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## **HSBC EXECUTES MARKET'S FIRST HONIA-SOFR CROSS CURRENCY SWAP IN HONG KONG**

HSBC has executed market's first HKD HONIA-USD SOFR cross currency swap with two other financial institutions today. The swap carries a notional principal of HKD100 million with 1-year tenor.

HONIA (Hong Kong Dollar Overnight Index Average) is the alternative reference rate to HIBOR (Hong Kong Interbank Offered Rate). With the upcoming adoption of USD SOFR (Secured Overnight Financing Rate) as the new benchmark in global funding and derivatives market, the introduction of HKD HONIA-USD SOFR cross currency swap will provide a new derivative product and hedging instrument that matches the SOFR development for institutional and corporate clients to manage their interest rate risks during the transition.

**Cheuk Wong, Managing Director, Head of Greater China Fixed Income, Asia-Pacific, Global Markets, HSBC**, said: "As a major industry player, HSBC is committed to supporting the gradual market adoption of HONIA in Hong Kong. To drive the market development and support our clients in navigating through the IBOR transition, we have been enriching our suite of HONIA-based products since last year. Today's completion of first cross currency swap trade represents another key milestone of derivatives market in Hong Kong, and we expect to see growing market demand for HONIA-based derivatives in the near future."

HSBC has executed Hong Kong's first HONIA-HIBOR interest rate swap in October last year and first centrally cleared HONIA IRS contract in July this year.

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

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### **The Hongkong and Shanghai Banking Corporation Limited**

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