



Press release

Standard Chartered participates in first trading day of Swap Connect

New programme exemplifies Hong Kong's role as a super-connector, helping offshore investors access Mainland China's interest rate swap market

15 May 2023, Hong Kong – **Standard Chartered** is pleased to announce that today, it has successfully participated in the launch of the Northbound Trading of Swap Connect, including investing and providing client clearing and market-making services to help international investors access Mainland China's interbank interest rate swap market.

According to the People's Bank of China, as of the end of March 2023, the outstanding balance of bonds held by offshore institutions in the China Interbank Bond Market ("CIBM") reached RMB3.3 trillion.¹ With the increase in bond holdings by offshore investors and the growth of trade activities, the demand for derivatives to manage interest rate risks has been rising. Swap Connect is a mutual access programme between the Mainland and Hong Kong interest rate swap markets. The launch of Northbound Trading allows overseas investors from Hong Kong and other countries and regions to participate in the Mainland interbank financial derivatives market through a connection between financial infrastructure institutions in the two markets.

John Thang, Head of Financial Markets, Hong Kong and Greater Bay Area, Standard Chartered, said: "Standard Chartered fully supports Mainland China opening up its financial markets, capitalising on the well-established financial platforms in Hong Kong to connect to international markets. We are very pleased to have efficiently completed multiple Renminbi-denominated interest rate swap transactions through the Swap Connect today, promoting the development of the derivatives market in Mainland China and the internationalisation of the Renminbi. Our international institutional investors have shown a very positive response to the launch of the Swap Connect. They are interested in participating in the programme's Northbound Trading to better manage the interest rate risks of holding Mainland Chinese bonds. We believe that as international investors continue to increase their understanding of the bond and swap markets in Mainland China, the quota and eligible investment products of the Swap Connect will

¹ Source: <http://www.pbc.gov.cn/goutongjiaoliu/113456/113469/4864556/index.html>

be gradually expanded, further supporting the role of Hong Kong as a super-connector and facilitating the rapid development of Mainland China's financial markets.”

Standard Chartered has been playing a leading role in the internationalisation of the RMB. Standard Chartered Bank (Hong Kong) Limited is one of the Primary Liquidity Providers for the offshore RMB market and the first foreign bank qualified as a direct participant in China's Cross-border Interbank Payment System. In 2022, it was recognised by the Bond Connect Company Limited as a Northbound Outstanding Commercial Bank and a Northbound Top Custodian, and won the Primary Market Pioneer Award.

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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 64. 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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