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## **HSBC executes its first SOFR linked trade finance transaction in India**

~This is HSBC's first project financing in the solar energy segment in India ~

~ The trade transaction was executed through HSBC Group's branch at GIFT City ~

HSBC announced the completion of its inaugural trade finance transaction linked to Secured Overnight Financing Rate (SOFR) in India. This financing, provided to Brookfield Renewable, operator of one of the world's largest pure-play renewable power platforms, is for import of solar panels. The overall financing is a combination of Indian Rupee Term Loan and documentary credit. The documentary credit has been discounted for a period of close to 3 years using Overnight SOFR.

This transaction represents another step forward in the market transition of interest rate benchmarks.

Mr. Amitabh Malhotra, Head of Global Banking, HSBC India said, "We are delighted to partner with Brookfield Renewable on our first SOFR linked trade finance transaction. This transaction is a further reaffirmation of our capabilities and market expertise amidst the evolving environment. We look forward to working closely with our clients across various industry transitions."

In addition to providing sustainable project financing to the underlying trade, HSBC India was also the hedge provider on this transaction, thereby allowing the client to hedge their currency risk

Secured Overnight Financing Rate (SOFR) is a secured overnight interest rate and reference rate established as an alternative to LIBOR (benchmark rate against which global banks mark their transactions).

The trade transaction was executed through the HSBC Group's branch at GIFT City, Ahmedabad. HSBC was one of the earliest global financial institutions to set up a branch at India's GIFT City and also the first bank to get a license from the International Financial Services Centres Authority (IFSCA). HSBC's branch at GIFT City complements its domestic business in India, whilst strengthening and expanding its corporate cross-border offerings. It enables its customers to seamlessly conduct international business transactions, in particular, financing, trade and global markets.

This transaction aligns to HSBC Group's global commitments to sustainable financing and transition to Net Zero.

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### **Note to editors:**

#### **HSBC Bank India**

The Hongkong and Shanghai Banking Corporation Limited in India offers a full range of banking and financial services through 26 branches across 14 cities.

HSBC is one of India's leading financial services groups, with around 39,000 employees in its banking, investment banking and capital markets, asset management, insurance, software development and global resourcing operations in the country. It is a leading custodian in India. The Bank is at the forefront in arranging deals for Indian companies investing overseas and foreign investments into the country.

**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 \$2,969bn at 30 September 2021, HSBC is one of the world's largest banking and financial services organisations