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**HSBC COMPLETES MARKET'S FIRST OFFSHORE RMB
CROSS CURRENCY SWAPS REFERENCING HONIA AND SOFR**

HSBC today completed market's first offshore Renminbi (CNH) cross currency swaps referencing HKD HONIA (Hong Kong Dollar Overnight Index Average) and USD SOFR (Secured Overnight Financing Rate) floating indices, with another financial institution.

The CNH/HKD HONIA and CNH/USD SOFR swaps each carried a notional principal of CNH100 million with 1-year tenor. This follows the Bank's completion of the first HKD/USD cross currency swap referencing HONIA and SOFR on 8 October 2020.

China's onshore bond market is the second largest in the world and global investor appetite for Chinese assets is at an all-time high. This trend is expected to fuel demand for CNH derivative products in Hong Kong. CNH cross currency swaps referencing HONIA and SOFR address two hedging needs – interest rate benchmark transitions and investing in onshore RMB bonds – in one step.

Justin Chan, Head of Greater China, Asia-Pacific, Global Markets, HSBC, said: "HSBC is committed to driving capital market developments in Hong Kong. To support our clients through the IBOR transition, we are actively preparing for the changes with investment in infrastructure and product capabilities. Today's completion of CNH swaps not only represents our continuous efforts in this regard, but also solidifies our long-term commitment in strengthening Hong Kong's role as the leading offshore Renminbi centre."

HSBC is at the forefront of driving HONIA-based derivative product innovation. In addition to the cross currency swaps this month, HSBC executed the first HONIA-HIBOR interest rate swap in October 2019 and the first centrally cleared HONIA IRS contract in July 2020.

For more information on IBOR reforms, please visit:
<https://www.gbm.hsbc.com/financial-regulation/market-structure/ibor#>

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Note to editors:

The Hongkong and Shanghai Banking Corporation Limited

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