

March 17, 2021

## **HSBC carries out first-ever Securities Lending transaction in Saudi Arabia**

(London/ Riyadh) – HSBC today announced that it has successfully completed the first Securities Lending transaction in the Kingdom of Saudi Arabia.

HSBC acted as Custodian and Agent Lender on the transaction for a large regional asset owner, enabling HSBC, in its role of Prime Broker, to borrow Saudi Arabian equities from the asset owner and provide access to the Kingdom's burgeoning equities market for a global institutional investor.

The transaction marks a key milestone for the Kingdom's capital markets and *Saudi Vision 2030*, which includes the financial sector as one of its central pillars to propel the country into the top ten financial markets globally. Today, the Tadawul is already among the top 10 exchanges in the world, with securities valued at around USD2.4 trillion.

**Madhur Bhandari, Head of Securities Services, HSBC Saudi Arabia**, said: "With our on-the-ground expertise and deep local knowledge, we're pleased that HSBC was able to structure and support this first-of-its-kind transaction in the Saudi Arabian market. We expect further such transactions to follow."

**Adnan Hussain, Global Head of Agency Securities Lending, HSBC**, said: "Saudi Arabia's opening up of its capital markets to Securities Lending for the first time not only allows us to help asset owners receive potentially higher returns from their Saudi investments, but also facilitates more liquidity into the market and enhance price discovery."

**Loic Lebrun, Global Head of Prime Finance, HSBC**, said: "As the borrower of a broad range of Saudi equities from a large regional asset owner, HSBC is providing access to the Saudi market for our global clients. It was the first Securities Lending transaction in the Saudi market, and represents a key way of further developing and deepening the Kingdom's capital markets, in line with Saudi Vision 2030."

Since the Capital Markets Authority of Saudi Arabia started permitting foreign investors to directly access its capital markets in 2015, the extent and pace of developments has accelerated. Saudi stocks are now included in the FTSE Russell and MSCI emerging markets indices, while there have also been consistent enhancements to the Kingdom's regulatory framework and market infrastructure, along with the publication of new rules relating to securities lending and borrowing.

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## News Release

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### About HSBC

HSBC Holdings plc, the parent company of HSBC, is headquartered in London. HSBC serves customers worldwide from offices in 64 countries and territories in its geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of US\$2,984bn at 31 December 2020, HSBC is one of the world's largest banking and financial services organisations.