

9 December 2019

HSBC ISSUES ASIA'S FIRST GREEN RETAIL CERTIFICATES OF DEPOSIT IN HONG KONG

HSBC announced the issuance of Asia's first green retail certificates of deposit ('Green CD') in Hong Kong today, making green financing products more accessible to its retail and commercial customers.

Until 13 December 2019*, HSBC customers can subscribe for the Green CD tranche through HSBC branches, HSBC Business Banking Centres, HSBC Personal Internet Banking, and the HSBC HK Mobile Banking app. With a minimum deposit amount of USD10,000 and a three-month tenor, the Green CD offers a fixed coupon rate of 1.71 per cent per annum.

Proceeds will go towards financing eligible businesses and projects that promote the transition to a low-carbon, climate resilient and sustainable economy as defined by the HSBC Green Bond Framework. Qualified sectors include renewable energy, energy efficiency, efficient buildings, sustainable waste management, sustainable land use, clean transportation, sustainable water management and climate change adaptation.

HSBC's Sustainable Financing and Investing Report 2019 shows Hong Kong investors recognise the commercial benefits of environmental, social and governance ('ESG') investing and financing. Over half of the territory's investors equate ESG engagement with improved investment returns or reduced risks, which is mirrored by global and Asia-wide figures of 54 per cent and 58 per cent respectively.

Diana Cesar, Chief Executive, Hong Kong, HSBC, said: "Issuers and investors in Hong Kong and across Asia are demonstrably prioritising environmental and social issues with their increased support. Green certificates of deposit enable a broader base of retail customers to finance green initiatives and further strengthen Hong Kong's position as a leading international green finance hub in Asia. This issuance is an exciting milestone for HSBC in the sustainable finance market and underpins our commitment to playing a meaningful part in the transition to a greener economy."

Details of the Green CD are as follows:

Issuer	The Hongkong and Shanghai Banking Corporation Limited
Type	Fixed Rate Certificates of Deposit
Subscription period	9 December – 13 December 2019
Issue date	20 December 2019
Maturity date	20 March 2020
Coupon	Fixed rate: 1.71 per cent per annum
Coupon frequency	Quarterly
Issue price	100 per cent
Yield to maturity (per annum)	1.71 per cent per annum
Structure	Plain vanilla
Currency of CD issue	USD
Interest commencement date	20 December 2019
Denomination	USD 10,000
Minimum purchase amount	USD 10,000
Redemption at maturity	At par (100 per cent)
Interest payment date:	20 March 2020
Fees and charges	Safe Custody Waived Interest Collection Waived Redemption at Maturity Waived

HSBC has been embedding sustainability into its products and services, including access to capital markets, lending, transaction banking, advisory services, and investments.

HSBC acted as the sole green finance adviser and joint mandated lead arranger and bookrunner for the first green loan in Hong Kong, and launched a lending programme in Hong Kong that allows customers to earn cash rewards for making carbon savings. HSBC has also delivered a range of sustainable finance transactions, such as Hong Kong's inaugural sovereign USD1 billion green bond, Industrial and Commercial Bank of China's USD3.15 billion Greater Bay Area green bond, the first green loan compliant with the Green Investment Principles for Belt and Road by Industrial and Commercial Bank of China, and the world's first real estate green convertible bond from Link REIT.

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Note to editors:

The Hongkong and Shanghai Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group, which serves our customers through four global businesses: Retail Banking and Wealth Management, Commercial Banking, Global Banking and Markets, and Global Private Banking. HSBC serves customers worldwide from offices in 65 countries and territories in our geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of US\$2,728bn at 30 September 2019, HSBC is one of the world's largest banking and financial services organisations.

*Subscription of the Green CD will be on first come, first served basis

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