

5 July 2019

HSBC SUPPORTS NEW SDG BONDS FOR RETAIL INVESTORS

HSBC, as part of our commitment to sustainability and our responsibilities to the environment, economies and societies in which we operate, is supporting the issue of two new SDG (Sustainable Development Goals) bond offerings for Japanese retail investors.

The “EYE (Education, Youth and Employment) Bond” is being issued by the Inter-American Development Bank (“IDB”) through Naito Securities, with HSBC serving as arranger. It will be available in two denominations – Turkish Lira (2-year tenor) and Indonesian Rupiah (3-year tenor).

With social expectations changing, investors are placing increasing importance on the wider impact businesses have on people and the planet. HSBC recognises the importance of embedding good sustainability practice into our business and our aim is to be a leading partner to the public and private sectors in supporting the transition to a low carbon future.

The HSBC Group has committed USD100 billion in financing to develop clean energy and lower-carbon technologies between 2017 and 2025. In 2017, we issued the world’s first corporate bond based on the United Nation’s Sustainable Development Goals with a value of USD1 billion. Last year, we supported more than USD2 billion worth of sustainability bond transactions globally, making us the leading player in the sector¹.

For more than a decade, HSBC has helped clients break new ground in the green bond markets in Europe and Asia, and finance some of the biggest climate-friendly infrastructure projects in the world.

EYE Bonds

EYE Bonds are issued based on the Education, Youth, and Employment (EYE) Bond program and provides funding for IDB’s eligible EYE project loans. The EYE Bond program projects, like all IDB projects, are designed to promote sustainable growth, poverty reduction and social equity. However, EYE projects specifically focus on education, youth and employment.

IDB has a “life cycle” approach to building human capital from early childhood care and education, through formal primary and secondary education, as well as programs that facilitate labor market placement by improving the transition from school to work through vocational training. In this way, the IDB assists Latin American and the Caribbean countries to increase productivity and improve social inclusion of young people throughout key intervention stages.

(1) TRY Zero Coupon Note

Issuer: IDB

Ratings: AAA (S&P) / Aaa (Moody's)

Issue Date: August 8, 2019

Maturity Date: August 9, 2021

(2) IDR Zero Coupon Note

Issuer: IDB

Ratings: AAA (S&P) / Aaa (Moody's)

Issue Date: August 8, 2019

Maturity Date: August 9, 2022

Naito Securities is committed to building a sustainable future and bringing SDG investment opportunities to Japanese retail clients. Today's announcement marks the ninth and tenth SDG related offerings Naito Securities has distributed over the past two years.

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Notes to editors:

1. According to Environmental Finance magazine

Inter-American Development Bank

The Inter-American Development Bank (IDB) is devoted to improving lives. Established in 1959, the IDB is a leading source of long-term financing for economic, social and institutional development in Latin America and the Caribbean. The IDB also conducts cutting-edge research and provides policy advice, technical assistance and training to public and private sector clients throughout the region.

Since becoming the first Asian member country of the IDB in 1976, Japan has been involved in IDB projects through a number of funds and programs.

HSBC Holdings plc

HSBC Holdings plc, the parent company of HSBC, is headquartered in London. HSBC serves customers worldwide from offices in 66 countries and territories in our geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of US\$2,659bn at 31 March 2019, HSBC is one of the world's largest banking and financial services organisations.

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