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HSBC and Reliance Industries execute first of its kind blockchain trade finance transaction

**** The blockchain enabled Letter of Credit transaction facilitated shipment between Reliance Industries and Tricon Energy ****

**** Industry first integration between an electronic Bill of Lading provider and a blockchain-based trade finance platform to enable transfer of title ****

HSBC India and ING Bank Brussels have successfully executed a blockchain enabled, live trade finance transaction jointly with Reliance Industries and Tricon Energy.

This is an industry first as the Blockchain platform integrated with Bolero's electronic Bill of Lading (eBL) platform to issue and manage an electronic Bill of Lading. This allowed a digital transfer of the title of goods from the seller to the buyer in the underlying trade. It further enabled the underlying trade to be fully digitised.

The end-to-end transaction was executed on R3's Corda blockchain platform which is a single shared application, rather than requiring multiple isolated digital systems across various counterparties, located around the globe. The Letter of Credit (LC) was issued by ING Bank for Tricon Energy USA (importer) with HSBC India as the advising and negotiating bank for Reliance Industries, India (exporter). This solution is a significant improvement for any organisation involved in buying and selling goods internationally, as it truly brings together all parties onto one platform.

Commenting on the transaction, Hitendra Dave, Head-Global Banking & Markets, HSBC India said, *"The use of blockchain is a significant step towards digitising trade. It has a transformative impact on trade finance transactions and enables greater transparency and enhanced security in addition to making it simpler and faster. The overall efficiency it brings to trade finance ensures cost effectiveness, quicker turnaround and potentially unlocks liquidity for businesses. We're delighted to partner with Reliance Industries and support enhanced digitisation in trade finance. We believe that the collaborative approach adopted to develop this technology has the potential to transform conventional trade finance."*

Srikanth Venkatachari, Joint Chief Financial Officer, Reliance Industries said, *"We are excited to partner with HSBC on digitalisation of trade finance. This reflects our continued commitment to embrace emerging technologies and industry first initiatives. The use of blockchain offers significant potential to reduce the timelines involved in exchange of export documentation from the extant 7 to 10 days to less than a day. When adopted at scale, it helps in significant optimisation of working capital. Further, use of blockchain in trade finance enhances transparency, security and synergy across all the parties and stakeholders involved."*

This transaction validates the commercial and operational viability of blockchain as an alternative to conventional exchanges for paper-based documentation.

At present buyers and sellers use paper-based LCs to underpin transactions. Physical documents are sent to each party in the transaction by post, courier or fax. While these paper documents provide certainty, the time and cost involved in processing them are deterrents for exporters and importers and impairs the pace of trade.

R3, HSBC, ING, the other six banks supporting the Corda application (Bangkok Bank, BNP Paribas, CTBC Holding, NatWest, SEB and Standard Chartered) are seeking to expand the network on an open source basis to drive adoption across the industry. This includes technology partners that can provide banks and customers tool kits for easier onboarding, ecosystem participants, besides buyers/sellers and their banks.

HSBC has taken the lead in digitising, shaping and evolving the Trade ecosystem globally through industry leading initiatives.

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Media enquiries to:

HSBC – Kunal Pradhan

+91 22 22681287

kunal.pradhan@hsbc.co.in

Note to editors:

HSBC Bank India

The Hongkong and Shanghai Banking Corporation Limited in India offers a full range of banking and financial services through 26 branches across 14 cities.

HSBC is one of India's leading financial services groups, with over 36,000 employees in its banking, investment banking and capital markets, asset management, insurance, software development and global resourcing operations in the country. It is a leading custodian in India. The Bank is at the forefront in arranging deals for Indian companies investing overseas and foreign investments into the country.

The HSBC Group

HSBC Holdings plc, the parent company of HSBC, is headquartered in London. HSBC serves customers worldwide from approximately 3,800 offices in 66 countries and territories in our geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of \$2,603bn at 30 September 2018, HSBC is one of the world's largest banking and financial services organisations.

Reliance Industries Limited (RIL)

Reliance Industries Limited (RIL) is India's largest private sector company, with a consolidated turnover of INR 430,731 crore (\$ 66.1 billion), cash profit of INR 56,034 crore (\$ 8.6 billion), and net profit of INR 36,075 crore (\$ 5.5 billion) for the year ended March 31, 2018. RIL's activities span across hydrocarbon exploration and production, petroleum refining and marketing, petrochemicals, retail and 4G digital services.

RIL is the first private sector company from India to feature in Fortune's Global 500 list of 'World's Largest Corporations' – currently ranking 148th in terms of revenues, and 99th in terms of profits. The Company stands 83rd in the 'Forbes Global 2000' rankings for 2018 – the top-most among Indian companies. It ranks amongst LinkedIn's Top Companies Where India Wants to Work Now (2018).

Tricon

Tricon Energy, Ltd. (Tricon) is a global trading, distribution, and marketing company specializing in liquid fuels, fertilizers, Industrial chemicals, dry bulk products, and Polymers. With 2017 revenues of \$8bn and over 14 million metric tons of product distributed, Tricon was ranked the 3rd largest global chemical distributor by ICIS in 2018. Tricon is a privately held company, founded by Mr. Ignacio Torras in 1996 and is headquartered in Houston, TX.

ING

ING is a global financial institution with a strong European base, offering banking services through its operating company ING Bank. The purpose of ING Bank is empowering people to stay a step ahead in life and in business. ING Bank's more than 51,000 employees offer retail and wholesale banking services to customers in over 40 countries.

ING Group shares are listed on the exchanges of Amsterdam (INGA AS, INGA.AS), Brussels and on the New York Stock Exchange (ADRs: ING US, ING.N).

PUBLIC

Sustainability forms an integral part of ING's strategy, evidenced by ING's ranking as a leader in the banks industry group by Sustainalytics. ING Group shares are included in the FTSE4 Good index and in the Dow Jones Sustainability Index (Europe and World), where ING is also among the leaders in the banks industry group.

R3

R3 is an enterprise software firm working with a network of over 200 banks, financial institutions, regulators, trade associations, professional services firms and technology companies to develop on Corda, its blockchain platform designed specifically for businesses.

R3's global team of over 140 professionals in nine countries is supported by over 2,000 technology, financial, and legal experts drawn from its global member base. R3 is backed by investment of USD 107 million from over 40 firms.

Corda is the outcome of over two years of intense research and development by R3 and its members and meets the highest standards of the banking industry, yet is applicable to any commercial scenario. It records, manages and executes institutions' financial agreements in perfect synchrony with their peers, creating a world of frictionless commerce. Learn more at www.r3.com.