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## **HSBC COMPLETES MARKET'S FIRST HONIA-BASED INTEREST RATE SWAP WITH CORPORATE COUNTERPARTY**

HSBC has completed a 3-year HKD-HONIA based interest rate swap (IRS) of HKD1 billion with Henderson Land Development Co. Ltd., representing Hong Kong's first deal of its kind executed with a corporate counterparty.

This market-first transaction is set to give steer to other corporates looking to adapt to HONIA (Hong Kong Dollar Overnight Index Average), the alternative reference rate to HIBOR (Hong Kong Interbank Offered Rate) for managing their interest rate risks through up-to-date derivative solutions.

**Candy Ho, Managing Director, Head of Business Development, Greater China, Markets & Securities Services, HSBC**, said: "Not only does the completion of this interest rate swap demonstrate HSBC's continued commitment to support the gradual market adoption of HONIA in Hong Kong, it is also a milestone in the city's derivative market as we see growing needs for HONIA-based derivatives among corporate clients."

HSBC is at the forefront of driving HONIA-based derivative product innovation. In recent years, HSBC has successfully completed a number of pioneering deals with other financial institutions. The Bank executed the first HONIA-HIBOR interest rate swap in 2019, followed by the first centrally cleared HONIA IRS contract and the first HKD/USD cross currency swap referencing HONIA and SOFR (Secured Overnight Financing Rate) in 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:**

**Photo caption:**

Candy Ho, Managing Director, Head of Business Development, Greater China, Markets & Securities Services, HSBC (right), and Andrew Fung, Executive Director and Chief Financial Officer, Henderson Land Development Co. Ltd. (left), announced the completion of the market-first HONIA-based interest rate swap with a corporate counterparty.



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