News Release

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HSBC COMPLETES FIRST RMB FX DERIVATIVES DEAL WITH A CIBM FOREIGN INVESTOR

HSBC announced today that it has completed its first RMB FX derivatives deal with a non-central bank, foreign institutional investor in China's interbank bond market (CIBM). The forward deal helps clients hedge against forex risk exposure when holding RMB-denominated bonds.

"Access to onshore foreign exchange derivatives by foreign institutional investors is a reflection of China's sustained market liberalisation strategy," said Ryan Song, Executive Vice President and Head of Global Markets for China at HSBC. "This new development supports international investors' hedging needs and further encourages their participation in the domestic bond market. HSBC will continue supporting China's capital markets liberalisation by offering a range of diversified products and services to help manage forex risks."

On 27 February 2017, China's State Administration of Foreign Exchange issued a circular to allow eligible foreign investors to transact FX derivatives in the onshore foreign exchange market to hedge FX exposures resulting from their purchases of China bonds. The new rule targets non-central banks and foreign institutional investors, as central banks have already had access to China's onshore foreign exchange market.

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Note to editors:

HSBC Bank (China) Company Limited

HSBC was one of the first foreign banks to locally incorporate its operations in mainland China, establishing HSBC Bank (China) Company Limited in April 2007. HSBC China's network currently comprises over 170 outlets across more than 50 major cities. HSBC China's head office is based in Pudong, Shanghai.

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