

Press release

12 September 2018

Luxembourg/Shanghai

Luxembourg Stock Exchange signs a tri-party agreement with the Shanghai Stock Exchange and Bank of China

- The Shanghai Stock Exchange (SSE), Bank of China (BOC) and Luxembourg Stock Exchange (LuxSE) agree on a cross-border collaboration to further develop the Green Bond Channel project.
- Bank of China will act as the primary partner in offering related services to investors using the Green Bond Channel.
- Launched in June this year, the Green Bond Channel gives international investors access to data and information on Chinese domestic green bonds listed in Shanghai.
- Information about the green bonds listed on SSE is available in English on LuxSE.

The cooperation between the Luxembourg Stock Exchange and the Shanghai Stock Exchange focuses on providing relevant information in English about Chinese green bonds to offshore investors. Bank of China, China's most globalised and diversified bank providing financial services to customers across the Chinese mainland as well as in 54 countries and regions, will now act as the primary partner in offering related services to investors using the Green Bond Channel.

"We feel privileged that our fruitful relationship with both BOC and SSE allows us to continuously support the internationalisation of China's green finance market. I think initiatives like ours, to bridge the information gap and connect investors and issuers in full transparency, are of pivotal importance in growing the green finance market and pushing forward the climate transition," commented Robert Scharfe, CEO of LuxSE, at the signing of the agreement in Shanghai.

China boasts one of the world's largest bond markets, valued at USD 9 trillion, with a production of green and sustainable bonds in excess of RMB 250 billion (approx. EUR 33 billion). However, the market may appear off-limits to the international investor community due to the difficulties of accessing the right level of information on the traded bonds.

The Green Bond Channel is a practical solution to help green finance go mainstream and engage not only public, but also private investors. Through the cooperation, LuxSE provides relevant information in English about Chinese green bonds to offshore investors.

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China's USD 9 trillion bond market is the second largest in the world, but only 2% of Chinese bonds are foreign-owned. The agreement will improve efficiency in connecting issuers and international investors. The Chinese-listed green bonds can be traded via existing execution channels.

In March 2018, LuxSE extended the same display service to the Chinese Interbank Market and welcomed the first bond from a Chinese policy bank, the Agriculture Development Bank of China (ADBC).

Key advantages of the Green Bond Channel for issuers and investors:

- Enhanced visibility of securities
- Increased investor base
- Better information connectivity among China and international investors
- Comprehensible information in English available to offshore investors
- Increased transparency of bond information by way of free access to security cards displaying details about the planned use of proceeds, external opinions, among others.

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About the Luxembourg Stock Exchange (LuxSE)

The Luxembourg Stock Exchange (LuxSE) is the gateway to access international investors. With more than 35,000 listed securities, including some 26,000 bonds, from 2,300 issuers in 100 countries, LuxSE is the world's number one exchange for the listing of international securities and offers a unique full service throughout listing, trading and reporting.

We have been involved in the development of the sustainable finance market since the European Investment Bank issued its first climate awareness bond 10 years ago and listed it in Luxembourg. In 2016, LuxSE launched the Luxembourg Green Exchange (LGX) and built it based on the fundamental need for transparency. The platform is dedicated exclusively to green, social and sustainable securities and funds. LGX has become a meeting place for sustainability-focused issuers and investors, displaying half of the world's listed green bonds.

LuxSE also operates a specialist subsidiary, Fundsquare, which provides services to substantially support and standardize cross-border distribution of investment funds.

For more information visit www.bourse.lu

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