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HSBC IS FIRST FOREIGN BANK APPROVED AS JOINT LEAD UNDERWRITER FOR PANDA BOND ISSUANCE IN CIBM BY NON-FINANCIAL CORPORATES

HSBC announced it has been approved as a joint lead underwriter for Panda bond issuances by offshore non-financial corporates in China's interbank bond market (CIBM), becoming the first foreign bank in China granted such a license.

The approval enables the Bank to extend its debt-market products coverage, as it has already been able to act as a joint lead underwriter for Panda bond issuances by foreign financial institutions and sovereigns.

Stuart Gulliver, Group Chief Executive, HSBC Holdings plc, said: "HSBC has long supported the opening up of China's financial sector, and we are proud of our pioneering role among foreign banks serving its fast-globalising bond market. We expect more foreign issuers from different industries to access the Panda bond market, drawn by its scale and the opportunity to engage with new investors."

HSBC is at the forefront of China's bond market liberalisation and is a leader among foreign banks in the country. It was the first foreign bank in China allowed to underwrite government bonds in 2004, the first foreign bank approved as Primary Dealer in the central bank open-market trading businesses in 2007 and the first foreign bank granted a license to sub-underwrite bonds for non-financial corporates in the CIBM in 2011.

David Liao, President and CEO for HSBC in China, said: "With this latest approval, HSBC becomes the only foreign bank in China in a position to take a lead role in underwriting international corporates' renminbi bond issuances in the domestic market. HSBC looks forward to helping boost the diversity and competitiveness of China's onshore bond market. Our new underwriting license, global network and broad client base mean we are ideally positioned to connect new issuers and investors with the world's third largest fixed income market here in China."

In July this year, HSBC was one of the first banks to underwrite domestic bond issues accessible to international investors via China's Bond Connect programme on the first day of its launch. The Bank also facilitated secondary market liquidity as a market-maker.

HSBC has been working on a number of landmark deals for global bond issuers in China. These include HSBC's own Panda bond issue in 2015, as well as bond offerings by the Republic of Korea, Canada's Province of British Columbia, Poland, and Hungary in the past few years. The Bank also supported the World Bank's Special Drawing Right-denominated and Reminbi-settled bond issue in 2016.

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This news release is issued by

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HSBC Bank Malaysia Berhad was locally incorporated in 1984 and is a wholly-owned subsidiary of The Hongkong and Shanghai Banking Corporation Limited (a company under the HSBC Group). In 2007, HSBC Bank Malaysia was the first locally incorporated foreign bank to be awarded an Islamic banking subsidiary licence in Malaysia, and HSBC Amanah Malaysia Berhad, a full-fledged Islamic bank wholly owned by HSBC Bank Malaysia, commenced operations in August 2008. HSBC in Malaysia has a network of 68 branches nationwide, of which 26 are HSBC Amanah Malaysia Berhad branches. HSBC Amanah Malaysia Berhad also has offsite ATMs established in 25 locations nationwide. In 2006, HSBC was the first foreign bank to be awarded a Takaful (Islamic insurance) license in Malaysia. HSBC Amanah Takaful (Malaysia) Sdn Bhd, a joint venture between HSBC Insurance (Asia Pacific) Holdings Limited (49% shareholding), Jerneh Asia Berhad (31% shareholding) and Employees Provident Fund Board of Malaysia (20% shareholding) commenced operations in August 2006.

The Hongkong and Shanghai Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group, which serves around 38 million 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 around 3,900 offices in 67 countries and territories in Europe, Asia, North and Latin America, and the Middle East and North Africa. With assets of US\$2,492bn at 30 June 2017, HSBC is one of the world's largest banking and financial services organisations.

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