

September 30, 2019
Mizuho Bank, Ltd.

Mizuho granted a license to underwrite NAFMII bonds in China

Mizuho Bank, Ltd. (President & CEO: Koji Fujiwara) and its subsidiary, Mizuho Bank (China), Ltd., have obtained a license from China's National Association of Financial Market Institutional Investors (NAFMII) to underwrite bonds issued by corporations and other entities, which are collectively called "NAFMII bonds."

"NAFMII bonds" refer to commercial papers and medium- and long-term bonds, which are widely used as major sources of renminbi funding in China's direct finance market. They are issued by local public entities and corporations, as well as a number of foreign governments and companies.

Thanks to the Chinese government's efforts in leading a shift from indirect finance to direct finance, the Chinese bond market has grown to approximately JPY 1,400 trillion in terms of balance,¹ a size nearly equal to that of the Japanese bond market. In particular, NAFMII bonds are fast becoming a powerful funding tool, with the outstanding issuance amount equivalent to JPY 90 trillion.²

With this underwriting license, Mizuho Bank (China) will be able to support our clients' need to diversify their source of renminbi funding, as well as to provide a greater variety of investment options for Japanese investors.

Leveraging the insight we obtained from this licensing process as well as the origination of Panda bonds issued in January 2018, we will contribute to the further development of the local bond market and provide enhanced support for clients' business and renminbi needs in China.

¹ As of the end of 2018, according to the Bank for International Settlements (BIS).

² As of 2018, according to estimates by Mizuho Bank, Ltd.