

# press release

## **Standard Chartered approved as the first commercial issuer of SDR bonds in China**

**14 October 2016, Hong Kong** – Standard Chartered Bank (Hong Kong) Limited (SCBHK) announced today that it has obtained approval from the People's Bank of China to be the first commercial issuer of bonds denominated in Special Drawing Rights (SDRs) in China's interbank bond market. The size of the issuance programme is 100 million SDRs (approximately RMB925 million) and the bonds will be settled in RMB. Standard Chartered Bank (China) Limited ("SCB China") has been appointed as the joint lead underwriter and joint lead bookrunner for the issuance. Road shows will be held in Beijing and Shanghai.

As the importance of RMB increases globally, the International Monetary Fund (IMF) has included RMB in its SDR currency basket since 1 October 2016. As the SDR is now a better representation of the world's major currencies, the market is getting more interested in SDR-denominated products for better risk diversification and management. In view of this, SCBHK plans to issue an SDR bond to capture market demand.

Ms May Tan, Chief Executive Officer of SCBHK, said: "We are pleased to be the first commercial organisation to issue an SDR-denominated bond in China to meet the market demand for high-quality bonds as well as promoting the market of SDR products. Standard Chartered has always been at the forefront of RMB internationalisation, helping our clients to seize the business opportunities. The inclusion of RMB in the IMF's SDR currency basket is a significant milestone, reaffirming RMB's status as a global reserve currency. As one of the key players in Hong Kong's banking industry, SCBHK is always committed to product innovation and its role as a super connector between the international and Chinese markets."

Mr Wesley Yang, Head of Financial Markets of SCB China, said: “The inclusion of RMB helps reduce the volatility of SDR’s exchange rate and therefore makes the value of SDR more stable. This not only increases the attractiveness of SDR as a reserve asset but also makes it a better investment and financing tool. It helps promote the two-way opening and development of China’s capital market, accelerate the pace of RMB internationalisation, and promote the capital account convertibility. These SDR bonds, to be settled in RMB, will help promote SDR financial instruments, provide a channel for investors to invest in foreign currency bonds in the onshore market, and offer more diversified bond products in the market.”

SDRs are an international reserve asset created by the IMF. The value of the SDR is based on five major currencies, namely US dollar, euro, Japanese yen, British pound, and the newly added Chinese RMB.

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### **Media enquiries**

Standard Chartered Bank (Hong Kong) Limited  
Corporate Affairs  
Gabriel Kwan / Lilian Goh  
+852 2820 3036 / +852 2820 3481

### **Standard Chartered**

We are a leading international banking group, with around 84,000 employees and a 150-year history in some of the world’s most dynamic markets. We bank the people and companies driving investment, trade and the creation of wealth across Asia, Africa and the Middle East. Our heritage and values are expressed in our brand promise, Here for good.

Standard Chartered PLC is listed on the London and Hong Kong Stock Exchanges as well as the Bombay and National Stock Exchanges in India.

The history of Standard Chartered in Hong Kong dates back to 1859. It is currently one of the Hong Kong SAR’s three note-issuing banks. Standard Chartered incorporated its Hong Kong business on 1 July 2004, and now operates as a licensed bank in Hong Kong under the name of Standard Chartered Bank (Hong Kong) Limited, a wholly owned subsidiary of Standard Chartered PLC.

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