



News Release

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ICBC, CCDC and SGX partner to promote ChinaBond-ICBC Bond Indices to global investors

- ICBC and CCDC have launched ChinaBond-ICBC RMB Bond Indices for institutional investors investing in RMB bonds in China
- SGX will be the first exchange to display these bond indices outside of China
- The three parties will explore the feasibility of developing index fund products using the Bond Indices as the underlying, to be listed on SGX

Industrial and Commercial Bank of China (ICBC), China Central Depository & Clearing Co., Ltd (CCDC) and Singapore Exchange Limited (SGX) have signed a memorandum of understanding (MOU) to jointly promote the newly-launched suite of ChinaBond-ICBC RMB Bond Indices – comprising ChinaBond ICBC Key Terms Treasury Bond Index, ChinaBond ICBC 1-5 year Key Terms Policy Bank Bond Index and ChinaBond ICBC 3-5 year Credit Bond Index (Bond Indices) – which will provide another avenue for international investors to tap on investment opportunities in China, while giving impetus to China's efforts to internationalise the RMB.

The Bond Indices are developed by ChinaBond Pricing Center Co., Ltd (CBPC), a subsidiary of CCDC, together with ICBC. The indices cover large size, highly-liquid treasury bonds, policy bank bonds as well as mainstream securities such as credit bonds. Hence, they effectively characterise the China Interbank Bond Market (CIBM) from multiple dimensions and can be used as a performance benchmark for investing in RMB bonds in China.

As part of the MOU, ICBC, CCDC and SGX will jointly increase investor awareness of the Bond Indices via educational sessions and publicity activities. SGX will be the first exchange to display the Bond Indices outside of China, by publishing the Bond Indices on SGX's website (<https://www2.sgx.com/indices/chinabond-icbc-rmb-bond-indices>). The Bond Indices will also be published on the official websites of CBPC and ICBC.

The three parties will explore the feasibility of developing financial products using the Bond Indices as the underlying, to be listed on SGX. They will also explore disseminating the Bond Indices via each party's market data distribution network, and consider using the Bond Indices as a component in other indices published by the three parties.

The Bond Indices launch and MOU signing event was graced by Dr Gu Shu, Vice Chairman, Executive Director, President of ICBC, Mr Shui Ruqing, Chairman of CDCC, Mr Benny Chey, Assistant Managing Director (Development and International) from the Monetary Authority of Singapore, Mr Loh Boon Chye, CEO of SGX, together with nearly 200 guests from various financial institutions in Singapore.

Dr Gu Shu, Vice Chairman, Executive Director, President of ICBC, said, "The international usage of RMB and the opening-up of Chinese financial markets are complementary. The Chinese bond market has emerged to be the world's second-largest. Foreign investors are increasing their RMB bonds

holdings. CCDC and ICBC are leveraging our respective brand advantage and market influence to jointly launch the ChinaBond-ICBC RMB Bond Index. The indices will serve as an authoritative performance tracking benchmark for market participants. Meanwhile, supporting services will be provided to help foreign investors grasp new opportunities in the Chinese market. ICBC is keen to work closely together with relevant financial institutions and enterprises to share the fruits of RMB internationalization, and to make greater contributions to promote the economic development and the well-being of people in China, Singapore and ASEAN.”

Mr Shui Ruqing, Chairman of CCDC, pointed out, “As a major financial market infrastructure, CCDC is an important gateway for the opening-up of China’s financial market. The ChinaBond Pricing Data published by CCDC is the most widely recognised pricing benchmark in the RMB bond market. The listing of the ChinaBond-ICBC RMB Bond Index on SGX, a platform with a strong international outreach, will better exhibit the Chinese bond market to overseas investors by providing a more efficient and transparent investment tool.”

Mr Loh Boon Chye, CEO of SGX, remarked, “We are pleased to partner ICBC and CCDC to facilitate international investors’ access to and promote interest in China’s growing bond market. China has the world’s second largest bond market, of which about 90% of bond issuance and trading activities come from the interbank market, with about RMB2 trillion worth of bonds held by non-domestic investors¹. As Asia’s most international multi-asset exchange located in a key offshore RMB centre, SGX is well-positioned to be the strategic partner of Chinese financial institutions and enterprises as China opens up its financial markets and the internationalise the RMB.”

ICBC is the largest institutional investor, the largest bond underwriter, a leading market-maker, and the top settlement agent for foreign institutions in China’s interbank bond market with over RMB6 trillion of bonds. It is also the sole RMB clearing bank in Singapore which provides 24-hour continuous clearing services. As at the end of October 2019, the total settlement volume has surpassed RMB275 trillion.

CCDC is a major financial market infrastructure in China. At the end of October 2019, the accumulated bond settlement volume of CCDC has surpassed RMB1100 trillion, and the bond under the depository of CCDC has surpassed RMB63 trillion, accounting for 75% of the China interbank bond market. The ChinaBond Pricing Data published by CCDC promotes the formation of the fair value of bonds and improves market transparency.

The ChinaBond-ICBC RMB Bond Index aims to expand China’s financial industry to offshore markets, attract international capital investments, promote capital financing using RMB as well as encourage the usage of RMB in Singapore to meet the diversified needs of international investors. This year marks the 10th anniversary of China’s move to gradually internationalize the RMB.

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About Industrial and Commercial Bank of China (ICBC)

Industrial and Commercial Bank of China (ICBC) was ranked the 1st place among the Top 1000 World Banks by The Banker, ranked 1st place in the Global 2000 listed by Forbes and topped the sub-list of commercial banks of the Global 500 in Fortune for the sixth consecutive year, and took the 1st place among the Top 500 Banking Brands of Brand Finance for the third consecutive year. Now the Bank

¹ As at end September 2019

established 428 overseas institutions in 48 countries and regions and indirectly covered 20 African countries as a shareholder of Standard Bank Group.

ICBC has developed into the leading bank in the world, possessing an excellent customer base, a diversified business structure, strong innovation capabilities and market competitiveness. The Bank regards service as the very foundation to seek further development and adheres to creating value through services while providing a comprehensive range of financial products and services to 7,033 thousand corporate customers and 607 million personal customers.

About China Central Depository & Clearing Co., Ltd (CCDC)

China Central Depository & Clearing Co., Ltd. (CCDC) is a wholly state-owned financial institution approved and funded by the State Council of China. As an important national financial market infrastructure (FMI), it provides central registration, depository and settlement services. Since its establishment, under the tremendous support of the Chinese regulatory authorities, CCDC started from the centralised depository of China government bond (CGB) and gradually developed into a Central Securities Depository (CSD) for various kinds of financial products. According to the regulation on government bond management released by the Ministry of Finance (MOF), CCDC is the only general depository for CGB authorised by MOF, responsible for the establishment and operation of the government bond depository system.

According to the regulation on bond market management released by the People's Bank of China (PBC), CCDC is granted as the CSD in the inter-bank bond market as well as the primary depository for commercial bank book-entry government bond transaction. In addition, CCDC is granted by the National Development and Reform Commission (NDRC) as the general depository for enterprise bond and the third-party agency for pre-issuance technical assessment of enterprise bond. As authorized by the China Banking and Insurance Regulatory Commission (CBIRC), CCDC is responsible for the development and operation of the Wealth Management Registration System, Trust Registration System, and Credit Assets Registration and Exchange System.

About Singapore Exchange

Singapore Exchange (SGX) is Asia's leading and trusted market infrastructure, operating equity, fixed income and derivatives markets to the highest regulatory standards. As Asia's most international, multi-asset exchange, SGX provides listing, trading, clearing, settlement, depository and data services, with about 40% of listed companies and over 80% of listed bonds originating outside of Singapore.

SGX is the world's most liquid international market for the benchmark equity indices of China, India, Japan and ASEAN and offers commodities and currency derivatives products. Headquartered in AAA-rated Singapore, SGX is globally recognised for its risk management and clearing capabilities. For more information, please visit www.sgx.com.

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