



MF Case 21: China, Industrial Bank issues green financial bonds

Project introduction:

The green bonds issued by Industrial Bank are the first one to be labelled green financial bonds since the official issue of Chinese green bonds standards by the end of 2015. This is a milestone in the development of Chinese green bonds.

Issuer	Industrial Bank Co., Ltd.
Issue Time	January 28, 2016, July 14, 2016, November 15, 2016
Circulation	10 billion RMB, 20 billion RMB, 20 billion RMB
Currency	RMB
Credit Rating	the main AAA, debt AAA
Rating Agencies	Shanghai New Century Credit Rating Investment Services Limited liability company
Nature of Debt	Financial debt
the Term	3 years,3 years , 5 years
Coupon rate	2.95% , 3.2% , 3.4%
Underwriters	Industrial and Commercial Bank of China, Agricultural Bank of China, Bank of China, China Construction Bank
Green Certification Body	Climate and Energy Center of Central University of Finance and Economics
Market Place	Interbank
Investment of Fund raising	Environmental Protection, Energy Saving, Clean Energy and Clean Traffic Lights to Support Environmental Improvement, Green Project to Address Climate Change

Lessons learnt

- For banks, the issuance of green financial bonds can promote innovation in green finance business, provide sources of funding for the issuance of green project loans, upgrade the credit allocation ability of green projects in the medium and long term, and promote the adjustment of

credit structure. Issuing overseas can also attract the attention of international investors and further enhance its influence in the international capital market.

- The emergence of green bonds labeled is a sign that the green finance market continues to mature and regulate. In order to make the "green" attribute of bonds more credible and persuasive, it is a common international practice to hire a third-party professional certification body to issue a green certification of the use of raised funds, namely a "Second Opinion". In the second opinion, the investment direction of green bonds has been described in detail, which can enhance the transparency of green bond information disclosure and attract more investors. Currently, over 60% of green bonds have been internationally certified before issuance.

References

<http://www.publicnow.com/view/460901D9B2B9AA4C845250E0E46B309A21AE1E0A?2017-06-05-06:01:25+01:00-xxx8094>

Credentials

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