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## **HSBC BECOMES FIRST CUSTODIAN BANK IN CHINA TO SUPPORT A JAPANESE RQFII**

HSBC has become the first custodian bank in China to support a Renminbi Qualified Foreign Institutional Investor (RQFII) from Japan. A leading Japanese bank has mandated HSBC Bank (China) Limited as its onshore custodian bank in China, becoming the first Japanese investor in China authorised under the RQFII programme. As part of its support, HSBC also facilitated the licence application.

The RQFII programme is aimed at opening up China's onshore securities markets to overseas investors using renminbi (RMB) and was extended to include Japan with a RMB200bn quota allocation in May 2018.

Olivier Pacton, CEO, HSBC Japan, commented, "This significant development marks the first time for a Japanese institutional investor to access China through the RQFII programme. As one of the world's leading custodian banks and the international bank with the strongest presence in China, we look forward to supporting more Japanese investors access this important market in the future."

"This is a new age of opportunity for Japanese investors in China," said David Liao, President and CEO of HSBC China. "As the opening of China's capital markets has accelerated, domestic equities and bonds are becoming part of global benchmark indices. That gives Japanese financial institutions – which are among the world's largest investors – a compelling reason to start accessing China's markets and financing the growth of local companies."

The RQFII pilot programme began in 2011 and now has an investment quota totalling RMB1,940bn<sup>i</sup> and permits investors from 19 countries and territories to access China's A-shares and the China Interbank Bond Market.

HSBC has one of the largest foreign bank networks in China and was the first bank to complete a RMB trade settlement across all six continents. It provides a growing range of RMB capabilities, available onshore and in more than 50 territories worldwide.

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### **Note to editors:**

#### **HSBC Holdings plc**

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

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<sup>i</sup> As of 29Sep18, State Administration of Foreign Exchange (SAFE).