



Press release

Standard Chartered and International Finance Corporation trade the first offshore USD/CNH cross currency swap referencing Loan Prime Rate and LIBOR

19 April 2021, Hong Kong – Standard Chartered Bank and the International Finance Corporation (IFC) successfully traded the first USD/CNH cross currency basis swap (CCS) referencing the one-year CNY Loan Prime Rate (LPR) and the 6-month USD LIBOR in Hong Kong. The LPR USD/CNH CCS is a tailor-made hedging solution allowing IFC to offer local currency lending in China in support of the LPR index. It once again demonstrates Standard Chartered and IFC's leading position in financial innovation and RMB internationalisation.

As China continues to liberalise its interest rates framework with the LPR as the newly dominant benchmark interest rate since 2019, Standard Chartered has been working closely with clients both within mainland China and offshore markets to provide bespoke hedging solutions amid rising interest rates volatility. The successful conclusion of this transaction provides a good foundation for the development of the CNY LPR market.

John Thang, Head of Financial Markets, Hong Kong & Greater Bay Area, Standard Chartered, said: "We are pleased to work with IFC on this ground-breaking transaction, supporting the IFC's lending activities in mainland China with this customised and innovative solution. We look forward to exploring more of such opportunities as we leverage on our strengths in the CNH market to meet our clients' cross-border trade and investment needs."

Philippe Ahoua, IFC Head of Treasury Client Solutions for the Asia & Pacific Region, said: "This innovative swap transaction demonstrates IFC's continued support of growth and innovation in Renminbi hedging markets while supporting the further adoption of the Loan Prime Rate in China."

Standard Chartered Bank is one of the major participants in the CNY derivatives trading market, with a leading market share among international banks. It is one of the 18 LPR fixing panel banks in China, a primary dealer for China government bonds, as well as a leading market maker in both CNY and CNH markets.

International Finance Corporation - a sister organisation of the World Bank and member of the World Bank Group is the largest global development institution focused on the private sector in emerging markets.

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Standard Chartered

We are a leading international banking group, with a presence in 59 of the world's most dynamic markets and serving clients in a further 85. Our purpose is to drive commerce and prosperity through our unique diversity, and our heritage and values are expressed in our brand promise, Here for good.

Standard Chartered PLC is listed on the London and Hong Kong Stock Exchanges.

The history of Standard Chartered in Hong Kong dates back to 1859. It is currently one of the Hong Kong SAR's three note-issuing banks. Standard Chartered incorporated its Hong Kong business on 1 July 2004, and now operates as a licensed bank in Hong Kong under the name of Standard Chartered Bank (Hong Kong) Limited, a wholly owned subsidiary of Standard Chartered PLC.

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