

China Development Bank – The World’s Largest Development Finance Institution Issued Its Debut International Green Bond

China Development Bank (CDB) priced its debut international green bond on 9 November 2017. The Bonds consists of a 5-year USD 500 million tranche and a 4-year EUR 1 billion tranche. It will be listed on the Hong Kong Exchange and the China Europe International Exchange. The bond proceeds will be used for green projects in the renewable energy, clean transportation and water resources management sectors along the Belt & Road route.

Crédit Agricole CIB and Deutsche Bank were the Joint Green Structuring Advisors. Joint Lead Managers and Joint Bookrunners for the USD tranche were Agricultural Bank of China Limited Hong Kong Branch, Bank of China (Hong Kong), BNP PARIBAS, China Construction Bank (Asia), Commonwealth Bank of Australia, Crédit Agricole CIB, Deutsche Bank and Standard Chartered Bank. Joint Lead Managers and Joint Bookrunners for the EUR tranche were Bank of Communications, CCB Europe, Commerzbank, Crédit Agricole CIB, Deutsche Bank, HSBC, ING and SEB.

CDB is China’s development finance institution (DFI). It serves national strategy and aspires to promote people’s livelihood. It is the world’s largest DFI in terms of assets at the end of 2016. It is China’s largest bank for overseas investment and financing, and China’s largest green bank, both in terms of balance of loans at the end of 2016.

The Bonds represents China’s first-ever quasi-sovereign international green bond. The USD tranche was priced at T+78bps with a coupon rate of 2.750%, and the EUR tranche was priced at MS+43bps with a coupon rate of 0.375% , both inside CDB’s secondary curves. Both tranches attracted strong interest from international investors, especially within the green and SSA investor space. It was launched after the China MOF’s recent return to the international USD market; once again showing international investors are optimistic about China’s political stability and economic development prospects.

The Bonds is CDB’s first ever international climate bond. It perfectly complements the 19th CPC National Congress, and is a demonstration of the Chinese government to a more environmentally responsible and green society. CDB’s commitment to provide international “climate finance” to tackle global climate change also coincides with the 2nd anniversary of the COP21, which marks the Chinese government’s continued commitment to the Paris Accord.

The Bonds are verified by Ernst & Young and obtained certification from the Climate Bonds Initiative. Prior to the issuance of the Bonds, CDB established its Green Bond Framework, in accordance with 2017 Green Bond Principles. It follows the highest international green bond standards as well as the Chinese domestic green guidelines. 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 various locations which are instrumental to the Belt & Road Initiative. They include China, Kazakhstan, Pakistan and Sri Lanka, representing the key entry points of commerce along the historical Belt & Road route.

This inaugural international green offering from CDB, as the world's largest DFI, embodies the green dreams and aspirations of a 1.4 billion nation.

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