

26 November 2024

**BOCHK successfully issued RMB 5 billion Panda Bond
Promoting RMB internationalisation in a prudent and steady manner**

Bank of China (Hong Kong) (“BOCHK”) has successfully issued Panda Bond in the China Interbank Bond Market. The issue size of the two-year Panda Bond is RMB 5 billion, priced at 2.0%. The coupon rate of this issuance hit a record low among Panda Bonds by offshore financial issuers as well as those Panda Bonds of the same tenor, demonstrating the widespread market recognition gained by BOCHK. The ratings of the issuer and the Bond have been assigned the highest onshore credit rating of “AAA”. Net proceeds will be used for supporting the daily operation of BOCHK’s RMB business in Hong Kong and Southeast Asia. Bank of China Limited is the lead underwriter and bookrunner of the bond offering.

BOCHK entered the China Interbank Bond Market to issue Panda Bond, the first by an international commercial bank, in 2015. It issued another RMB 9 billion Panda Bond in 2017, setting a record for the largest single issuance amount of Panda Bonds. BOCHK issued the Panda Bond in the onshore capital market again has received positive response from over 30 onshore and offshore investors including banks, asset managers, securities firms, fund managers and Middle East Sovereign Fund. The total subscription is more than two times of the issue size. The successful issuance of the Panda Bond not only provides onshore and offshore investors with high-quality RMB assets, but also further expands the opening-up of China’s bond markets, promoting RMB internationalisation in a prudent and steady manner.

Sun Yu, Vice Chairman and Chief Executive of BOCHK, said, “BOCHK was one of the first international commercial banks to issue Panda Bonds in the China Interbank Bond Market. The Chinese mainland has introduced a series of policies to improve the issuance of panda bonds in recent years. As such, the Bank seizes the opportunity to re-enter the onshore capital market this year to raise long-term and stable funds, with the aim of further enhancing our capabilities in RMB product development and pricing, and supporting Southeast Asian entities in growing their local RMB business and playing an active role as local RMB clearing banks*. By reinforcing its business advantages in RMB clearing business, as well as products and services, BOCHK will continue to enrich its RMB cross-border application scenarios, lend full support to enterprises going global, and empower the high-quality development of the real economy with financial strength.”

*Note: Bank of China (Malaysia) Berhad, Bank of China (Hong Kong) Limited Manila Branch and Bank of China (Hong Kong) Limited Phnom Penh Branch have been qualified as RMB clearing banks.

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