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Mizuho Bank, Ltd.

Mizuho appointed as joint lead arranger of the first green auto ABS issuance in the Chinese interbank bond market

Mizuho Bank (China), Ltd., a wholly owned subsidiary of Mizuho Bank, Ltd. (President & CEO: Koji Fujiwara), has been appointed as a joint lead arranger of green auto asset backed securities (ABS) issued by Shanghai Automotive Group Finance Corporation Limited ("SAIC Finance"). This is the first such issuance in the Chinese interbank bond market.

SAIC Finance is a financial subsidiary of China's largest car manufacturer, SAIC Motor Corporation. The company has securitized the auto loans extended to the purchasers of new energy vehicles (NEV), and issued them as ABS.

For issuing green bonds, a set of criteria has to be met, which include alignment with criteria set by the Chinese financial authorities, a clear use purpose with a system to track usage afterwards, and environmental impact certification from a third-party evaluator.

In this case, because these bonds are backed by auto loans for purchasing NEVs and certified by a third party evaluator as contributing to CO₂ reductions, they were approved as the first green auto ABS to be issued in the Chinese interbank bond market.

The Chinese government upholds the concept of "ecological civilization" and a goal of having CO₂ emissions peak before 2030 and of becoming carbon neutral by 2060. Under this approach, it has been promoting transition to a green society, energy saving and emissions reductions, solutions to serious environmental issues, and measures to address climate change. As part of supporting green industries, the government has also been keen to offer various financial incentives to eligible companies, with access to green financing being one of them.

At Mizuho, in light of the accelerating global efforts to address climate change, we are strengthening our sustainability action on a group-wide basis toward achieving a sustainable society, including our initiatives for the transition to a low-carbon society. We will leverage our insight as a financial services group to provide advisory, financial, and a range of other solutions to companies promoting ESG efforts.