

1 December 2023

HSBC INNOVATION BANKING OFFICIALLY LAUNCHES IN HONG KONG

HSBC announced today it has officially launched HSBC Innovation Banking in Hong Kong, delivering a globally connected and specialised proposition for venture-backed businesses and their investors. This marks a new milestone in the Bank's long-standing history of empowering young, fast-growing companies in the city and wider region, adding further support to the funding ecosystem.

As part of the launch, the Bank has established two dedicated teams of specialist bankers – a Portfolio Company Coverage team and a Global Fund Banking team – to serve the distinctive needs of venture capital and private equity firms, as well as venture-backed businesses in cutting-edge sectors such as tech and life science across Hong Kong and mainland China. Backed by its financial strength and global network, HSBC Innovation Banking will offer customers with customised financing solutions, banking services and business strategy support.

With the rapid expansion of Hong Kong's innovation ecosystem, fueled by the opportunities in the Greater Bay Area, the number of startups in the city has grown from approximately 1,000 in 2014 to around 4,000 in 2022.¹ According to the Hong Kong Innovation and Technology Development Blueprint², the number is expected to reach around 7,000 by 2030. As the innovation sector continues to thrive, there is a growing need for banking and financing services to support its development and expansion at home and overseas.

Frank Fang, General Manager, Head of Commercial Banking, Hong Kong and Macau, HSBC, said: "For generations, HSBC has been proud to support entrepreneurs who have played a pivotal role in shaping our present and future. We are excited to bring our sector expertise and extensive global network to Hong Kong's vibrant innovation landscape. With the launch of HSBC Innovation Banking in Hong Kong, we reaffirm our commitment to supporting customers across the innovation economy with a holistic ecosystem approach."

Under HSBC Innovation Banking, a USD33 million venture debt transaction has just been closed for Ampd Energy, a climate tech company that has developed mobile battery generation systems to replace fossil-fuel generators used to power construction. The financial backing will propel Ampd's rapid

global expansion, enabling the company to realise its ambitious goal of significantly reducing carbon emissions across various industries.

This flagship transaction – as part of HSBC’s USD1billion allocation in financing for early-stage climate tech companies – showcases the Bank's dedication to deepen its support for the innovation ecosystem.

First unveiled in June 2023, HSBC Innovation Banking combines the innovation expertise of Silicon Valley Bank UK, with newly assembled teams in the US, Israel and Hong Kong to support clients’ global growth goals.

In Hong Kong, HSBC has been providing a range of financing and beyond banking solutions to support emerging entrepreneurs in the innovation economy. In May 2023, the Bank announced the launch of the USD3 billion HSBC New Economy Fund (the “Fund”) to support start-ups and tech-led businesses in Hong Kong and mainland China. Under the Fund, the Bank is also offering venture debt to early-stage businesses, with the capability to include equity warrant instruments within the lending structures.

1. <https://www.startmeup.hk/about-us/hong-kongs-startup-ecosystem/>
2. The Hong Kong Innovation and Technology Development Blueprint:
https://www.itib.gov.hk/en/publications/I&T%20Blueprint%20Book_EN_single_Digital.pdf

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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. HSBC serves customers worldwide from offices in 62 countries and territories. With assets of \$3,021bn at 30 September 2023, HSBC is one of the world’s largest banking and financial services organisations.

Disclaimers: HSBC Innovation Banking refers to HSBC’s worldwide innovation banking business and is not indicative of any legal entity or relationship.

Reminder: ‘To borrow or not to borrow? Borrow only if you can repay!’

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