

China Chengxin International assisted in the successful issuance of Pakistan's first sovereign Panda bond.

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On May 14, 2026, the "26 Pakistan Bond 01BC (Sustainable)," issued by the Islamic Republic of Pakistan (represented by the President of the Islamic Republic of Pakistan) as the issuer and jointly guaranteed by the Asian Infrastructure Investment Bank and the Asian Development Bank, was successfully issued. China Chengxin International Credit Rating Co., Ltd. (hereinafter referred to as "China Chengxin International") provided rating services for the Islamic Republic of Pakistan (represented by the President of the Islamic Republic of Pakistan) (hereinafter referred to as "Pakistan"), assisting in Pakistan's first sovereign Panda bond issuance, making Pakistan the first Panda bond issuer in South Asia. The Pakistani government raised RMB 1.75 billion through a private placement in the interbank market, with a term of 3 years and a coupon rate of 2.5%. The subscription multiple exceeded 5 times, demonstrating high investor participation.



This Panda bond is not only Pakistan's first Panda bond, but also the first partially guaranteed bond to be successfully issued in the market. The innovative guarantee mechanism for this bond was jointly established by China Chengxin International, the Asian Infrastructure Investment Bank, and the Asian Development Bank, becoming a typical example of multi-party collaborative innovation in guarantee mechanisms. This issuance of the first sovereign Panda bond, driven by an innovative multilateral credit enhancement mechanism, is expected to set a benchmark and demonstration effect for more countries along the Belt and Road Initiative to enter the Panda bond market.

巴基斯坦伊斯兰共和国
(由巴基斯坦伊斯兰共和国总统代表)

2026年度第一期人民币债券 (可持续发展债券) (债券通)

The Islamic Republic of Pakistan
acting through the President of the Islamic Republic of Pakistan

2026 Renminbi Bonds (Series 1) (Sustainable Development Bonds) (Bond Connect)

债券简称 Bond Abbreviation	发行规模 Issue Size	债券期限 Tenor	票面利率 Coupon rate	主体/债项评级 Issuer/Bond Rating	全场倍数 Subscription Multiple
26巴基斯坦债01BC(可持续) 26 Pakistan 01BC	人民币17.5亿元 RMB 1.75bn	3年期 3 years	2.50%	AA+/AAA	5.05x

簿记日期: 2026年5月14日
Bookbuilding Date: May 14, 2026

保证人
Guarantors

牵头主承销商
Lead Underwriter

联席主承销商
Joint Lead Underwriters

发行人律师
Issuer's Counsels

评级机构
Rating Agency

发行人财务顾问
Issuer's Financial Advisor

特别鸣谢
Special Thanks

On September 4, 2025, the "Action Plan between the Government of the People's Republic of China and the Government of the Islamic Republic of Pakistan on Building a Closer China-Pakistan Community with a Shared Future in the New Era (2025-2029)" emphasized further strengthening mutual support in the financial sector and enhancing cooperation between the two countries' financial industries. The successful issuance of Pakistan's first Panda bond marks a milestone breakthrough in the marketization and diversification of China-Pakistan financial cooperation. This groundbreaking move deeply reflects the strategic mutual trust between China and Pakistan, injecting financial momentum into the all-weather strategic cooperative partnership and solidifying the bond of unwavering friendship between the two countries through a market-oriented cooperation model, becoming a vivid practice in building a community with a shared future in the new era.

The successful issuance of these bonds is of great significance. The Pakistani Embassy in China hosted a special celebration and invited China Chengxin International to attend. The event coincided with the upcoming 75th anniversary of the establishment of diplomatic relations between China and Pakistan, adding a positive context to the successful bond issuance. Participants generally agreed that the successful issuance not only broadened Pakistan's RMB financing channels but also provided valuable lessons for sovereign issuers along the Belt and Road Initiative to enter the Chinese bond market, further highlighting the broad prospects for China-Pakistan financial cooperation.





(Yan Yan, Chairman of China Chengxin International, and others were invited to attend the celebration event held at the Pakistani Embassy in China)

China Chengxin International has rated the Islamic Republic of Pakistan (represented by the President of the Islamic Republic of Pakistan) as AA⁺ with a stable outlook. It has also rated the first tranche of RMB bonds (Sustainable Development Bonds) issued by the Islamic Republic of Pakistan (represented by the President of the Islamic Republic of Pakistan) in 2026 (Bond Connect) as AAA. China Chengxin believes that Pakistan's large economy, with continued positive economic growth in fiscal years 2024 and 2025, and a

significant decline in inflation, coupled with ongoing fiscal consolidation, has further eased fiscal pressure. Structural reforms provide opportunities for medium- and long-term development. High political trust between China and Pakistan and deepening cooperation in various fields also support Pakistan's sovereign credit strength. However, China Chengxin also notes the potential impact of low per capita GDP and a weak tax base on Pakistan's economy and finances. Pakistan's fiscal strength is relatively weak, with a high fiscal deficit ratio and a heavy burden of government interest payments. Inadequate infrastructure and low policy effectiveness constrain the improvement of its institutional strength. **The credit rating of this bond issue fully considers the role of the unconditional and irrevocable guarantees provided by the Asian Infrastructure Investment Bank and the Asian Development Bank in guaranteeing the principal and interest repayment of this bond issue according to their respective guarantee ratios. The combined guarantee ratio of the two credit enhancement parties is 95% of the principal and interest of the bond.**

In recent years, China Chengxin International has continuously promoted cooperation and exchanges in the field of investment and financing between China and Pakistan. In February 2023, China Chengxin International, China Chengxin Asia Pacific, VIS Group, and IIRA Ratings signed a new round of technical cooperation agreements, laying an important foundation for future cooperation among all parties in areas such as cross-border bond market rating, sovereign rating, green and ESG assessment in countries along the Belt and Road Initiative.

VIS Credit Rating Company Limited joins hands with international credit rating agencies to promote cross-border investments and development of capital markets.

PAKISTAN A GATEWAY TO OIC AND BELT & ROAD COUNTRIES



TRUST | TRANSPARENCY | INDEPENDENCE

Islamic International Rating Agency joins hands with international credit rating agencies to promote cross-border investments and development of capital markets.

SERVING CAPITAL MARKETS IN OIC COUNTRIES



TRUST | TRANSPARENCY | INDEPENDENCE

(China Chengxin International, China Chengxin Asia Pacific, VIS Group of Pakistan, and the Islamic International Rating Agency (IIRA) signed a technology cooperation agreement)

In December 2023, China Chengxin Green Finance International and Pakistan's VIS Group signed a strategic cooperation agreement. The two companies jointly provided external review services for green Islamic bonds issued by Pakistani solar energy service provider K-Solar. Upon successful issuance, this project will become Pakistan's first private enterprise green Islamic bond, setting a positive example for Pakistan's capital market, particularly the Islamic bond market. Also in December 2023, China Chengxin International and

China Chengxin Asia Pacific were officially approved by the Pakistan Securities and Exchange Commission as internationally recognized rating agencies, marking a significant step forward in the company's expansion along the Belt and Road Initiative. This issuance of Pakistan's sovereign Panda bonds is also a significant landmark event in China Chengxin International's continued efforts to promote Sino-Pakistani financial cooperation.



(China Chengxin International and China Chengxin Asia Pacific have been approved as international rating agencies recognized by the Securities and Exchange Commission of Pakistan)

As a pioneer and key witness to the development of the Panda bond market, China Chengxin International Credit Rating Co., Ltd. (Chengxin) holds an absolute advantage in the public offering market, with a market share consistently exceeding 50%. Since the inception of the Panda bond market, Chengxin has undertaken numerous first-time Panda bond transactions for multilateral institutions,

sovereign governments, financial institutions, non-financial institutions, Belt and Road Initiative entities, and Bond Connect institutions. Currently, its Panda bond clients cover East Asia, Central Asia, Southeast Asia, Europe, Africa, North America, and Latin America. From 2026 to the present, Chengxin's overall market share in the Panda bond rating market is 54%, holding a dominant position. If only Chinese rating agencies are considered, Chengxin's overall market share reaches 63%, and its overall market share in purely offshore Panda bonds reaches 78%. In 2026, Chengxin assisted several new issuers, including German industrial giant Henkel and Kazakhstan's sovereign wealth fund Samuruk -Kazyna, in entering the Panda bond market. Simultaneously, as the only Chinese rating agency, it provided rating services to the New Development Bank , the largest issuer in the Panda bond market , helping the New Development Bank to continuously expand its RMB financing market.