

News Release

12 October 2016

Korean companies positive about the use of RMB, HSBC's global RMB survey shows

Despite the volatility and uncertainties over the Chinese economy, global trend in using RMB for cross-border business showed a 7% increase from 17% last year, according to HSBC's global RMB survey conducted in 2016. Future usage intent also remains solid amongst non users with 25% expecting to adopt RMB for cross border business in the future.

The HSBC survey was designed to track global perceptions of China's trade and currency. 1,600 businesses which currently have international business with/from China were selected in Australia, Canada, China, France, Germany, Hong Kong, Malaysia, Mexico, Singapore, Korea, Taiwan, UAE, the UK and US. Respondents were financial decision-makers for their business.

One reason for the increase in RMB usage is that businesses are finding the RMB much easier to use. As Chinese financial regulations evolve, and as businesses become more accustomed to using China's currency, respondents said they are having less difficulty understanding regulations (65% in 2015 vs 70% in 2016) and navigating documentary requirements (63% in 2015 vs 70% in 2016). In Korea, the number of RMB users for their cross border business went up 67% to 25% this year. As with non RMB users, 25% of the global respondents are planning to start using RMB in the future with Korean companies showing a higher rate of 37%, up 2% from 2015.

When it comes to the impact of the current RMB volatility, more than half of businesses surveyed (52%) stated that there has been no impact on their current use of the RMB. In Korea, those who said no impact is lower (36%) than the global average, but 44% demonstrated a hope for the RMB volatility to stabilise despite a lower interest in RMB use due to the volatility. 53% of Korean companies are also positive that the RMB FX volatility is not affecting longer term view of business opportunities in China which is higher than Asia Pacific's average of 48% and close to the global average of 56%. These outcomes show that most Korean companies are positive about the use of RMB and there will be a greater number of Korean companies who will adopt the currency, once the volatility decreases. The recent SWIFT data backs up the positive expectation - RMB payment in Korea rose 53% in the first half of this year compared to the same period last year.

The Hongkong and Shanghai Banking Corporation Limited

Registered Office and Head Office:
Address: HSBC Building, 37, Chilpae-ro, Jung-gu, Seoul, Korea
Web: www.hsbc.co.kr

PUBLIC



When it comes to the prospect of companies using RMB to settle trade deals that have no connection to China in the next 5 years, Korean businesses held the most conservative view (23%) compared to global (36%) and Asia Pacific (44%) respondents.

Martin Tricaud, CEO of HSBC Korea said, "Increasing use of the RMB by Korean companies implies that the Korean government efforts to promote RMB internationalization are making progress - the offshore renminbi business in Korea has grown rapidly during its brief history. We remain optimistic that Seoul will become a leading offshore renminbi hub and we will continue to support our customers with their RMB journey."

###

Media Inquiries:

Hyonjin Suh

+822 2004 0882

hyonjinsuh@kr.hsbc.com

The HSBC Group

The Hongkong and Shanghai Banking Corporation operates a bank branch and a securities branch in Korea. The Hongkong and Shanghai Banking Corporation is the founding member of the HSBC Group, which serves over 46m customers through four global businesses: Retail Banking and Wealth Management, Commercial Banking, Global Banking and Markets, and Global Private Banking. The Group serves customers worldwide from over 4,400 offices in 71 countries and territories in Asia, Europe, North and Latin America, and the Middle East and North Africa. With assets of US\$2,608bn at 30 June 2016, HSBC is one of the world's largest banking and financial services organisations.

About the RMB Survey

HSBC commissioned Nielsen to conduct a market survey of a total 1,600 international companies that currently do business with Mainland China or are a business in Mainland China that imports/exports outside of the region. The survey was in field between 23 May and 5 July 2016 and was undertaken to understand clients' attitudes towards using RMB, reasons of using / not using RMB for trade and investment activities, as well as other insights they can offer about the RMB. The research surveyed international businesses in Australia (n=100), China (n=200), Germany (n=100), Hong Kong (n=200), Singapore (n=100), the UK (n=100), the USA (n=100), Canada (n=100), Taiwan (n=100), France (n=100), the UAE (n=100), Malaysia (n=100), Korea (n=100), Mexico (n=100). Of the companies surveyed, approximately 50% had an annual sales turnover between of US\$3M-50M, 21% had a turnover of US\$50M-150M, 20% had a turnover of US\$150M-500M and 9% had an annual sales turnover above US\$500M. N=100 (statistical standard error +/- 9.8%), N=50 (statistical standard error +/- 13.86%), N=30 (statistical standard error +/- 17.98%). ((Copyright © 2016, The Nielsen Company)"

NIELSEN

Nielsen N.V. (NYSE: NLSN) is a global performance management company that provides a comprehensive understanding of what consumers Watch and Buy. Nielsen's Watch segment provides media and advertising clients with Total Audience measurement services across all devices where content — video, audio and text — is consumed. The Buy segment offers consumer packaged goods manufacturers and retailers the industry's only global view of retail performance measurement. By integrating information from its Watch and Buy segments and other data sources, Nielsen provides its clients with both world-class measurement as well as analytics that help improve performance. Nielsen, an S&P 500 company, has operations in over 100 countries that cover more than 90 percent of the world's population. For more information, visit <http://www.nielsen.com>.

SWIFT

SWIFT is a global member-owned cooperative that provides the communications platform, products and services to connect more than 11,000 banking organisations, securities institutions and corporate customers in more than 200 countries and territories. SWIFT enables its users to exchange automated, standardised financial information securely and reliably, thereby lowering costs, reducing operational risk and eliminating operational inefficiencies. SWIFT also brings the financial community together to work collaboratively to shape market practice, define standards and debate issues of mutual interest.

