

15 May 2023**HSBC COMPLETES FIRST SET OF TRADES UNDER SWAP CONNECT**

****Swap Connect is the first derivatives trading link between mainland China and Hong Kong****

****HSBC completed trades for investors as a designated market maker and clearing broker for clients including Dymon Asia, CSI Capital Management, among several others****

(Hong Kong) – HSBC has today completed among the first trades for several overseas and Hong Kong institutional investors on the back of today's launch of the Northbound link of Swap Connect, which allows offshore investors to efficiently access China's onshore derivatives markets.

HSBC concluded trades for several global clients including leading Asia investment managers' Dymon Asia and CSI Capital Management Limited, with HSBC China acting as the designated market maker and HSBC Hong Kong acting as the mandated clearing broker.

Candy Ho, Managing Director, Head of Business Development, Greater China, Markets & Securities Services HSBC, said: "Swap Connect has immediate value for global investors and is a timely move in China's ongoing commitment to its markets opening up. Today we are pleased to provide our clients with seamless access to a new channel to efficiently manage their renminbi interest rate risks for bond investments."

HSBC Hong Kong, as an active onshore bond investor, also successfully transacted under Swap Connect with HSBC China and other counterparties.

"Swap Connect makes participating in the world's second largest fixed income market more attractive by introducing a central clearing model and providing better access to the deep onshore liquidity in financial derivatives markets. We expect to see Hong Kong gain a further foothold as an offshore risk management center," Ho added.

Under the initial Northbound link, overseas investors gain access to onshore Interest Rate Swap products priced, settled and cleared in renminbi via Hong Kong's unique infrastructure.

HSBC facilitates access for global investors' Dymon Asia and CSI Capital Management

Shawn Yuan, Co-Chief Investment Officer (CIO) of the Dymon Asia Multi-Strategy Investment Fund and CIO of the Dymon Asia China Absolute Return Bond Fund at Dymon Asia Capital, a leading alternative investment management firm in Asia, said: "Dymon Asia is proud to be among the first overseas investors to access mainland China's Interest Rate Swap market today via Swap Connect with the support of HSBC as our market maker counterparty as well as our mandated clearing broker. Swap Connect empowers active global investors like us to efficiently manage interest rate risk for our China bond investments, and in turn makes renminbi-denominated investments more attractive."

Liang Shi, Company Director of CSI Capital Management Limited, said: "We are pleased to have successfully traded on the Swap Connect Northbound link as a welcome next step in China's bond market opening up to overseas investors after the launch of both CIBM Direct and Bond Connect. With improved access to onshore derivatives products and a smoother

risk management experience, we will continue to explore the full potential of China's fixed income markets."

As the sixth¹ Connect scheme launched in recent years, Swap Connect signals the continued collaboration between the mainland China and Hong Kong financial markets as well as China's reopening. Recent additions included Stock Connect, launched in 2014 enabling investors in each market to trade shares on the other market using their local brokers and clearing houses; Bond Connect, launched in 2017 allowing investors to trade in each other's bond market and Wealth Management Connect, launched in 2021 supporting cross border financial activities for Greater Bay Area residents.

HSBC remains at the forefront of China's capital markets opening and continues to be a leading international bank in servicing overseas investors.

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The Hongkong and Shanghai Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group. HSBC serves customers worldwide from offices in 62 countries and territories. With assets of US\$2,990bn at 31 March 2023, HSBC is one of the world's largest banking and financial services organisations.

¹ Source: HKMA, HSBC

Timeline of Connect schemes between mainland China and Hong Kong	
Cross-border Connect Schemes	Launch date
SH-HK Stock Connect	17-Nov-2014
SZ-HK Stock Connect	5-Dec-2016
Northbound Bond Connect	3-Jul-2017
Wealth Management Connect	10-Sep-2021
Southbound Bond Connect	24-Sep-2021