



THE EU BANK



15 February 2010

“EARTH’S FUTURE BONDS” LAUNCHED TO FUND PROJECTS SUPPORTING CLIMATE PROTECTION

The European Investment Bank (EIB), the long-term lending arm of the European Union (EU), owned by the EU Member States and rated AAA/AAA/Aaa (Standard and Poor’s/Fitch/Moody’s), has launched new “Earth’s Future Bonds” for the first time in Japan. The Lead Manager for the transaction is HSBC Bank plc with HSBC Securities (Japan) Limited acting as intermediary. The bonds will be available to Japanese investors through 32 distributors from 15 February, 2010.

Investors will be able to choose from:

- four-year fixed rate Australian dollar denominated bonds
- four-year fixed rate South African rand denominated bonds
- five-year Brazilian real denominated bonds (payable in JPY)
- six-year Brazilian real denominated deep-discount bonds (payable in JPY)

The “Earth’s Future Bonds” offer Japanese individual investors an investment of the highest credit quality while helping to finance projects that support climate protection. The funds raised via the offering will be used for investment in future EIB lending projects in the fields of renewable energy and energy efficiency, key areas for international climate protection. EIB has previously offered bonds with proceeds used for the same sectors in euros in 2007 and Swedish krona in 2009.

The financing of sustainable, competitive and secure energy is one of the core objectives of the EIB. EIB has financed renewable energy projects in an amount of over EUR 6 billion during 2008-9. The EIB has also set a target that at least 20 per cent of its investments in energy projects in the European Union should be in renewable sectors. EIB plans to step up its support for renewable energy and energy efficiency, also outside the European Union.

Future lending projects in the fields of renewable energy and energy efficiency include, but are not limited to:

- renewable energy projects such as wind, hydro, solar and geothermal production; and
- energy efficiency projects such as district heating, co-generation, building insulation, energy loss reduction in transmission and distribution and equipment replacement with energy efficiency improvements of 20 per cent or more.

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Comments:

Bertrand de Mazières, Director General of Finance at the European Investment Bank, said: “Like Japan, the EU has taken a leading role in tackling climate change. With this bond EIB is inviting Japanese investors and the local banking community to join EIB in that endeavour. The new bonds to be issued in Japan build on the positive results of similar issues completed in Europe. Investors again benefit from the combination of EIB’s triple-A credit quality and transparent use of proceeds in favour of climate protection.”

Kenichi Tatsuzawa, Chief Executive Officer, HSBC Securities (Japan) Limited said: “Climate change is, arguably, the greatest challenge facing us today and responding to the potential climate crisis must be an exercise in collective action. We are all in this together and it is only by concerted action that we will make a difference. These new bonds offer Japanese investors the opportunity to make a concrete contribution toward climate protection.”

Further information on the issue:

The net proceeds of the issue of the bonds (which may be converted into other currencies needed by the Bank) will be allocated within EIB’s treasury to a sub-portfolio of the operational money market portfolio. So long as the Bonds are outstanding, the balance of the sub-portfolio will be reduced, at the end of each quarter, by amounts matching disbursements made during the quarter to lending projects within the fields of renewable energy and energy efficiency. Pending such disbursement, the sub-portfolio will be invested in money market instruments.

Information about the progress in the disbursements will be included in the annual report of the Bank, permitting public monitoring of disbursements.

The bonds are scheduled to be available at the following distributors during the offer period:

Aizawa Securities, Ando Securities, Banyo Securities, Cosmo Securities, Daisen Hinomaru Securities, Futanami Securities, Hamagin TT Securities, Hirogin Utsumiya Securities, HSBC Premier, HSBC Private Bank, Imamura Securities, Kagawa Securities, Kimura Securities, Kotobuki Securities, Kyokuto Securities, Joko Securities, Mito Securities, Mitoyo Securities, Mitsui Securities, Monex Securities, Naruse Securities, Okinawa Securities, Rakuten Securities, Retela Crea Securities, SBI Securities, Shinwa Securities, Socius Securities, Tokai Tokyo Securities, Toyo Securities, Utsunomiya Securities, YM Securities, Yutaka Securities

Summary of Expected Terms

Four-year fixed rate Australian dollar (AUD) denominated bonds

Offer Period: 1 March – 15 March, 2010

Issue Price: 100.00%

Denomination: AUD1,000

Issue Date: 15 March, 2010

Interest Commencement Date: 16 March, 2010

Maturity Date: 17 March, 2014

Four-year fixed rate South African rand (ZAR) denominated bonds

Offer Period: 1 March – 15 March, 2010

Issue Price: 100.00%

Denomination: ZAR10,000

Issue Date: 15 March, 2010

Interest Commencement Date: 16 March, 2010

Maturity Date: 17 March, 2014

Five-year Brazilian real (BRL) denominated bonds (payable in JPY)

Offer Period: 1 March – 11 March, 2010

Issue Price: 100.00%

Denomination: BRL10,000

Issue Date: 15 March, 2010

Interest Commencement Date: 16 March, 2010

Maturity Date: 16 March, 2015

Six-year Brazilian real (BRL) denominated deep-discount bonds (payable in JPY)

Offer Period: 15 February – 11 March, 2010

Issue Price: 63.80%

Denomination: BRL10,000

Issue Date: 15 March, 2010

Interest Commencement Date: 16 March, 2010

Maturity Date: 16 March, 2016

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This press release is a marketing document.

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Notes to editors:

1. The European Investment Bank

The European Investment Bank, based in Luxembourg, was set up in 1958 under the Treaty of Rome. It is the largest supranational lender in the world. Owned by the European Union Member States, the EIB is the EU's long-term lending institution, financing projects that promote European economic development and integration. Besides supporting projects in the Member States, its main lending priorities include financing investments in future Member States of the EU and EU Partner countries. The EIB operates on a non-profit maximising basis and lends at close to the cost of borrowing. The Bank's consistent AAA rating is underpinned by firm shareholder support, a strong capital base, exceptional asset quality, conservative risk management and a sound funding strategy. The annual funding ceiling for 2010 has been set at up to EUR 80 billion.

2. HSBC Holdings plc

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 8,500 offices in 86 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa. With assets of US\$2,422 billion at 30 June 2009, HSBC is one of the world's largest banking and financial services organisations. HSBC is marketed worldwide as 'the world's local bank'.

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