



HSBC Corporate Finance/Ratings Advisory

DIRK Fixed Income Roundtable, Walldorf

Christoph Rehbach, CFA

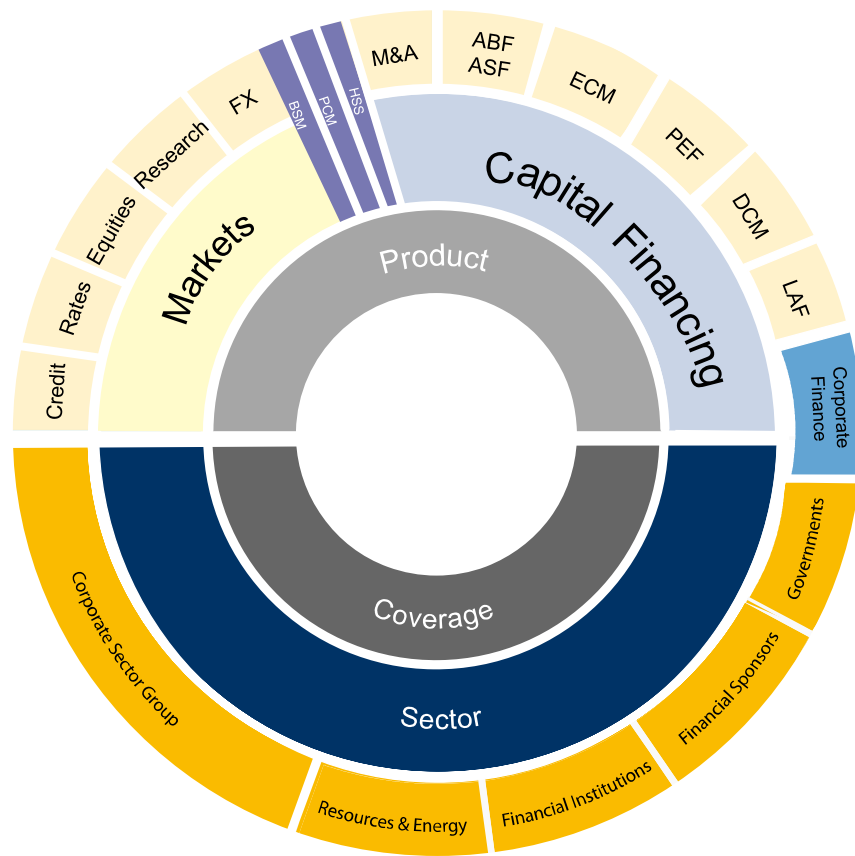
19 November 2015



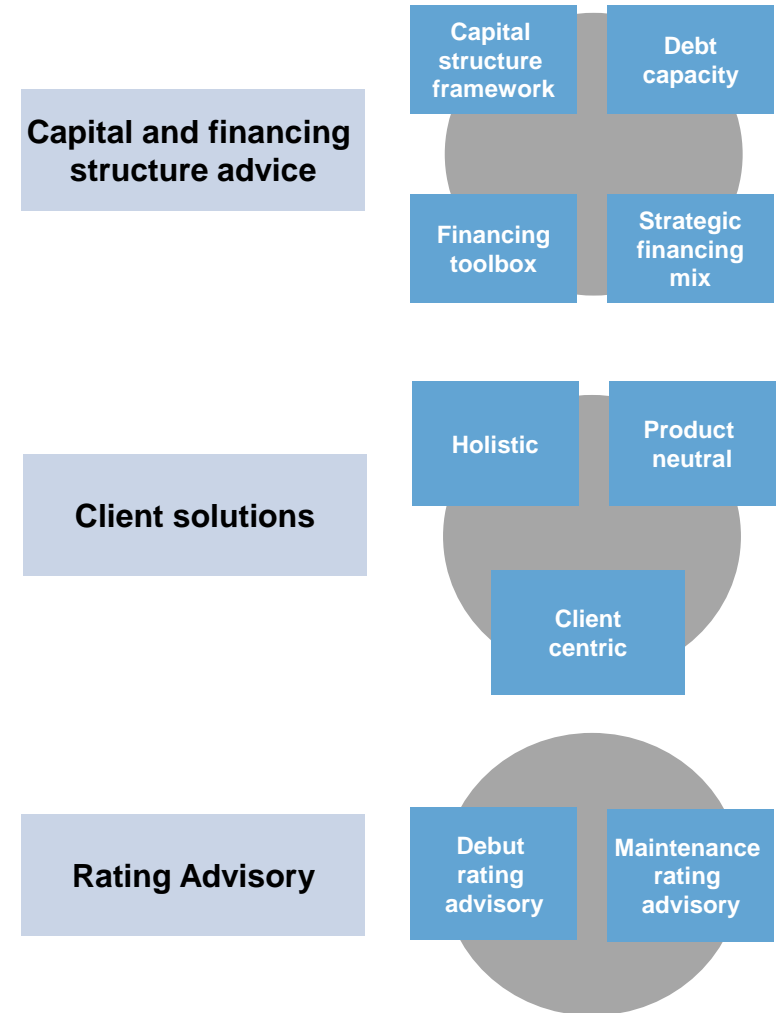
HSBC Corporate Finance

Product neutral, holistic advice

HSBC's Global Banking and Markets Platform



Corporate Finance Role and Responsibilities



What does a Rating Advisor do?

Overview of typical advisory topics

1. Manage rating process and in-time delivery
2. Advice on selection of rating agency and commercial arrangements
3. Work with company to prepare required information for rating meeting
4. Collaborate with internal and external parties in a transaction context
5. Provide advise on rating methodology and identify key topics for meeting
6. Participate in rating agency meetings and manage follow-up questions
7. Maintenance rating advisory

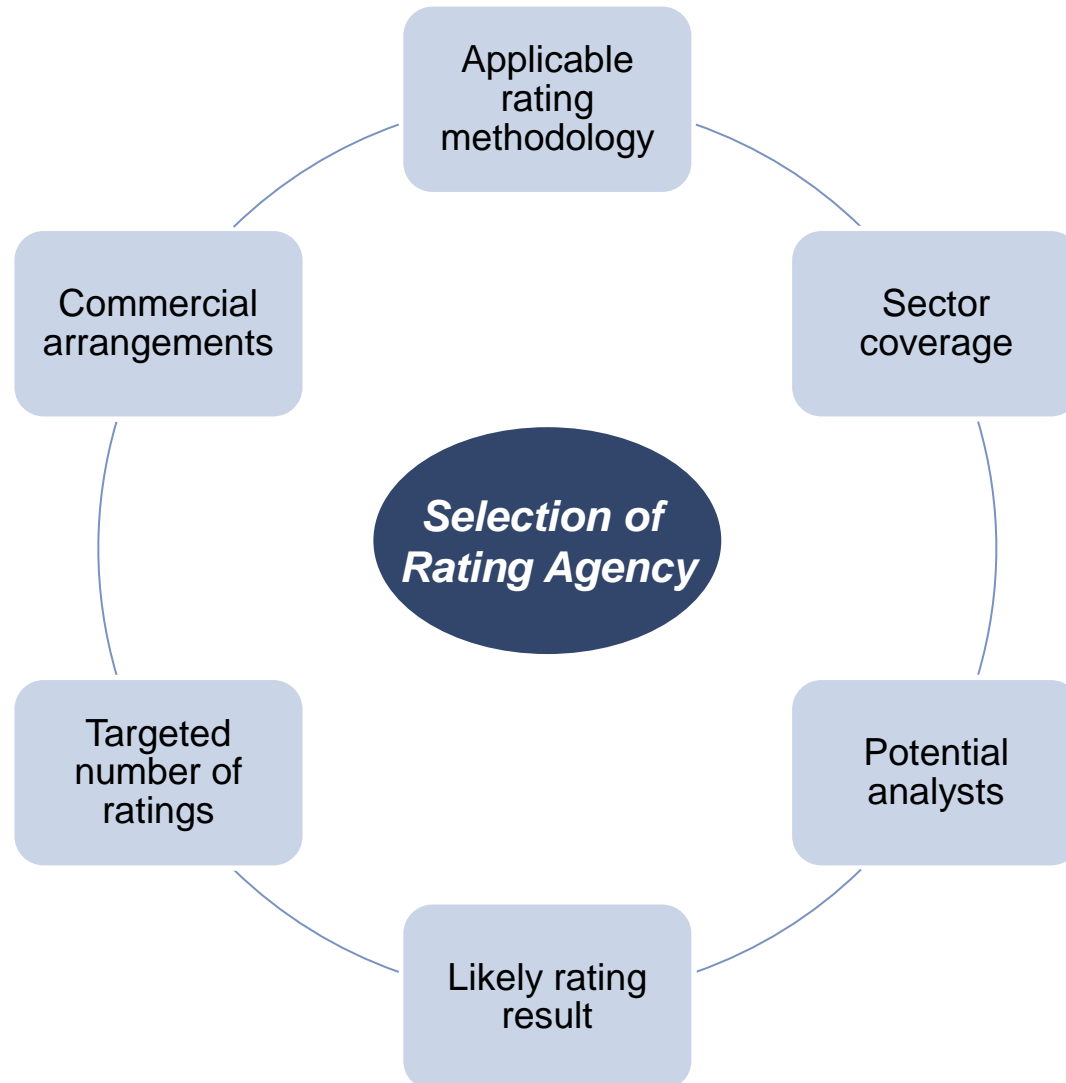
What does a Rating Advisor do?

Advice on selection of rating agency

Advising clients on the selection of one or more rating agencies includes different aspects

In addition to the likely applicable rating methodology, it also takes into consideration the existing sector coverage and the potential analysts of the rating agencies

Furthermore the rating agency selection process also includes guidance on commercial terms and arrangements, which however are subject to negotiation with the agencies



What does a Rating Advisor do?

Work with company to prepare required information

It is important that the individual responsibilities between the Client and the Advisor are clearly defined to ensure a smooth and successful process













| | Client | HSBC  |
|--------------------|---|---|
| Review | <ul style="list-style-type: none"> Identify key project team members, nominate a project manager Gather relevant available data, including previous presentations | <ul style="list-style-type: none"> Prepare a detailed project plan, kick off meeting with project team Prepare an outline for the information pack Advise on choice of agencies, initiate official contact with the rating agencies, advise on agency mandates |
| Preparation | <ul style="list-style-type: none"> Preparation of the information package / management presentation | <ul style="list-style-type: none"> Provide all necessary assistance to client in the preparation of the presentation and in the development of the credit story Prepare management presentation and gather info pack |
| Presentation | <ul style="list-style-type: none"> Sign off and approve of the presentation by the board | <ul style="list-style-type: none"> Management “Dry run”: Conduct rehearsal with management personnel who will be attending meetings Detailed feedback session on rehearsal |
| Agency Meeting | <ul style="list-style-type: none"> Present to agencies Address any outstanding issues | <ul style="list-style-type: none"> Attend meeting as “silent partner” and facilitate the information flow Ensure follow up questions are answered |
| Rating result | <ul style="list-style-type: none"> Check draft report | <ul style="list-style-type: none"> Check draft report Challenge result if inappropriate |
| Ongoing management | <ul style="list-style-type: none"> Maintain and cultivate agency relationship Provide regular updates | <ul style="list-style-type: none"> Act as sounding board for clients management Assist client with initial meetings |

Leading Ratings Advisory Franchise

Consistent TOP3 in Euromoney Awards

Selected Rating and Financing Advisory Mandates

Awards

| | | | |
|--|---|---|---|
| <p>Holding Company</p>  <p>Rating advisor to financial holding company JAB in the context of subsequent bond offerings</p> <p>Advisor 2014-2015</p> | <p>Host Europe</p>  <p>Sole Rating Advisor in respect to a RES / RAS from Moody's and S&P associated with a staple financing</p> <p>Advisor 2015</p> | <p>EDF</p>  <p>Ongoing Rating and Debt Advisory Mandate (S&P, Moody's and Fitch)</p> <p>Advisor 2010-2015</p> | <p>Hutchison Port Holdings</p>  <p>Initial Rating Advisory Mandate with respect to rating from S&P and Moody's</p> <p>Advisor 2015</p> |
| <p>Solvay</p>  <p>Retained sole rating advisor in respect to ratings from S&P and Moody's</p> <p>Advisor 2011-2014</p> | <p>Rexel</p>  <p>Retained sole rating advisor in respect to ratings from S&P and Moody's</p> <p>Advisor 2009-2014</p> | <p>United Discuits</p>  <p>Sole Rating Advisor in attaining public ratings from Moody's & S&P following the acquisition by Yıldiz Holdings</p> <p>Advisor 2014</p> | <p>Bouygues</p>  <p>Bouygues rating advisor in bid for SFR</p> <p>Advisor 2014</p> |
| <p>WEPA Hygieneprdukte</p>  <p>Rating advisor to WEPA in the context of its inaugural offering of Senior Secured Notes</p> <p>Advisor 2013</p> | <p>BSN Medical</p>  <p>Financial and rating advisor to Montagu on the sale of BSN Medical to EQT</p> <p>Advisor 2012</p> | <p>PHOENIX Group</p>  <p>Rating advisor on the existing ratings from S&P and Moody's as well as on attaining a first time rating from Fitch</p> <p>Advisor 2011-2012</p> | <p>RAG / Evonik Industries</p>  <p>Rating and Debt Advisory Mandate</p> <p>Advisor 2006-2011</p> |

| | |
|---|---|
|  <p>#2 Rating Agency Advisory</p> <p>Euromoney Awards for Excellence 2014</p>  |  <p>#3 Rating Agency Advisory</p> <p>Euromoney Awards for Excellence 2013</p>  |
|  <p>#2 Rating Agency Advisory</p> <p>Euromoney Awards for Excellence 2012</p>  |  <p>#2 Rating Agency Advisory</p> <p>Euromoney Awards for Excellence 2011</p>  |
|  <p>#1 Rating Agency Advisory</p> <p>Euromoney Awards for Excellence 2010</p>  |  <p>#1 Rating Agency Advisory</p> <p>Euromoney Awards for Excellence 2009</p>  |

Disclaimer

The purpose of this document is to provide information solely to the addressee. By accepting this document the recipient agrees to keep confidential at all times information contained in it or made available in connection with this or any further investigation. This document is for the exclusive use of the persons to whom it is addressed and their advisers and shall not be copied, reproduced or distributed (in whole or in part) or disclosed by recipients to any other person nor should any other person act on it. The recipient has further agreed, on request, to return all documents and other material (including this document) received from HSBC Trinkaus & Burkhardt AG (including, where relevant, their group undertakings and affiliates) (“HSBC”) relating to proposal(s) contained herein. This document is a “financial promotion” within the scope of the Financial Services Authority’s rules. HSBC is authorised and regulated by the Financial Services Authority.

The information in this document has not been independently verified by HSBC. Except in the case of fraudulent misrepresentation, no responsibility or liability is accepted by HSBC or by any of its officers, employees or agents as to or in relation to the accuracy or sufficiency of this document or any other written or oral information made available to any interested party or its advisers and any such liability is expressly disclaimed. In particular, but without limitation, no representation or warranty, express or implied, is given as to the achievement or reasonableness of, and no reliance should be placed on, any projections, estimates, forecasts or targets contained herein. Any such projections, estimates, forecasts or targets are not a reliable indicator of future performance. Nothing in these materials should be relied upon as a promise or representation as to the future. HSBC give no undertaking to provide the recipient with access to any additional information or to update this document or any additional information or to correct any inaccuracies in it which may become apparent, and it reserves the right, without giving reasons, at any time and in any respect to amend or terminate the proposal(s) described herein.

The issue of this document shall not be regarded as creating any form of adviser/client relationship, and HSBC may only be regarded by you as acting on your behalf as financial adviser or otherwise following the execution of an engagement letter on mutually satisfactory terms.

This document does not constitute an offer or invitation for the sale or purchase of securities or of any of the assets, business or undertaking described herein.

By accepting this document the recipient agrees to be bound by the foregoing limitations.

Information in this document was prepared as of November 2015.