Plc

had HSBC not joined our banking syndicated, what would have ultimately happened is we would have migrated all that business away to other relationship banks that we have.

Asian expansion

Christina Law, CFO Consumer Goods, Intertek (Hong Kong)

We are a global company and HSBC is also having a global reach. So not only in Hong Kong, our Group has enormous growth in other countries such as China, India, Bangladesh, Vietnam.

Not only providing us our required banking facilities I do expect that the local know-how or expertise in each and every country I mentioned can help our own formulation of business strategy and also the requirement as well.

Elaine Wong, SVP, Major CMB, HSBC (Hong Kong)

I have a lot of contacts in China whom I can introduce to the local CFO, and also help the UK parent to make their decisions.

Christopher Au, Senior Trade and Supply Chain Manager, HSBC (Hong Kong)

In trade and supply chain we can identify risk opportunities at both ends of the trade flow by referring and finding suppliers and buyers to our customers, such that we can help them to expand their business. For us, in the same time we can also identify potential customers, and refer them to our offices in that region to follow up on these leads.

Christina Law, CFO Consumer Goods, Intertek (Hong Kong)

When we have the new [set-up] in all these countries, the first banker we will be using will be the relationship bank. So it's very important to be one of our relationship banks globally speaking.

Aston Swift, Group Treasurer, Intertek Group Plc

In these emerging economies, it's important to me as treasurer based here in the UK to know that our local operations are banking with a strong bank such as HSBC, rather than a local bank over whom I don't really know the creditworthiness.

The ongoing relationship

Patrick Florence, Corporate Banking Manager, HSBC (United Kingdom)

For me as a Global Relationship Manager one of the really important things is to be able to co-ordinate everything that goes on within HSBC relative to this particular Intertek relationship because if you consider the UK income stream, that could be something around the 30 per cent mark and that is geared towards the slice of debt that we've committed for that Intertek name.

What's much more important is the other 70 per cent of the income which is being generated by ancillary lines of business across the globe. But the issue is that that 70 per cent can be vulnerable without the commitment that we have with the headquarters of Intertek in the UK.

Aston Swift, Group Treasurer, Intertek Group Plc

Intertek is growing very rapidly, both organically and through acquisitions. And we would like HSBC to continue to remain a strong partner bank, to help fund that growth, as well as provide other services that will help us. For example, cash management. It would be great if they could provide a global cash management system, whereby we optimise the use of our cash around the world. Also foreign exchange, the provision of derivatives, tapping other debt markets and perhaps corporate finance advice.

Elaine Wong, SVP, Major CMB, HSBC (Hong Kong)

HSBC actually grows with Intertek and we understand their operations from the bottom to a global view. We have the right kind of products and services that cater to their requirements. And when Intertek grows into a much bigger multinational corporation with more sophisticated banking, we would then make them our global banking customer where we can service them accordingly. When we say HSBC is the local bank we do not just talk the talk, we walk the walk. Action is everything.

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