

Global Intermediary Services

Experience the power of our FX services



Together we thrive

A smarter generation of FX Services

As a leading Foreign Exchange (FX) house, HSBC commits to offering clients a best-in-class FX experience.

Our Global Intermediary Services team provides guidance and bespoke services as well as access to HSBC's far-reaching network to help you achieve your FX objectives. Receive dedicated support through the entire life cycle of your FX execution strategies and investments.

Our Global Intermediary Services proposition delivers:



Pre-Trade Services

Our array of strategic services is underpinned by analytics and quantitative solutions to help you make informed decisions.



Risk Management services

Our suite of solutions are aimed at addressing both your operational risk, as well as your investment management requirements to help you achieve better transparency and risk analytics.



Execution Services

Gain efficiency, transparency and achieve better execution, by leveraging our state-of-the art connectivity, integration and services.



Post Trade Services

Make use of our dedicated suite of post-trade tools and services to help you to track the performance of your execution or unlock liquidity.

The HSBC Advantage



Deep liquidity:

Across spot, forward, non-deliverable forwards (NDFs), swaps, money markets, precious metals, options and structured products in both major and emerging markets in more than 60 countries

Global market access:

Access to global markets through our extensive network of dealing rooms and trading sites in both global hubs and key local markets

Powerful analytics:

A range of quantitative tools providing greater visibility into the performance of your transactions by monitoring your execution from pre-trade through to post-trade

Regulatory guidance:

All our products and services are developed in line with market changes

Our range of services



FX Custody

For clients seeking guidance on accessing a market, transparent execution or simultaneous asset and FX execution

- Active FX
- Access FX

- Auto FX
- Accelerated FX



FX Overlay

For clients wishing to outsource their FX exposure management and associated risks

- Share class hedging
- Dynamic overlay

- Portfolio asset hedging
- Analytics and quantitative solutions



FX Execution

For clients looking to optimise their execution using algorithms or benchmarks

- Liquidity Seeking
- Implementation Shortfall Strategy
- Liquidity +

- Time Weighted Average Price (TWAP) Strategy
- Get Done Algorithm



FX Prime Brokerage

For clients looking to access liquidity and simplify their operations

- Access to market liquidity
- Streamlined operations
- Margin optimisation



Transactional FX

For clients with global operations seeking to make or receive FX payments in local currencies

- HSBC FX FlexRate
- HSBC Global Disbursements
- HSBCnet Get Rate


FX Custody

Choose your Execution style


Our FX Custody services are designed to adapt to the local market dynamics, offering clients access to end-to-end solutions in a multitude of markets.

Our expertise spans from guidance on accessing a market to transparent execution or simultaneous asset and FX execution.


Our FX Custody solutions deliver:



Unique market access and local expertise




Choice of execution services







Reporting and analytics

THE HSBC ADVANTAGE



- As both a custodian and fund service provider, HSBC has an in-depth understanding of client operations
- HSBC has a wealth of experience in the custody sphere and deep expertise in Foreign Exchange, with a history of developing market leading and innovative client solutions from end to end

Our range of solutions

 Active FX Take control of your execution with dedicated professionals	 Auto FX Benefit from automated, transparent FX execution
<ul style="list-style-type: none">Bring FX trading requirements in-house by trading directly through our FX sales desks in both freely traded and restricted currencies.Execute electronically using either, industry platforms or our proprietary execution platform, HSBC Evolve.	<ul style="list-style-type: none">Enter standing instructions on how foreign currency exposures should be managed. The execution occurs automatically on a netted, time-stamped, transparent basis, supplemented by detailed reporting.HSBC manages the process for you.
 Access FX Consolidate your custody-FX execution requirements	 Accelerated FX Access our dedicated offering for restricted currencies
<ul style="list-style-type: none">Access FX provides you with a transactional FX solution for outsourcing freely traded and restricted currency FX execution across single or multiple custodians.	<ul style="list-style-type: none">In many restricted Asian markets, securities settlement occurs before FX is approved and can be transacted.HSBC has identified several markets in which the FX can be “accelerated” and executed significantly closer to the point of securities execution.

Potential downsides*

- Active FX: Set up and running costs borne by fund management company.
- Auto FX: Potentially reduced level of oversight.
- Access FX: Reduces ability to trade with multiple counterparties.

*Outside of FX risks associated with volatile markets and circumstances outside of our control


FX Overlay

Master your Currency Risk Management


Our Currency Risk Management solutions are designed for clients wishing to outsource their FX exposure management.

With a suite of solutions and services that address both your operational risk and investment management requirements, our experts will manage your FX exposure so you can focus on your core business.

Our Currency Risk Management solutions deliver:

 Transparency and traceability of your hedge

 Operational strength and access to post trade services

 Improved processes and enhanced efficiency

THE HSBC ADVANTAGE



- A transparent hedging programme, managed independently based on parameters defined by you to align with your in-house operations
- A dedicated and robust FX Overlay IT Infrastructure developed and managed in-house
- Globally connected teams in Hong Kong, Düsseldorf, London and New York providing access to our experts and sharing local best practice with clients

Our range of solutions

 Share Class Hedging	 Portfolio Asset Hedging
Replicate the performance of a master fund in various currency classes to outsource operational risk.	Hedge overseas assets at a predefined static hedge ratio to help reduce FX risk.
 Dynamic Overlay	 Analytics and Quantitative solutions
Optimise your currency risk metrics with a flexible hedge ratio to help reduce cost and liquidity constraints.	<ul style="list-style-type: none">• Performance and correlation analytics.• Active tenor management.• Index weighted, multi-currency solutions.

Potential downsides

- In volatile markets, the mark-to-market of the hedge could induce liquidity constraints.
- Unrealised P&L of a hedge should be taken into account when considering portfolio asset allocation.
- For Dynamic specifically: past performance is no guarantee of future results.

FX Execution

Achieve smarter execution

Liquidity, strategy and analytics tailored to your needs.

Through HSBC, you'll have access to benchmarks in FX cash and precious metals and a suite of FX algorithmic strategies.

Our FX Algos and Benchmarks deliver:



Optimised and seamless execution



A large choice of execution strategies



Access to HSBC's network of liquidity



Transaction Cost Analysis (TCA)



Metals and FX benchmarks



Benchmarks managed using a robust, segregated and automated system



THE HSBC ADVANTAGE



♦ **Bespoke algos:** Access to custom execution capabilities to design a solution that fits your FX risk requirements

♦ **Transparency:** Use our Transaction Cost Analysis, a transparent tool used to display order details of deals executed via HSBC FX Algos

Our range of solutions

 Liquidity Seeking Strategy	 Time Weighted Average Price (TWAP) Strategy	 Implementation Shortfall Strategy
Reduces the impact of a transaction even further by matching order flow across an array of venues and executing proportionally to decrease the market footprint.	Trades at an even pace over a specified time period, adapting to prevailing market conditions and choosing the best venue of execution for transactions.	Aims to execute an order by minimising slippage from market price at the order start time.
 Get Done	 Liquidity +	 Benchmark Orders
Geared towards executing an order aggressively by consuming maximum liquidity across multiple venues, including internal ones, at prices at or better than the limit price.	Gives you a choice of up to two different algorithms to operate in different price zones, the core zone and/or the target zone.	We offer 4 precious metals benchmarks (gold, silver, platinum and palladium) and over 10 FX cash benchmarks including WMR.

Potential downsides

– The use of algorithms and benchmarks does not guarantee performance of the execution and, depending on market moves during the execution of the order, it may result in a disadvantageous outcome.

FX Prime Brokerage

Unlock liquidity efficiently

Our FX Prime services give you access to market liquidity using our credit lines whilst streamlining your FX operations.

HSBC becomes your sole counterparty post-execution, assuming counterparty and settlement risk on the original transaction. This helps you streamline legal negotiations, create operational efficiencies and optimise your capital management.


Our FX Prime Brokerage offering delivers



A client-centric risk management approach, with global, real-time transparency




FX expertise and capabilities to support the needs of clients, including regulatory and industry changes



A strategic partnership with clients, focused on the full FX life cycle including execution, clearing, settlement and analytics

THE HSBC ADVANTAGE



- The strength of HSBC’s balance sheet enables us to extend competitive credit lines to our clients
- Sophisticated technology to support each clients’ unique requirements

- Ongoing investment into the business to grow and develop our capabilities in order to support the needs of our clients, including regulatory and industry changes

Our range of solutions

 Access to market liquidity	 Streamlined operations	 Margin optimisation
<ul style="list-style-type: none">• Access over 50 liquidity providers, including direct access to HSBC’s liquidity, and our HSBC Evolve platform.• Leverage our strong presence across global markets to gain access to emerging and frontier markets in size.• Benefit from dealer choice to optimise execution and position anonymity.	<p>With HSBC as your single post-execution counterparty for margining, technology, reporting and other operational needs you’ll have access to:</p> <ul style="list-style-type: none">• Single counterparty for margining, technology, reporting, confirmations, settlement and collateral management.• Access to real-time risk analytics, post-trade portal and reporting tools that are fully customisable to meet your needs across your entire portfolio.	<p>Transparent and bespoke risk terms:</p> <ul style="list-style-type: none">• Consolidate exposures across all executed banks in a single netted margin call.• Margin terms tailored to your unique needs.• Real-time visibility of exposure and margin requirements to help manage risk and liquidity.

Potential downsides

- If margin requirements are not met within agreed timelines, HSBC has the right to terminate positions.
- HSBC sets out the range of acceptable activity and reserves the right not to accept transactions outside these terms.
- HSBC reserves the right to amend the terms and conditions of its service upon notice.

Transactional FX

Take your business around the world

In today's cross-border, digital world, growing your business could be quicker and simpler than you think.

HSBC's **Transactional Foreign Exchange** solutions are designed to enable you to leverage the digitalisation of FX payments by taking control of risks, maximising efficiency and unlocking sales opportunities.

Our Transactional FX solutions deliver:



Sales optimisation

Allow customers to make payments in their local currencies while receiving payment in your home currency



Greater control

Make payments in your home currency while delivering funds to payees in their local currencies



Increased efficiencies

Leverage the strength of HSBC's infrastructure to improve end-to-end currency management

THE HSBC ADVANTAGE



- ◆ **Enhance Efficiency:** Simplifies payments processes and helps streamline reconciliation for better overall cash management
- ◆ **Reduce Costs:** Enables cross-border payments in local currencies via a single account, eliminating expenses associated with multiple currency accounts
- ◆ **Transparency:** Delivers improved transparency into FX rates for more control over payments flows

Our range of solutions

 HSBC FX FlexRate	 HSBC Global Disbursements	 HSBCnet Get Rate
<p>The solution seamlessly integrates FX conversion directly into each transaction. You are able to capture the FX conversion process, providing pricing and accepting payments in your customers' local currency in one of two ways:</p> <ul style="list-style-type: none">◆ Multi-Currency Pricing presents your customer's currency throughout the entire browsing and payment journey.◆ Dynamic Currency Conversion presents your customer's currency at the time of payment or checkout.	<ul style="list-style-type: none">◆ Our solution allows you to make cross-border payments in more than 125 local currencies from a single operating account.◆ Gain control over FX conversion on outgoing payments, which can help you strengthen bargaining power and negotiate better rates with suppliers.	<ul style="list-style-type: none">◆ An integrated service for HSBCnet users, Get Rate allows you to view and instantly book FX rates for Priority Payments and inter-account transfers in real time.◆ Transparency: access real-time foreign exchange rates so you know the amount to be paid in the foreign currency as well as the exact amount to be debited from your operating account when you initiate the transaction.

Potential downsides

HSBC FlexRate: Due to the guaranteed nature of the hold period, the execution provided will be based on the FX rate snapshot and agreed FX spreads as against live streaming FX pricing.

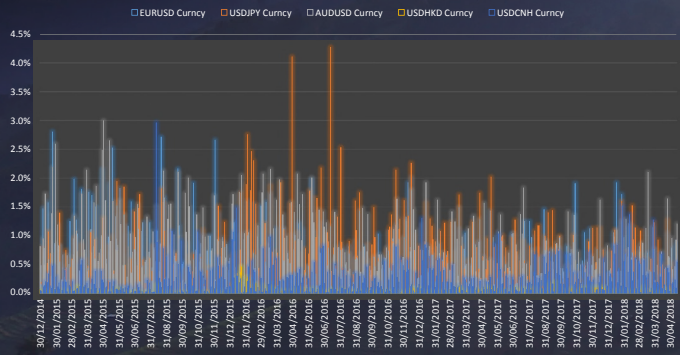
FX Analytics and data choosing a strategy

Take advantage of our analytical services which bring together smart tools to optimise your FX strategy and execution.

FX Custody data & analytics tools

An illustration of the market risk absorbed by funds when FX is not executed at the point of bond/equity origination.

2-day volatility levels (2017 YTD) – Restricted Asian currencies

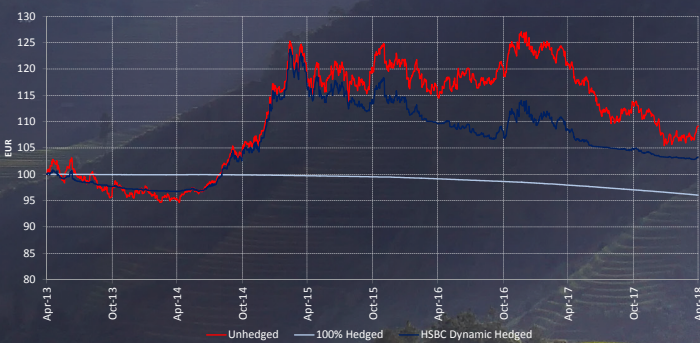


Source: HSBC, May 2018

FX Overlay data & analytics tools

An illustration of the performance of a USD portfolio held by a European investor.

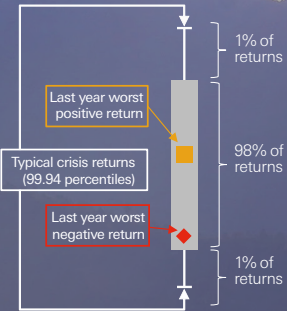
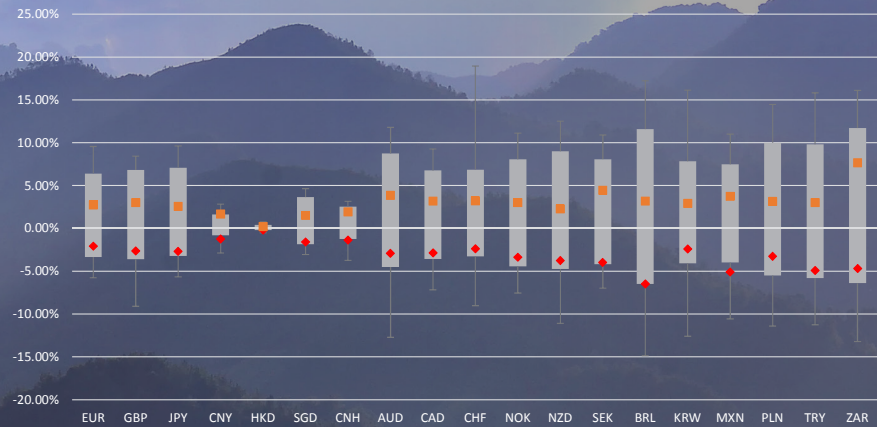
Performance of different hedging strategies



Source: HSBC, May 2018 HSBC Calculation as at May 2018

FX Prime Brokerage data & analytics tools

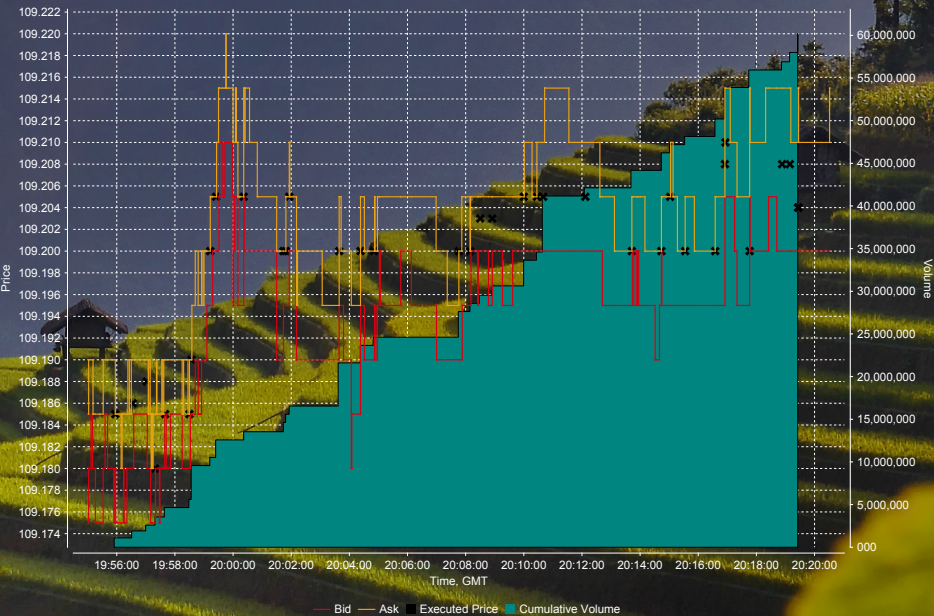
Market color on currencies' volatility



Source: HSBC, May 2018

FX Execution data & analytics tools

An example of Transaction Cost Analysis on USD/CAD using the TWAP* neutral algo



*Time Weighted Average Price
Source: HSBC, May 2018

Disclaimer
Simulated performance or back-tested performance results may have inherent limitations. Back-tested performance results do not represent the performance results of actual trading or portfolio asset allocations for any actual assets or portfolio. Back-tested performance graphs are calculated through the retroactive application of the proposed trading strategy to its relevant

benchmark and are produced with the benefit of hindsight. Thus, the back-tested performance results are not indicative of the skill of HSBC Bank plc or of future results. Since back-tested performance results do not represent actual trading they may not reflect the impact that material economic and market factors might have had on decisions made in actual trading.

HSBC's Global Intermediary Services team

The Global Intermediary Services team comprises more than 30 dedicated FX specialists located in our main hubs of Hong Kong, Düsseldorf, London and New York.

Partnering with us, you'll benefit from a sophisticated 24-hour coverage:

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Partnering with HSBC

HSBC is one of the largest international FX houses with:

- ◆ An on-the-ground presence in more than 60 countries
- ◆ Trading floors in main financial hubs and in key local markets around the world
- ◆ Over 1,500 currency pairs traded via our HSBC Evolve platform
- ◆ Individual tailored propositions to suit clients' specific needs
- ◆ Market intelligence and research with global reach



A Strong Banking Partner

With a diversified global client base and broad market reach, HSBC offers consistent and deep liquidity across all market conditions. Plus, the strength of our balance sheet allows us to provide competitive credit lines and prioritise pricing and execution to fit your risk management requirements.



A Leader in Foreign Exchange

Whether your execution needs are driven by a transactional, hedging or investment strategy, you can leverage our global footprint, local knowledge and deep expertise to gain unique insights and manage your exposure in a manner aligned with your objectives.



Advanced Technology

Our commitment to using advanced technology and developing innovative solutions helps us deliver quality across pricing, execution, post-trade and client services.



Profit & Loss Readers Choice Award 2018

- ◆ Best FX Prime Brokerage Bank
- ◆ Best Market Market / Emerging Markets



Global Investor/ISF Sub Custody Survey 2018

Europe*

- #1 Germany (unweighted)
- #1 Greece (weighted)

Middle East and Africa*

- #1 United Arab Emirates (weighted & unweighted)

Asia Pacific*

- #1 China (unweighted)
 - #1 Hong Kong (unweighted)
- May 2017

*Non-exhaustive list



Euromoney Awards for Excellence 2018

- ◆ World's Best Bank for Corporates
- ◆ World's Best Bank for Public Sector Clients
- ◆ World's Best Bank for Transaction Services
- ◆ Asia's Best Bank for Sustainable Finance
- ◆ Hong Kong's Best Bank
- ◆ Latin America's Best Bank Transformation (for HSBC in Mexico)
- ◆ Middle East's Best Bank for Financing
- ◆ North America's Best Bank for Transaction Services
- ◆ Saudi Arabia's Best Investment Bank.

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