

HSBC confirms first green bond allocated

Nearly €500m of investment assigned to wind farms, solar projects, smart grid deployments, and sustainable waste initiatives across Europe and Africa

HSBC yesterday announced that the vast majority of its first ever green bond had been allocated, providing €493m of investment to renewable energy, energy efficiency and waste management projects in 10 countries.

The bond, which was issued by HSBC France last autumn, raised €500m. The company said the bulk of the funds had now been allocated through loans and project finance to HSBC clients in the Czech Republic, France, Germany, Greece, Ireland, Italy, South Africa, Spain, Turkey and the UK.

"The technology and techniques needed to support a low-carbon way of life often require significant investment," said HSBC group chief executive Stuart Gulliver in a statement. "I am proud that the proceeds of HSBC's first green bond are helping clients turn their green aspirations into reality, building a more sustainable future."

The bank said 81 per cent of the funds raised through the bond issue had gone to renewable energy projects, with 16 per cent allocated to sustainable waste management projects, and two per cent assigned to energy efficiency programmes.

Projects benefitting from the funding include wind farms in France, Germany, Greece, Italy, Turkey and the UK; solar plants and solar panel deployment programmes in the Czech Republic and South Africa; and the UK's smart meter rollout.

The announcement represents a further boost to a global green bond market which has enjoyed rapid growth in recent years, with the market tipped to clear \$50bn this year.

However, it also comes on the same day as the latest report from analyst Bloomberg New Energy Finance warned that global investment levels in clean energy were set to dip this year after the last three months delivered the weakest quarterly performance since 2013.