

# Asiamoney Global RMB Poll

2 March – 27 March 2020

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# HSBC continues to be one of the leading international bank for RMB business for our clients via:

## One of the largest RMB networks

- ◆ Capabilities in over 50 markets<sup>1</sup>
- ◆ 1<sup>st</sup> bank with capability to settle RMB in six continents<sup>2</sup>, led first-ever offshore RMB denominated bond and IPO
- ◆ Group-wide RMB business supported by a team of RMB champions and experts located in 3 key locations<sup>3</sup>

## Deep China knowledge and coverage

- ◆ Established in Hong Kong and Shanghai in 1865
- ◆ One of the largest foreign bank in mainland China
- ◆ China Desk Managers in 24 markets connecting Chinese corporates to over 40 countries<sup>4</sup>
- ◆ Strong and consistent supporter of key Chinese initiatives such as RMB Internationalisation (RMBI) and Belt & Road Initiative (BRI)

1. <https://www.business.hsbc.com/belt-and-road>  
2. <https://www.about.hsbc.com.hk/news-and-media>  
3. Hong Kong, London, Shanghai  
4. As of 10 Feb 2020







### Market leading position in key products

- ◆ No.1 in Dim Sum bond underwriting league table<sup>5</sup>
- ◆ No.1 among foreign banks in the Panda bond underwriting league table<sup>6</sup>
- ◆ Leading market share in QFII & RQFII custodian services<sup>7</sup>
- ◆ Leading market share among foreign banks in Overseas Institutional Investors (OII) China Interbank Bond Market (CIBM) custodian services<sup>8</sup>

### Market first achievements in 2019

- ◆ Acted as one of the Joint Bookrunners for the first listing of Global Depositary Receipts (GDR) and completed the first GDR conversion under Shanghai-London Stock Connect (SLSC)
- ◆ Executed the world's first cross-border RMB block-chain Letter of Credit<sup>9</sup>
- ◆ One of the first three banks to implement CNY FX centralisation model to offer better CNY products to offshore investors,

including offering CNY FX solutions to Bond Connect clients in their home markets

- ◆ First bank to execute Bond Connect trade with a German domiciled asset manager<sup>10</sup>
- ◆ Supported an Overseas Institutional Investor (OII) to complete the first T+3 bond settlement in the CIBM soon after regulatory relaxation

### Recognised by industry-leading awards

- ◆ Voted 1<sup>st</sup> for Best Overall RMB Products and Services in 2019 for the 8<sup>th</sup> consecutive year in the Asiamoney Global RMB Poll
- ◆ Best RMB Bank in Argentina, Bangladesh, Canada, Chile, Germany, Malaysia, South Korea, United Kingdom and United States and Best RMB Liquidity Management Bank in the Asset Triple A Treasury, Trade, Supply Chain and Risk Management Awards 2019
- ◆ Voted the winner of the 2019 FX Week Best Bank for RMB award
- ◆ Best RMB Manager in the Asia Asset Management 2019 awards
- ◆ Awarded "Bond Connect Top Dealer" in 2019 for two consecutive years
- ◆ Named the Best Overall International Bank for the Belt and Road Initiative (BRI) in the 2019 Asiamoney New Silk Road Finance Awards

5. Source: Bloomberg, as of Dec 2019

6. Source: Bloomberg, as of Dec 2019

7. Source: CSRC and SAFE, as of Dec 2019

8. Source: PBOC, as of Dec 2019

9. <https://www.about.hsbc.com.hk/news-and-media>

10. <https://www.about.hsbc.de/news-and-media>





# How HSBC supports our clients' onshore and offshore RMB needs

## Foreign Exchange

- ◆ Market makers for 21 direct trading pairs with CNY<sup>11</sup>
- ◆ HSBC HK is one of offshore participants granted the China Foreign Exchange Trade System (CFETS) direct membership with direct access to the onshore CNY market, enabling us to offer a wide range of CNY products, hedging solutions and investment tools to corporate clients and institutional investors
- ◆ Leading capabilities to deliver CNY FX solutions to our offshore corporates, investors and institutional clients in their home markets directly in key locations<sup>12</sup> across multiple regions

## Liquidity and Cash Management

- ◆ The largest international shareholder and the only international bank<sup>13</sup> represented on the Board of Directors of CIPSCO, the company operating the Cross-border Interbank Payment System (CIPS) for RMB clearing and payment services in mainland China
  - HSBC China is a direct participant of CIPS and a further 43 HSBC Group's subsidiaries are registered as indirect participant
- ◆ Implemented the first cross-border RMB cash pooling solution for an investment firm in mainland China, optimising client's capital management and ability to redeploy and reinvest funds<sup>14</sup>

11. Onshore CNY FX market-maker for 21 direct trading pairs with CNY including European euro (EUR), Japanese yen (JPY), Pound sterling (GBP), Australia dollar (AUD), New Zealand dollar (NZD), Singapore dollar (SGD), Swiss franc (CHF), Canadian dollar (CAD), South African rand (ZAR), South Korean won (KRW), UAE dirham (AED), Saudi Arabian riyal (SAR), Hungarian forint (HUF), Polish zloty (PLN), Danish krone (DKK), Swedish krona (SEK), Norwegian krone (NOK), Turkish lira (TRY), Mexican peso (MXN), Malaysian Ringgit (MYR) and Thai Baht (THB)

12. HK, UK, US, France, Germany, Japan, Australia

13. [http://www.cips.com.cn/cips/xwzx/\\_2719/34725/index.html](http://www.cips.com.cn/cips/xwzx/_2719/34725/index.html)

14. Sep 2019



- ◆ Among the first banks to support RMB payments when Faster Payment System (FPS) was launched in Hong Kong and processed over 5,300 transactions totalling over RMB7.7bn in the first 11 months since launched

## Fixed Income

- ◆ One of the first Bond Connect Participating Dealers and was among the first to trade on Bond Connect
- ◆ Ranked #1 among foreign banks as primary dealer in onshore interbank government bond trading volume<sup>15</sup>
- ◆ Played key roles in supporting our clients in RMB bond issuance across multiple geographies and purposes.
  - **Panda bond:** Acted as Joint Lead Underwriter for the government of Portugal's inaugural RMB2bn 3-year Panda bond, the first Eurozone issuer of Panda bonds in JUN19; Acted as Sub-underwriter for United Overseas Bank's RMB2bn 3-year Panda bond, the first issuance from a Singaporean financial institution in MAR 19
  - **Belt and Road Initiative:** Acted as Joint Lead Manager & Bookrunner for the RMB1bn Dim Sum bond tranche of ICBC Singapore's USD2.2bn equivalent multi-tranche inaugural Green Belt and Road Inter-bank Regular Cooperation Bonds in APR 19

- **Sustainable finance:** Acted as one of the Bond Connect Cross-border Coordinators for the CNY7.5bn 3-year bond issuance of China Development Bank<sup>16</sup>, which is the first environmental, social and corporate governance (ESG) compliant with International Capital Market Association (ICMA) Green Bond Principal
- **Corporate issuances:** Acted as International Advisor and Sub-underwriter for BWM's RMB3bn 3-year private placement note, the first with a guarantee structure in the auto sector in FEB 19

## Equities

- ◆ Among the first banks to offer trading services under the Shenzhen-Hong Kong Stock Connect and Shanghai-Hong Kong Stock Connect with integrated execution services provided to investors
- ◆ Sales coverage for 187 China A-shares<sup>17</sup> via a team of 17 onshore licensed analysts covering 12 sectors including healthcare, consumer, media and IT etc.

## Securities Services

- ◆ Leading market share in QFII & RQFII custodian services by providing integrated RMB related products and services to 111 RQFIIs<sup>18</sup>
- ◆ Leading market share among foreign banks in Overseas Institutional Investors (OII) CIBM custodian services by serving 120 out of 364 foreign CIBM clients<sup>19</sup>

15. Source: www.chinabond.com.cn, as of Sep 2019

16. Acted in December 2019

17. Updated as of December 2019 by HSBC Research Team

18. Source: CSRC and SAFE, as of Dec 2019

19. Source: PBOC, as of Dec 2019. Excluding foreign central banks, international financial institutions and sovereign wealth funds





### HSBC Qianhai Securities

- ◆ First foreign bank to open a majority-owned joint venture securities company<sup>20</sup> in mainland China in Dec 2017 that provides our corporate, institutional and commercial banking clients in China and globally an universal banking platform including:
  - **Investment Banking:** Underwriting and sponsoring the issuance of domestic equities, including IPOs, and debt, including asset-backed securities; advising on corporate mergers and acquisitions
  - **Securities Brokerage:** Broking of listed securities on the Shanghai and Shenzhen Stock Exchanges
  - **Equity Research:** Publishing A-shares research reports in both English and Chinese simultaneously for distribution to clients globally, which is a market first

### Investment Capabilities

- ◆ Extensive investment offerings covering all asset classes for both onshore and offshore Chinese markets
- ◆ HSBC's first northbound fund under Mutual Recognition of Funds (MRF) scheme was launched in Feb 2019
- ◆ RMB insurance offerings in Hong Kong and RMB savings capabilities in other key RMB centres, including Singapore, Taiwan, Malaysia, Australia, United Kingdom and Canada

### Research Capabilities

- ◆ HSBC Global Research produced a broad range of RMB/China related publications in 2019. Their analysis of related currencies, economics, fixed Income and equities provided clients with in-depth insight and views to inform their business decisions
- ◆ HSBC Qianhai Securities produced research reports covering 201 stocks by the end of 2019, including 174 A-shares and 27 H-shares

20. <https://www.bloomberg.com/news/articles/2017-06-30/hsbc-becomes-first-foreign-majority-owner-in-china-securities-jv>

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