

A read, not an interview.

— TOKENIZED MARKETS

The HSBC *Switchboard*

A 160-year switchboard between the world's moneys, going digital — what's smart, and the question I'd bring to coffee.

POURED BY

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SWIPE →



— THE PREMISE

The coffee I haven't earned *yet*.

Each week, one company quietly rewiring finance — read as the conversation I'd have with the person running it. I'm outside the glass, so I read closely and imagine it.

*This week: digital assets inside **HSBC** — a bank that already owns what everyone else is trying to build.*

— WHAT THEY BUILT

In barely two years,
a 160-year-old bank
discovered *crypto*.

- 01 One of only 2 Hong Kong stablecoin licences — out of 36.
- 02 Tokenised gold in a retail app: \$1bn+ traded.
- 03 **Orion:** the platform behind the world's largest digital bond to date — and chosen for the UK's first digital gilt (DIGIT).
- 04 **Tokenised deposits** live across 6 markets — Asia, Europe, the Middle East & the US.

— THE FAIR POINT

Concede the obvious: it's *early*.

No one's disclosed what any of it **earns** — every number is volume, not profit. And HSBC isn't alone; a second licence was granted the same day.

By the usual scoreboard, a crowded race with no finish line.

WHAT'S SCARCE?

"Everything comes back to liquidity. It is the ultimate test of whether digital assets can succeed."

— JOHN O'NEILL, GROUP HEAD OF DIGITAL ASSETS & CURRENCIES, HSBC

And once it builds, "liquidity begets liquidity." Hold onto that.

THE MARKET BETWEEN THE MONEYS

Liquidity isn't issuing money. It's money that can *move*.

Three digital moneys that can't settle against each other aren't liquidity — they're three shallow pools. The prize is the layer where the moneys **meet and clear**. Its old name: correspondent banking and FX.

Most banks are trying to build a switchboard between the moneys. HSBC has been one since 1865.

ENDPOINTS VS THE SWITCHBOARD

They've digitised their own money. Not the *switchboard*.

Tokenised deposits, interoperability trials — real, and more than most: the **necessary on-ramps**. But mostly HSBC wiring **its own** money onto new rails — not the switchboard. The neutral layer where **every** money clears isn't unbuilt — it's **unwon**.

A crowded field is bidding; no one holds the global seat. That's the real race — who clears through it.

— SPEED, NOT STRATEGY

The moat is real. For the first time in 160 years, it's *perishable*.

They already own the analog network. The question isn't "can they build it?" — it's whether a G-SIB can rebuild the moat on-chain **fast enough**.

And the first threat isn't a fintech.

Every universal bank's first competitor is its own divisional P&L — the moat gets rebuilt only when the desks row as one.

— IF I GOT THAT COFFEE

The question I'd bring to the coffee.

THE ONE I CAN'T SHAKE

Not a plan — I'm outside the glass. But: no rival settles through a competitor, so you don't win the middle by **sitting** in the seat. You win by building the rails a **sovereign** operates — and it's already happening: Hong Kong's CMU runs on HSBC's Orion; the UK chose Orion for its digital gilt. Nobody clears *through* a rival — everyone clears through what a **central bank** runs.

— THE FRAMING THAT GETS FUNDED

Innovation — or *insurance* on what you already own?

Not a crypto punt: the liquidity freed when settlement stops taking days, and the stickiness of being the bank the flows run through. **One of those framings gets funded a lot faster.**

Note • None of this is the operating plan — that's the part you earn the right to build from the inside.

— SO — ONE QUESTION

You already own the network in the analog world.

In the digital one: is the stablecoin the **point**, or the **on-ramp** that seeds the flows and lets HSBC hold the clearing seat before someone else does?

If you got the coffee, what would you ask?