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HSBC ISSUES INAUGURAL GREEN INSTITUTIONAL CERTIFICATES OF DEPOSIT IN HONG KONG

HSBC has launched a new tranche of green certificates of deposit ('Green CD') for a global asset manager. This follows the Bank's debut green retail certificates of deposit in Hong Kong issued last December, reflecting a growing trend of environmental, social and governance (ESG) adoption in investing.

Denominated in HKD, the Green CD was issued to Invesco Hong Kong Limited in February 2020 with a fixed coupon of 2.05 per cent per annum for six months.

Proceeds of the Green CD 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. HSBC has pledged to provide and facilitate USD100 billion of sustainable financing and investment globally by 2025. To date, the Bank has already delivered USD52.4 billion.

Justin Chan, Head of Greater China, Asia Pacific, Global Markets, HSBC, said: "In Asia, investors and issuers are embracing greener and more socially responsible financial products. Hong Kong investors have shown strong interests in ESG related products. Given our own ongoing commitment to financing the transition to a sustainable, low-carbon economy, we are proud to use our expertise to create a range of ESG investing opportunities for clients, from retail to asset managers."

The latest HSBC's Sustainable Financing and Investing Report¹ showed that in Hong Kong, 82 per cent of investors and 80 per cent of issuers say ESG factors are 'very' or 'somewhat' important to them. 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.

HSBC has been embedding sustainability into its products and services, including access to capital markets, lending, transaction banking, advisory services, and investments. HSBC was the world's largest underwriter of green, social and sustainability bonds in 2019².

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Note to editors:

1. About the report

The 2019 report surveyed 175 issuers and 175 investors across Hong Kong SAR, mainland China, Singapore, Indonesia, Malaysia and Thailand, on their changing attitudes to sustainability issues. Asia is the region with most respondents in the global report that covered 1,000 firms. The full report is available at:

<https://www.gbm.hsbc.com/insights/sustainable-financing/sustainable-financing-and-investing-survey-2019>

2. Source: Environmental Finance Bond Database

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