

HSBC executes the first international Securities Lending and Borrowing transaction on the DFM

Dubai – 19 July 2023: Dubai Financial Market (DFM) today announced that HSBC has successfully executed the first international Securities Lending and Borrowing (SLB) transaction on the exchange, the latest step in the continued evolution and expansion of Dubai’s capital markets.

Providing end-to-end, over-the-counter, SLB transactions is a milestone development for DFM, enabling investors to more effectively hedge portfolios or take new positions to derive additional opportunities on traded securities.

SLB is part of the critical infrastructure facilitating the regulated short selling of securities and which also allows asset owners and managers to enhance the yield of their long-term holdings by lending out their securities to borrowers for an annualized fee, while retaining their rights of holding the securities.

HSBC facilitated the transaction as custodian, acting as the lending representative for a large asset owner and a borrowing representative as well. HSBC was also lending agent and, separately, prime broker, borrowing DFM-listed equities from the asset owner which global institutional investors could then use to access the DFM.

Hamed Ali, CEO of DFM and Nasdaq Dubai said: "I would like to express my appreciation to the team at HSBC who worked tirelessly to successfully execute the first international SLB transaction on DFM through Dubai Clear's infrastructure. This transaction underscores the effectiveness of our market infrastructure to support the implementation of market strategies by our stakeholders. We look forward to seeing international participants making greater use of our SLB facility in the future."

Adnan Hussain, Global Head of Agency Securities Lending and Liquidity Services, HSBC, said: "We are pleased to have collaborated with Dubai Clear and to have leveraged our deep local and global market knowledge to achieve this first-of-its-kind international transaction on the DFM. Securities lending activities contribute to a vibrant and robust marketplace, facilitate the efficient functioning of capital markets, and are expected to attract more international investors to the UAE as a result."

Nabeel Albloushi, Managing Director, Head of Markets and Securities Services UAE and Regional Corporate Sales, MENAT, HSBC said: "We are pleased to have been able to act as a lending and borrowing representative, lending agent as well as prime broker, ensuring the efficient delivery of this transaction. It is a further testament to HSBC’s commitment to the development of the capital markets in the UAE and to ensuring that, in line with our ambition



to be the world's leading international bank, we are connecting clients to the substantial opportunities that exist in this dynamic and vibrant region.”

Dubai Clear is incorporated under the umbrella of the Dubai Central Clearing & Depository Holding L.L.C, a holding company for post-trade services fully owned by DFM.

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About Dubai Financial Market:

Dubai Financial Market (DFM) was established as a public institution with its own independent corporate body. DFM operates as a secondary market for the trading of securities issued by public shareholding companies, bonds issued by the Federal Government or any of the local Governments and public institutions in the country, units of investment funds and any other financial instruments, local or foreign, which are accepted by the market. The DFM commenced operations on March 26, 2000, and became the first Islamic Shari'a-compliant exchange globally since 2007. Following its initial public offering in November 2006, when DFM offered 1.6 billion shares, representing 20 per cent of its paid-up capital of AED 8 billion, DFM became a public joint stock company, and its shares were listed on 7 March 2007 with the trading symbol (DFM). Following the IPO, the Government of Dubai retained the remaining 80 per cent of DFM Company through Borse Dubai Limited. www.dfm.ae

About HSBC in MENAT:

HSBC is the largest and most widely represented international banking organisation in the Middle East, North Africa and Türkiye (MENAT), with a presence in nine countries across the region: Algeria, Bahrain, Egypt, Kuwait, Oman, Qatar, Saudi Arabia, Türkiye and the United Arab Emirates. In Saudi Arabia, HSBC is a 31% shareholder of Saudi Awwal Bank (SAB), and a 51% shareholder of HSBC Saudi Arabia for investment banking in the Kingdom. HSBC Bank Middle East Limited, UAE branch, facilitated this transaction acting as the lending and borrowing representative.

About HSBC Holdings plc:

HSBC Holdings plc, the parent company of HSBC, is headquartered in London. HSBC serves customers worldwide from offices in 62 countries and territories. With assets of \$2,990bn as at 31 March 2023, HSBC is one of the world's largest banking and financial services organisations.

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