

Asiamoney Global RMB Poll

22 February – 2 April 2021

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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
- ◆ 1st bank with capability to settle RMB in six continents¹



Deep China knowledge and coverage

- ◆ Established in Hong Kong and Shanghai in 1865
- ◆ One of the largest foreign bank in mainland China



Maintained our lead in Panda bond underwriting

- ◆ Ranked #1 on aggregate volumes among foreign banks since 2014 when the regulator reopened the Panda Bond market



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



Market leading positions in key products and new markets

- ◆ HSBC (China) facilitated market-first securities lending transactions under QFII/RQFII in Nov 2020
- ◆ Ranked as one of the Top Market Makers of bond connect for 3 consecutive years²
- ◆ HSBC (China) facilitated market-first onshore private fund investment under QFII/RQFII in Dec 2020
- ◆ HSBC (China) facilitated market-first short selling transactions under QFII/RQFII in Dec 2020



Recognised by industry-leading awards

- ◆ Voted 1st for Best Overall RMB Products and Services in 2020 for the ninth consecutive year in the Asiamoney Global RMB Poll
- ◆ Best RMB Bank in Argentina, Canada, Chile, Germany, Malaysia, Mexico, South Korea, Taiwan, United Kingdom, Uruguay and United States and Best RMB Liquidity Management Bank in the Asset Triple A Treasury, Trade, Supply Chain and Risk Management Awards 2020
- ◆ Best Bank in Hong Kong and Best International Bank in China, Malaysia, South Korea, Sri Lanka, Vietnam in the FinanceAsia Country Awards 2020
- ◆ Best Bank for USD/CNY in FX Week Best Banks Awards 2020
- ◆ Best Custodian QFII and RQFII in The Asset Sustainable Investing Institutional Investor, ETF, and Asset Servicing Awards 2020
- ◆ SRP 2020 China Awards as “Best ESG Solution”

2. Source: <https://www.chinabondconnect.com/sc/Newsroom/Events/Bond-Connect-Awards-2020.html>
<https://www.chinabondconnect.com/sc/Newsroom/News-Release/2019-Bond-Connect-Awards.html>
<https://www.chinabondconnect.com/sc/Newsroom/News-Release/2018-Bond-Connect-Awards.html>

Highlights of HSBC's capabilities to support clients' onshore and offshore RMB needs

Foreign Exchange

- ◆ Market makers for 21 direct trading pairs with CNY³
- ◆ Sole non-Chinese foreign bank of Yuan-Won (CNY/KWR) direct market maker
- ◆ HSBC HK is one of offshore participants granted the CFETS direct membership with direct access to the onshore CNY market, enabling us to offer a wide range of CNY products and hedging solutions to corporate clients and institutional investors

3. 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)



Liquidity and Cash Management

- ◆ HSBC China is a direct participant and shareholder for CIPS, Cross-border Interbank Payment System, a system for RMB clearing and payment services in mainland China
 - Total of 43 HSBC affiliates are registered as indirect participant
- ◆ Full support of the migration from CNAPS to CIPS by enhancing HSBC internal infrastructure and external commercialisation
- ◆ Supported RMB cross-border remittance in Qatar and Egypt to repatriate funds to mainland China
- ◆ Implemented first cross-border RMB cash pooling solution for FIG investment firm in HSBC China optimising client's capital management and ability to redeploy/reinvestment funds
- ◆ Among the first banks to support RMB payments when Faster Payment System (FPS) was launched in Hong Kong SAR transacting over 9,500 transactions totalling over RMB1.8bn in 11 months

Fixed Income

- ◆ Ranked #1 among foreign banks as primary dealer in onshore interbank government bond trading volume⁴
- ◆ Ranked as one of the Top Market Makers of bond connect for 3 consecutive years⁵
- ◆ Serving offshore clients in different fixed income products, from vanilla bonds to derivatives, from secondary to primary
- ◆ Serving as one of the 12 cross-border coordinators to support China Development Bank (CDB) to issue green bonds

4. Source: http://gks.mof.gov.cn/zttz/guozhiguanli/gzfxgzdt/202101/t20210115_3644727.htm

5. Source: <https://www.chinabondconnect.com/sc/Newsroom/Events/Bond-Connect-Awards-2020.html>
<https://www.chinabondconnect.com/sc/Newsroom/News-Release/2019-Bond-Connect-Awards.html>
<https://www.chinabondconnect.com/sc/Newsroom/News-Release/2018-Bond-Connect-Awards.html>

Equities

- ◆ HSBC has dedicated China A-share execution resources and capabilities – There are four execution specialists in HSBC Qianhai to serve international clients
- ◆ HSBC is active in executing A Share block trades and saw a material increase in 2020. We expect this trends to continue and our franchise is well positioned to continue to grow our market share
- ◆ There are six onshore Equity Sales located in Qianhai, Shanghai, Beijing covering domestic and foreign institutional clients
- ◆ HSBC was bookrunner and sponsor on two A-share private placements, including acted as sole sponsor for the largest domestic sole sponsor deal in 2020 by a foreign bank, and joint global coordinator for the largest A-share private placement in 2020
- ◆ The corporate access team, together with research, hosted 540 Corporate-Access activities in 2020, up 24% year on year; resulting in 770 conference calls and 13,400 touch points with investors, up 146% year on year
- ◆ HSBC launched the bank's first structured deposit product under HSBC Green Bond Framework, offering retail customers with sustainable investment opportunities and support China's sustainable development.

- ◆ HSBC is one of the largest provider of ESG-linked Structured Product in Asia Pacific. The bank has won Best ESG Solution in SRP 2020 China awards by Structured Retails Products, a member of Euromoney Institutional Investor media group, recognizing our efforts to promote ESG theme investment products to retail customers in China.

Securities Services

- ◆ HSBC (China) serves 130 out of 398 foreign CIBM clients (excluding foreign central banks, international financial institutions and sovereign wealth funds) as of end of December 2020⁶
- ◆ HSBC (China) is ranked first in CIBM settlement agent, both in terms of total No. of OIIs and first among foreign banks in terms of the total depository balance of OIIs as of December 2020⁷
- ◆ HSBC (China) serves 214 out of 558 QFII/RQFII entities as at December 2020⁸

6. Source: PBOC. <http://shanghai.pbc.gov.cn/fzhshanghai/113595/4162217/index.html> Data as of Dec 2020

7. Source: PBOC. <http://shanghai.pbc.gov.cn/fzhshanghai/113595/4162202/index.html> Data as of Dec 2020

8. Source: <http://www.csfc.gov.cn/pub/newsite/>

HSBC Qianhai Securities

- ◆ First foreign bank to open a majority-owned joint venture securities company in mainland China in December 2017 that provides our corporate, institutional and commercial banking clients in China and globally a 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 research reports related to A-shares in both English and Chinese simultaneously for distribution to clients globally, which was a market first

Research Capabilities

- ◆ HSBC Global Research produces a broad range of RMB/China related publications. Their analysis of related currencies, economics, rates and credit, equities and even emerging themes such as China's digital currency e-CNY development provided clients with in-depth insight and views to inform their business decisions

- ◆ HSBC Qianhai Research has 22 licensed analysts covering 279 stocks (242 A-shares + 35 H-shares + 2 US-listed) in 15 sectors including Healthcare, Consumer, Media & Internet, IT Hardware, IT Software, Environmental, Machinery, Infrastructure, Petrochemicals, Transportation, Financials, Agricultural & Fishery, Auto & Auto Parts, Renewable Energy, and Utilities. Combining the 58 A-share stocks covered by our analysts in HK, HSBC Global Research cover 300 A-share stocks in total
- ◆ HSBC Qianhai Research published over 1,200 reports in 2020, up 55% year on year

HSBC Asset Management

- ◆ Northbound Mutual Recognition of Funds (MRF) offering: HSBC Asset Management launched first equity fund in 2019, followed by 3 bond funds in 2020

Global Trade and Receivables Finance

- ◆ A global pharmaceutical company exports vaccines and medicines to China and mainly settled by cross-border RMB
- ◆ HSBC provided L/C discounting to the cross-border RMB L/C issued by Chinese banks, the annualized throughput is over CNY8bn in 2020
- ◆ HSBC also setup a factoring program (LRRD) to support its growing sales with a local key distributor, the annualized sales turnover is circa CNY3bn in 2020

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