

30 September 2021

HSBC and Temasek Launch Partnership to Catalyse Sustainable Infrastructure Projects in Asia

- **US\$150 million to catalyse financing of marginally bankable sustainable infrastructure projects**
- **Seeks to scale up to US\$1 billion of loans within 5 years to support commercial development of the region's sustainable infrastructure sector**
- **Asian Development Bank and Clifford Capital Holdings will support the platform as strategic partners**

London and Singapore, 30 September 2021 – HSBC Holdings plc (“HSBC”) and Temasek today announced a partnership^[1] to establish a debt financing platform dedicated to sustainable infrastructure projects with an initial focus on Southeast Asia, as part of efforts to reduce climate change.

In Asia, there is a significant funding gap for sustainable infrastructure required to address challenges and opportunities presented by climate change. Many infrastructure projects in the region face varying degrees of barriers to bankability. Private capital can play a unique role in bridging this gap.

A meaningful portion of the platform's loan portfolio will target marginally bankable, sustainable infrastructure projects, providing project development expertise, technical assistance and blended finance solutions where needed.

The platform aims to catalyse significant capital flows to the sustainable infrastructure space, deploying blended finance at scale over time to unlock more marginally bankable projects and create a tradable asset class, crowding in private and institutional investors.

HSBC and Temasek will invest up to a combined US\$150 million of equity to fund loans, working alongside the platform's strategic partners in the initial phase. Over the longer term, the ambition is to build a pipeline of projects to scale, with the platform dispensing over US\$1 billion of loans within 5 years. The Asian Development Bank (“ADB”) and Clifford Capital Holdings (“CCH”) will support the platform as strategic partners. ADB will provide various forms

^[1] HSBC Bank (Singapore) Limited's participation in the partnership is subject to regulatory approval from the Monetary Authority of Singapore.

of assistance to the platform, including technical assistance and project development expertise, while CCH will provide its project finance expertise as well as ongoing operational mid and back office support to the platform.

Noel Quinn, Group Chief Executive of HSBC, said, “This innovative partnership aims to tackle some of the biggest barriers to financing sustainable infrastructure where it’s needed the most. Neither private nor public sector can close the financing gap alone – but by working with Temasek, the Asian Development Bank and Clifford Capital, we can deploy significant amounts of blended finance for projects in Southeast Asia that would otherwise go unfunded. Collaborations matter in the fight against climate change, and this partnership provides an impactful model for others to follow.”

Dilhan Pillay, Chief Executive Officer of Temasek International added, “As an investor committed to sustainability at our core, we are keen to explore innovative solutions to address critical infrastructure needs especially in emerging markets in Asia, that will contribute to the transition to net zero. Public funding alone will not cover the scale of climate change mitigation and transition required across Southeast Asia. By joining forces, we can catalyse our capital, multiplying impact and scaling to meet the opportunities. Partnerships like this demonstrate Temasek’s commitment to a spectrum of sustainable solutions, and highlight the urgency of action required to get us all to net zero.”

The platform will apply internationally recognised ESG best practices, including the FAST-Infra Sustainable Infrastructure Label^[2] to the extent applicable, and in a manner consistent with the safeguards requirements pursued by international financial institutions. It will measure sustainability outcomes through the loans provided.

The platform will target renewable energy and storage, water and waste treatment and sustainable transport to help meet carbon reduction targets and build resilience to offset the impact of climate change. Based in Singapore, it aims to harness the market’s financial expertise and connectivity to scale up the development of sustainable infrastructure across Southeast Asia in time.

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^[2] based on the current form of the Label as published in the consultation document dated 2 June 2021 (<https://www.climatepolicyinitiative.org/consultation-announcement-fast-infra-sustainable-infrastructure-labelling-system/>)

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Notes to Editors:

HSBC Holdings plc

HSBC Holdings plc, the parent company of HSBC, is headquartered in London. HSBC serves customers worldwide from offices in 64 countries and territories in its geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of US\$2,976bn at 30 June 2021, HSBC is one of the world's largest banking and financial services organisations.

HSBC Bank (Vietnam) Ltd.

HSBC has been in Vietnam for over 150 years – the bank first opened an office in Saigon (now Ho Chi Minh City) in 1870. HSBC was the first foreign bank to launch its locally incorporated entity on 1 January 2009 as HSBC Bank (Vietnam) Ltd. The bank's current network includes two branches and five transaction offices in Ho Chi Minh City, one branch and four transaction offices in Hanoi, and two full-service branches in Binh Duong and Da Nang. HSBC is one of the largest foreign banks in the country in terms of investment capital, product range, and customer base.

Temasek

Temasek is a global investment company with a net portfolio value of S\$381bn (US\$283b, RMB1.86t) as at 31 March 2021. Headquartered in Singapore, it has 13 offices in 9 countries around the world. The Temasek Charter defines Temasek's three roles as an Investor, Institution and Steward, which shape its ethos to do well, do right, and do good. As a provider of catalytic capital, it seeks to enable solutions to key global challenges. With sustainability at the core of all Temasek does, it actively seeks sustainable solutions to address present and future challenges, as it captures investible opportunities to bring about a sustainable future for all. For more information on Temasek, please visit www.temasek.com.sg.

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