

《Deutsche Bank eyes \$3b B&R bonanza》

German lender to team up with CDB in nations taking part in initiative

Deutsche Bank AG, Germany's largest lender, said on Wednesday that it plans to finance \$3 billion worth of projects in partnership with the China Development Bank in the countries and regions taking part in the Belt and Road Initiative.

The CDB and Deutsche Bank agreed to work together over the next five years to support the projects. The move will make Deutsche Bank one of the first global lenders to participate in the initiative.

The two parties also agreed to establish a joint team to cooperate on projects promoting the initiative, including joint lending and project finance that are beneficial to the clients of both lenders.

Garth Ritchie, head of Deutsche Bank's corporate & investment bank, said expanding infrastructure links between China and Europe is a positive opportunity for the peoples and economies of both sides.

The CDB has lent a combined \$160 billion to projects in countries and regions taking part in the Belt & Road Initiative, supporting infrastructure, social welfare and public utility projects, according to the lender.

"We insisted that the projects we finance must be sustainable, and we only operate those in mature conditions. Lending to these projects must be in alignment with the ideas of inclusive lending and supporting green economic growth," said Hu Huaibang, chairman of the CDB.

Xi Junyang, a professor at Shanghai University of Finance and Economics, said that financial institutions play a significant role in supporting projects in Belt and Road economies, and foreign banks which operate in China and have established a global market presence are likely to use their global networks to play a role in this.

"Global lenders which have expertise in cross-market financing, investment and management may see financing projects in countries and regions taking part in the Belt and Road Initiative as a new growth opportunity," said Xi.

German business daily Handelsblatt reported that Deutsche Bank is also seeking approval to issue renminbi-denominated bonds in China's bond market, which are widely known as Panda Bonds and are yuan-denominated bonds issued by qualified foreign capital institutions in the Chinese market.

According to a report by German foreign trade and investment authorities, the number of Chinese investment projects in Germany grew from 190 in 2015 to 281 in 2016, making China the country with most investment projects in Germany for three consecutive years.

Ministry of Commerce spokesman Sun Jiwen said that Chinese investment in Germany totaled 11 billion euros (\$12.03 billion), about 1 percent of all foreign investment, which shows that Chinese investment in Germany is still

at an early stage and has great growth potential.

