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HSBC JOINS HKMA RMB TRADE FINANCING LIQUIDITY FACILITY TO SUPPORT CORPORATE FINANCING IN RMB

HSBC announced today it is among the first batch of financial institutions participating in the Hong Kong Monetary Authority (HKMA)'s RMB Trade Financing Liquidity Facility. The scheme, which went live today, is designed to enhance liquidity for RMB trade financing, supporting businesses and strengthening Hong Kong's global offshore RMB business hub.

Under this scheme, HSBC has already arranged several trade finance transactions for corporate clients. These RMB trade loans have been customised to address the diverse needs of clients across different sectors and industries, including documentary trade, open account trade and structured trade.

HSBC has received positive customer feedback and inquiries from offshore businesses interested in using RMB for trade settlement in Hong Kong. The Bank plans to utilise its allocated quota from the scheme to expand its comprehensive trade finance services.

In today's dynamic interest rate environment, financing in multiple currencies, including the RMB, provides a strategic advantage, allowing businesses to better manage funding expenses through different interest rate cycles and pricing.

Luanne Lim, Chief Executive Officer, Hong Kong, HSBC, said: "For 160 years, HSBC has been financing trade across markets. We are pleased to take part in this ground-breaking scheme, reinforcing our commitment to supporting Hong Kong's growth as the leading offshore RMB market. This new facility will help unlock new growth opportunities for businesses, and we look forward to delivering competitive trade financing solutions tailored to our clients' evolving needs."

The RMB has seen rising use in trade finance in recent years. It accounts for approximately 6% of global trade finance value, making it the second most-used currency in trade finance, according to SWIFT data. This marks a substantial increase from about 2% four years ago, highlighting the currency's increasing acceptance among global businesses and financial institutions.¹

To meet the growing demand for RMB financing, HKMA has launched the RMB Trade Financing Liquidity Facility for banks in Hong Kong as a stable source of relatively lower-cost RMB funds, with an aim to support banks in

providing longer-term RMB trade finance services to their corporate customers. The new facility, with a total size of RMB100 billion, is available in one-, three- and six-month tenors.

HSBC is the world's largest trade bank², providing clients access to 90% of global trade flows, including high-growth markets such as India, ASEAN and mainland China, the Middle East and Mexico. In 2024, HSBC facilitated over USD850 billion in trade globally. It has recently been named the World's Best Trade Finance Bank by Euromoney for eight consecutive years.

1. Source: Swift's RMB Tracker
<https://www.swift.com/swift-resource/252383/download>
<https://www.swift.com/swift-resource/252007/download>
2. Source: HSBC FY2024 results presentation to investors and analysts p.7

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Note to editors:

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 58 countries and territories. With assets of US\$3,017bn at 31 December 2024, HSBC is one of the world's largest banking and financial services organisations.

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