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## **HSBC TO SUBSCRIBE TO DAR ES SALAAM INVESTMENT BANK RIGHTS ISSUE IN FULL**

HSBC, through its wholly owned subsidiary HSBC Asia Holdings BV, has undertaken to subscribe for its full entitlement of additional shares in the planned Dar Es Salaam Investment Bank ('DES') rights issue of new shares, details of which were announced by DES in April 2011.

The capital raised in the rights issue will be used to increase the paid up capital of DES from IQD72bn to IQD105.8bn to meet the minimum capital requirement of IQD100bn (approximately US\$85.5m) for banks operating in Iraq, as required by the Central Bank of Iraq, by 30 June 2011.

In direct proportion to its current shareholding, HSBC Asia Holdings BV has agreed to subscribe for rights on 50.472 billion shares for a consideration of approximately IQD23.69bn (about US\$20.28m) which will be funded from internal Group resources.

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### **Notes to editors:**

#### **1. Dar Es Salaam Investment Bank**

Dar Es Salaam Investment Bank (DES) was established in 1998 and began operating in April 1999. Since the establishment of its partnership with HSBC which acquired 70.1% in 2005, DES has become one of the leading private sector banks in Iraq. It is headquartered in Baghdad and listed on the Iraq Stock Exchange with a market capitalisation of approximately US\$400m.

DES currently has 16 branches which are well distributed around the country. It offers a full range of commercial banking products and services to a domestic and international client base. Since its launch, DES has placed service, integrity and convenience at the forefront of its operations.

#### **2. The HSBC Group**

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 7,500 offices in 87 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa. With assets of US\$2,598bn at 31 March 2011, HSBC is one of the world's largest banking and financial services organisations. HSBC is marketed worldwide as 'the world's local bank'.

*ends/all*