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HSBC Receives China Domestic Fund Custody License

**** Supports further diversification of asset custody industry in the mainland market ****

HSBC Bank (China) Limited ("HSBC China") has announced that it has received the domestic fund custody license from the China Securities Regulatory Commission ("CSRC"). With the new license, HSBC will be able to provide custody services to onshore funds offered by fund and asset managers domiciled in mainland China.

As a sub-custodian in mainland China 1992, HSBC already has the leading market position in terms of the number of Qualified Foreign Investor (QFI) and CIBM Direct scheme investors we serve.

This new license further enhances HSBC China's portfolio of custody services in mainland China and better positions the bank to directly provide custody services to locally-domiciled mutual funds, private funds, and private asset management schemes.

Fiona Horsewill, Global Head of Securities Services, HSBC, said: "HSBC is pleased to have been granted this domestic fund custody license which allows us to better serve cross-border custody demands using our global network and expertise. China is the second largest capital market in the world and continues to be an important choice for foreign institutional investors looking to diversify their global asset allocations, especially their long-term capital. As a trusted service provider, we'll be working to further enhance our local products and services for the benefit of onshore fund managers as well as our international clients."

Mark Wang, President and CEO, HSBC China, said: "The new license marks another milestone in HSBC's business developments in China, enabling us to participate more deeply in the market's capital market opening and to assist overseas investors to be a part of the vast opportunities that arise. We will continue investing to further grow our China business and to capture the long-term potential of the market."

In recent years, the size of the mutual fund market in mainland China has climbed year-on-year, reaching nearly USD 4.49 trillion (RMB 32.07 trillion) as of the end of September 2024 according to Asset Management Association of China (AMAC).

HSBC provides custody services to asset managers in nearly 100 markets around the world. HSBC's total AUC of its custody business exceeded USD 9 trillion as of the end of June 2024.

In mainland China, HSBC has a proven track record of custodian services for over 30 years. Apart from the fund custody qualification approved this time, HSBC China also provides custody services to Qualified Foreign Investor (QFI), direct investment in China Interbank Bond Market (CIBM) and B-share.

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HSBC Holdings plc

HSBC Holdings plc, the parent company of HSBC, is headquartered in London. HSBC serves customers worldwide from offices in 60 countries and territories. With assets of US\$3,099bn at 30 September 2024, HSBC is one of the world's largest banking and financial services organisations.

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