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HSBC expands China-focused products: Canadian businesses and individuals can trade, save and invest in Renminbi in more ways than ever

HSBC Bank Canada (HSBC) announces the launch of two Renminbi (RMB)-denominated term deposit accounts for globally-minded Canadian businesses and individual savers, becoming the first major financial institution in Canada to enable businesses and individuals to invest locally in one of the world's fastest growing currencies.¹

Over the past decade, the Chinese currency has gone through an extraordinarily rapid evolution, emerging as a major player in trade financing, payments, and international foreign exchange markets. Now, the Chinese currency is starting to make its way into yet another sphere: a serious option for clients globally looking to diversify their currency holdings.

RMB Term Deposit Account for Canadian businesses:

SWIFT research shows that, in March 2015, over 10% of all direct payments between Canada and China/Hong Kong were denominated in RMB, compared to 3.9% two years ago – an increase of +156%².

Raman Rai, Senior Vice President and Head of Global Payments and Cash Management, HSBC Bank Canada, said: “Having access to these kinds of products and services positions our clients ahead of the game. It gives them the investment options today that will enable them to hit the ground running once China’s currency becomes fully convertible. At the same time, it provides them with a savings vehicle to hold their RMB until that time.”

RMB term deposits are available to new and existing commercial clients who hold an account with HSBC. For example, clients who already maintain RMB reserves for business purposes will now be able to benefit from a new source of interest on their RMB balances. The account is available in terms from 30 days to one year, is non-redeemable, and interest will be paid at maturity. RMB term deposits are not eligible for deposit insurance coverage by the Canada Deposit Insurance Corporation.

RMB Term Deposit Account for individual Canadians:

Complementing HSBC’s existing *RMB Savings Account* for retail clients, the new *RMB Term Deposit Account* will give Canadians a RMB savings option that may offer a higher rate of interest than a savings account alone³.

Betty Miao, Executive Vice President and Head of Retail Banking and Wealth Management, HSBC Bank Canada said: “Expanding our suite of RMB services to give individual Canadians – in particular those with ties to China – the opportunity to save and earn interest on their Chinese currency holdings is a natural benefit of HSBC’s global presence.”

More...

HSBC expands China-focused products: Canadian businesses and individuals can trade, save and invest in Renminbi like never before /2

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HSBC and the Internationalization of the RMB:

The HSBC Group has established RMB trade capabilities in more than 50 markets globally including Canada, where it has completed a number of notable first transactions, including:

- becoming the first international bank to settle RMB trade on all six continents;
- completing the first Canadian international RMB trade settlement transaction in January 2011;
- offering the first RMB Commercial Savings Account in Canada offered by a major financial institution in Canada in June 2012;
- offering the first retail RMB-denominated savings account in Canada by a major financial institution in June 2013;
- acting as sole book runner for the British Columbia government's Dim Sum bond in November 2013, the first foreign regional government to issue such a bond; and actively supported the establishment of Canada as the first RMB hub in the Americas, announced November 2014.

The RMB joins the suite of foreign currency term deposits available to Canadian clients, which includes US Dollars, Swiss Francs, British Pound, Japanese Yen, the Euro, and Hong Kong Dollars. For more information on the RMB and HSBC's market-leading suite of RMB-denominated products and services, visit www.hsbc.ca

About HSBC Bank Canada

HSBC Bank Canada, a subsidiary of HSBC Holdings plc, is the leading international bank in the country. We help companies and individuals across Canada to do business and manage their finances internationally through three global business lines: Commercial Banking, Global Banking and Markets, and Retail Banking and Wealth Management. Canada is a priority market for the HSBC Group – one of the world's largest banking and financial services groups with assets of US\$2,549bn at 30 September 2015. Linked by advanced technology, HSBC serves customers worldwide through an international network of around 6,100 offices in 72 countries and territories in Europe, Asia, North and Latin America, and the Middle East and North Africa.

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Notes to editors:

1. The offshore RMB is now one of the fastest growing currency markets in the world for cross-border trade, finance and direct investment – HSBC Annual Renminbi Survey, 2015
2. https://www.swift.com/assets/swift_com/documents/products_services/RMB_April_2015_SdC.pdf
3. For Renminbi Term Deposits, deposits and withdrawals of Renminbi in cash and via bank draft are not allowed. Transfer of funds in and out of the Renminbi Term Deposits are required to be processed via a deposit account, e.g. a Renminbi savings account or a Canadian savings or chequing account. Renminbi funds can be transferred into a Renminbi savings account through wires or inter-account transfers.