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HSBC OFFERS FIRST LPR-BASED INTEREST RATE SWAP IN OFFSHORE RMB MARKET***Offers LPR-based interest rate swaps for Henderson Land in Hong Kong***

HSBC today announced it has leveraged the newly enhanced Swap Connect to offer a Loan Prime Rate (LPR)-based interest rate swap for Henderson Land. HSBC is among the first to offer this in the offshore market, providing corporate clients with crucial tools for more effective RMB loan interest rate risk management.

The expansion of Swap Connect now includes the 1-year LPR as a floating reference rate option, providing a benchmark more closely aligned with the mainland China's lending market. This new inclusion marks a significant development for offshore corporate treasuries, allowing banks to offer LPR-based rate swap solutions tailored for corporate loan exposures.

These enhancements have transformed Swap Connect from a programme primarily supporting institutional investors hedging bond and investment portfolios to one that also helps corporates better manage interest rate risks on offshore loans. This strategic move aligns with the latest initiatives announced in the 2025 Hong Kong Policy Address to reinforce the city's status as an international financial centre. A key strategy is to enhance the liquidity and the global reach of Hong Kong's offshore RMB market.

Cheuk Wong, Head of FX, EM Rates & Commodities, Asia and Head of Markets and Securities Services, Hong Kong, HSBC, said: "Global corporates are increasingly seeking effective offshore solutions to manage their RMB interest rate risks. The latest Swap Connect enhancement enables banks in Hong Kong to offer corporates with RMB interest rate hedging tools based on a benchmark for most onshore corporate and household loans. This is set to further boost the utilisation of the city's robust offshore RMB market by global businesses. Our new offering also underscores HSBC Global Markets' commitment to deliver innovative market access solutions to our clients."

Professor Andrew Fung, Executive Director and Chief Financial Officer of Henderson Land, said: "RMB based assets and liabilities remain one of our core focuses. We are glad that HSBC was prepared to provide some of the most recent product innovations, by offering an LPR-based hedging tool, which enables us to optimise our interest rate risk management for RMB liabilities."

HSBC has been a designated market maker and clearing broker for the Northbound Trading of Swap Connect since its launch in 2023, supporting international investors to efficiently access China's onshore derivatives markets.

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Photo Caption



HSBC has leveraged the newly enhanced Swap Connect to offer a Loan Prime Rate (LPR)-based interest rate swap for Henderson Land. Pictured here are Cheuk Wong, Head of FX, EM Rates & Commodities, Asia and Head of Markets and Securities Services, Hong Kong, HSBC (left), and Professor Andrew Fung, Executive Director and Chief Financial Officer of Henderson Land (right).

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 57 countries and territories. With assets of US\$3,214bn at 30 June 2025, HSBC is one of the world's largest banking and financial services organisations.

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