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HSBC BECOMES FIRST TO OFFER JAPANESE INVESTORS ACCESS TO CHINA'S ONSHORE CNY FX MARKET FROM JAPAN

- Enables HSBC to better serve Japanese and international clients wanting access to China's onshore RMB FX from offshore markets
- HSBC has designated its regional headquarters in Hong Kong as the internal hub for all CNY flows for its client-facing network globally

HSBC is now offering Japanese investors the ability to access China's onshore CNY FX market from Japan for the first time. This follows on from HSBC having successfully registered with the People's Bank of China (PBoC), in August 2019, to adopt a Chinese Yuan Foreign Exchange (CNY FX) centralization model as stipulated by Notice of the PBoC (Yinfa [2018] No. 159) under which HSBC will use its Hong Kong entity (The Hongkong and Shanghai Banking Corporation Limited) as the internal hub for all its cross-border CNY FX trading globally.

HSBC's adoption of this new model demonstrates our continued commitment to helping clients around the world benefit from the internationalisation of the Renminbi (RMB).

China is increasingly central to the strategies of our corporate and institutional clients globally. HSBC's ability to offer Japanese clients direct access to the offshore RMB FX conversion and hedging via the local HSBC entities they usually face is further strengthened by the new model.

"This new model streamlines access to onshore CNY FX transactions for clients and enables HSBC to further enhance its offering of CNY FX spot and hedging solutions to corporate and institutional clients in Japan and around the world. Among the benefits this delivers to clients, HSBC can now offer CNY FX solutions to Bond Connect clients in their home markets," said Amar Darira, CEO, HSBC Securities (Japan) Limited.

HSBC is widely recognized as the leading international bank for RMB business and has been championing the internationalisation of China's currency for a decade. It has ranked #1 overall for the eight consecutive years since the launch of the Asiamoney Global RMB Poll, has RMB capabilities in over 50 markets and was the first bank to settle RMB transactions on six continents.

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HSBC Holdings plc

HSBC Holdings plc, the parent company of HSBC, is headquartered in London. The Group serves customers worldwide across 65 countries and territories in Europe, Asia, North and Latin America, and Middle East and North Africa. With assets of US\$2,728bn at 30 September 2019, HSBC is one of the world's largest banking and financial services organisations.

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