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## **HSBC Taiwan successfully issues guarantee letters to support the island's offshore wind farm**

*Develop project finance scheme to support Taiwan's renewable energy infrastructure and promote local development of sustainable finance*

HSBC Taiwan is committed to supporting sustainable solutions for local energy consumption. A reflection of this is HSBC Taiwan's recent commitment to act as one of the mandated lead arrangers of the NT\$90 billion project financing, and the sole issuer for construction related guarantee facilities of NT\$3.6 billion for the 589MW Changfang and Xidao offshore wind farm developed by Copenhagen Infrastructure Partners (CIP) in North-western Taiwan.

Global Banking of HSBC Taiwan pointed out HSBC is known for its strong project, trade, import and export finance capabilities. The Bank has extensive experience in structuring guarantee solutions for infrastructure financing to mitigate risks. This tailored guarantee solution has helped CIP to secure the financing needed to successfully develop their projects. In this deal, HSBC Taiwan also provided NTD denominated term loan facilities, including tranches covered by a number of European and Asian export credit agencies.

HSBC Taiwan commented that finance is a critical enabler for solving climate change and speeding up low-carbon transition. In light of increased financing demand to enable a shift to low carbon economy and continued diversification of funds in green infrastructure programs, the allocation of private funds towards sustainable finance activities is likely to increase. In response to the rapidly changing environment, HSBC Taiwan – with its local knowledge and broad financing capabilities – will continue to channel more creative and green financing solutions to support sustainable related practices, bringing positive impacts to the environment.

The report issued by the Global Wind Energy Council shows that offshore wind energy has increased by an average of 21% each year since 2013, and is expected to reach a capacity of 200GW by 2030, when Asia is expected to become the largest offshore region with key growth markets including Taiwan, Vietnam, and Japan. A survey by the International Renewable Energy Agency indicates that offshore wind is poised to play an important role in future energy systems, with global cumulative capacity of offshore wind power to increase almost ten-fold by 2030.

The CFXD wind farm is being built as part of the sustainability program by the Taiwan Government, aiming to add 5.5GW of wind power to its energy mix by 2025. The project will be one of the largest offshore wind projects in Taiwan, providing clean energy to more than 600,000 local households once completed in 2024. HSBC Taiwan said the two guarantees indicate the bank's leadership in renewable power systems financing, and its promise in providing a more diverse sustainable financing service. It is also noteworthy that the significant interest shown by the financial consortium has demonstrated the attractiveness of CFXD Project and the offshore wind potential in Taiwan.

HSBC has been embedding sustainability into its strategies and services, including access to capital markets, lending, transaction banking, advisory services and investments. HSBC is named the world's largest market underwriter of green, social and sustainability bonds in 2019. HSBC is committed to providing and facilitating US\$100 billion of sustainable finance and investment by 2025, having already delivered US\$52.4 billion of this commitment in 2019, with Asia as a region contributing 30 percent to this cumulative progress.

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