

# FX Week

## Best FX prime broker bank of the year HSBC



**FX Week**  
**e-FX**  
**Awards 2019**

**Amid turbulence** in the foreign exchange prime brokerage landscape over the past year, market participants are unsure how secure their position is with some prime brokers, who have started recalibrating their prime services on the back of significant losses.

HSBC, which was voted Best FX prime broker bank of the year at the 2019 FX Week e-FX Awards, remains committed to its core client base – large hedge funds and asset managers – as it hones its resources to cater to their needs.

In the past 12 months the bank has proceeded to integrate its FX prime brokerage services under the wider foreign exchange wheel of services it offers, in order to deliver greater synergies and provide the stability its clients seek in unsettling times.

“We’ve developed a structuring capacity within HSBC to provide the value-add, and help clients navigate the ever-changing regulatory landscape and overcome the hurdles they face on their balance sheet, liquidity and credit,” says Vincent Bonamy, head of global intermediary services at HSBC.

To guide them through those challenges, HSBC has developed solutions to improve the execution quality and capital efficiency of its clients, while maintaining the ethos upon which the bank’s prime brokerage services were built nearly a decade ago.

These services are more important now than they’ve ever been, says Gemma Laman, global head of sales for FX prime brokerage at HSBC. Whereas price was very much the focus 10 years ago, she says that when considering a prime broker these days, clients are looking for a partner “who is going to come up with the innovative solutions to support them in their unique requirements”.

“Clients are not just looking for a service provider who is going to process their trades,” she says. “They are looking to find a strategic partner to support them.”

“It’s about credit worthiness, balance sheet strength and partnership for the long term,” says Vivek Sarohia, global head of structuring for FX prime brokerage at HSBC. “In the end, they are placing their derivatives transactions and capital via initial margin through one counterparty. They don’t want to be in a situation where that’s not sustainable.”

“Clients need to trust that you are not going to change margin requirements, change pricing or pull out of the business,” says Laman. “That’s a strength we have. They trust that we are here and here to stay.”

Laman points out that the push for best execution in recent years has increased interest in prime brokerage services, as clients can benefit from centralising their trading through one counterparty while fulfilling their best execution requirements.

Uncleared margin rules have also brought the benefits of prime brokerage to the fore, she says.

The operational intensity and burden for those market participants caught under the fourth and fifth phases of the uncleared margin rules are going to be quite large, Sarohia says.

“A prime broker can help create efficiencies in that regard. You have one partner with whom you are settling and exchanging margin. That, in itself, is a big driver,” he adds. “Indeed, one of the key reasons FX prime came about in the first place is because of the credit aspect, but I see operational efficiency too as a big driver.” Mikael Latrelle