

Bank of China Priced its US\$1.5bn Equivalent Third Offshore Green Bonds US\$ 500mn 5yr FRN, EUR 700mn 3yr FRN and CNY 1bn 3yr Fixed Offerings

Bank of China (BOC), Paris Branch, rated A1/A/A, just priced its third offshore Green Bonds on 15 November 2017. The Bonds consists of a 5-year US\$ 500mn floating-rate tranche, a 3-year EUR 700mn floating-rate tranche and a 3-year CNY 1bn fixed rate tranche. The Bonds will be listed on the Euronext Access in Paris. The bond proceeds will be used to finance and/or refinance eligible green projects in renewable energy and clean transportation. The Bonds have received Climate Bonds Certification from the Climate Bonds Initiative (CBI) on November 12.

The third time Green Bonds issuance encapsulates the long-term strategic vision of BOC towards a more sustainable society.

As a century-old bank in China, BOC was founded in 1912 as China's first national bank. In June 2006, BOC launched its H-share and A-share listings, becoming the first state-owned commercial bank listed on both the H- and A-share markets. In 2011, as the Chinese bank with most extensive global presence, BOC became the first Chinese bank selected as one of the Global Systematically Important Banks (G-SIBs). BOC ranks No.4 of "Top 1000 World Banks", No.5 of "Top 500 Bank Brands" by the Banker, No.6 of "Forbes Global 2000 World's Top Companies". BOC is a member of the Green Bond Principles (GBP) Executive Committee and a regular international green bond issuer.

BOC is the first and the only issuer in the PRC who has issued international Green Bonds for three times with the aim to demonstrate its commitment to sustainability. The Bonds also mark the first multi-tranche CBI Certified Bond offerings that are denominated in three different currencies, in addition to debut CNY denominated CBI certified Bond offering.

BOC follows international best practices in reporting and disclosure for green bonds. It discloses the expected environmental impacts of the Eligible Green Projects of its previous two green bond issuances as well as the environmental impact estimates of this upcoming issuance.

The Bonds marked BOC's first ever international climate bond certified offerings. Together with its debut green bond and green covered bond issued in 2016, each issuance represented another step towards innovation in sustainability. The Bonds are issued through its Paris Branch and listed in Paris, on the occasion of 2nd anniversary of COP21 and Paris Accord.

COP21 marks a turning point in global binding climate agreements. As a global citizen, BOC chose to issue the bonds out of the Paris Branch and list in Paris to commemorate the two year anniversary of the binding agreement courtesy of the Paris Agreement.

Prior to the issuance of the Bonds, BOC updated its Green Bond Framework, in accordance with GBP 2017. Bonds issued under the Framework could also be certified by CBI against Climate Bonds Standard. It follows the highest international green bond standards. It's believed that through this issuance, Chinese green guidelines will accelerate its convergence with international green standards.

The green projects selected for the issuance of the Bonds are located in France, UK and China covering wind power and urban railway transit projects.

Each issuance of BOC's green bond builds on the success of the previous offering best described as an evolution toward best international standards. The green offering this time personifies the ethos of continued innovation, an ethos that is woven into the fabric of BOC's sustainable ambitions.

The Bank priced the USD tranche at 3mL+88bps, the EUR tranche was priced at 3mE+47bps, and the CNY tranche was priced at 4.500%. The deal attracted final order of US\$ 3.82bn equivalent and, especially in its 3-year EUR floating-rate tranche, saw European investors take a large chunk.

BOC, BNP PARIBAS, Crédit Agricole CIB and HSBC are joint lead managers and joint bookrunners.