

## ICBC lists its inaugural “Belt and Road” climate bond in Luxembourg

- European investors take 70% of ICBC’s three-year USD and EUR tranches
- Bond split into three tranches: EUR 1.1 billion, USD 450 million and USD 400 million; the EUR-denominated one is the largest green issuance by a Chinese bank ever
- ICBC representatives visited the Luxembourg Stock Exchange (LuxSE) for a “ring the bell” ceremony

The climate bond marks the first issuance dedicated to green projects following the “Belt and Road Initiative” (BRI) ever. It will support projects in China’s domestic provinces and in foreign countries key to the BRI initiative. This marks the first issuance by the Industrial and Commercial Bank of China (ICBC) out of its green bond framework. Raised proceeds will finance and refinance projects linked to renewable energy, low carbon and low emission transportation, energy efficiency, as well as sustainable water and wastewater management.

The ICBC adopted best-in-class practices in structuring its green bond framework, in alignment with the latest international and Chinese green standards. The bank is the first Chinese issuer to provide a second opinion by the Center for Climate and Environmental Research, Oslo (CICERO), as well as the first Chinese issuer to receive “dark green” shading for its green bond framework by CICERO. The Climate Bond Initiative has certified the bonds as climate bonds. They are now listed on LuxSE’s Euro MTF market and displayed on the Luxembourg Green Exchange (LGX).

China’s USD 9 trillion-bond market is the second largest in the world, but only 2% of Chinese bonds are foreign-owned. In the case of the “Belt and Road” climate bond, European investors bought 70% of the tender. It attracted sovereign funds, insurance companies and corporate investors, among others.

“Our key focus is on helping to enhance investment channels between China and Europe. Exchanges provide access to a large potential investor base including institutional investors, as well as small and medium-sized institutions and even individuals. Stock exchanges can support the mobilization of investor demand for investment. By receiving enhanced visibility, issuers get visibility among a far wider segment of potential investors and a deeper pool of investment capital. I am glad to welcome ICBC’s climate bond in Luxembourg,” comments Robert Scharfe, CEO of LuxSE.

The General Manager of ICBC’s Luxembourg branch, Mr. Chen Fei, praised Luxembourg’s unique position as the birthplace of the world’s first green bond ten years ago, as well as the LGX, the world’s leading platform dedicated exclusively to securities that are 100% green, social or sustainable. “ICBC has integrated green financing in its long-term strategy. Over the years, ICBC has become the largest underwriter of green bonds in China and one of the largest lenders in the green economy. In addition, the Bank promotes responsible banking while advancing China’s Belt and Road Initiative. Tapping the international green capital market gives us a new channel to fund projects with environmental benefits”, he said.

By the end of 2016, ICBC saw a lending balance of RMB 978.6 billion to energy-saving, environmental-friendly projects and services, taking 14.2% in all corporate lending, with a growth of 6.8 percentage points higher than the overall growth of lending to corporates in China.

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The Luxembourg Green Exchange displays 140 green, social and sustainable bonds worth USD 75 billion, only a year after its launch.

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### About the Luxembourg Stock Exchange (LuxSE)

The Luxembourg Stock Exchange (LuxSE) is the leading exchange for international securities in Europe with more than 3000 bond issuers representing over 100 different countries. LuxSE is also one of the largest offshore RMB trading centres on the continent and the largest venue for green bonds in Europe.

In 2016, LuxSE launched the Luxembourg Green Exchange (LGX), a platform dedicated exclusively to green, social and sustainable securities. 124 green, 13 social and 3 sustainable bonds are currently displayed on LGX, representing an issuance value of over EUR 64 bn.

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