

Dim Sum Bonds on London Stock Exchange

Listing Dim Sum Bonds in London

London is the leading hub for renminbi bond issuance in the western world. There are currently 104 Dim Sum bonds listed on London Stock Exchange's markets with a combined outstanding amount of over CNY 38.9 billion (\$6.16 billion equivalent).

During 2014-2015, 30 RMB denominated bonds listed in London by international issuers including Bank of China, BP Capital Markets, International Finance Corporation, China Development Bank, Agricultural Bank of China and the UK Government. An increased primary market activity has characterized 2016 with 68 dim sum bonds listing in London raising over CNY 16.5 billion (\$2.5 billion) year to date.

An increasingly wider range of companies is looking at Europe and London in particular to issue Renminbi denominated debt securities, and a steadily growing pool of capital is ready to absorb a higher level of dim sum bond issuance.

Key milestones:

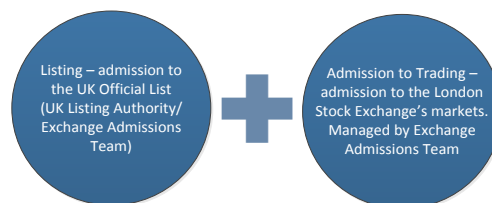
- **June 2016:** China chooses London for its first ever sovereign RMB bond issued outside of China.
- **April 2016:** Hungary issues the first sovereign RMB bond in Continental Europe.
- **October 2015:** Agricultural Bank of China issues the first USD/RMB multi-tranche offshore green bond by a Chinese financial institution globally.
- **October 2014:** UK Government issues the first non-Chinese sovereign offshore RMB bond.
- **June 2014:** International Finance Corporation issues the first green dim sum bond globally.
- **January 2014:** Bank of China issues the largest RMB bond issue outside Greater China.
- **May 2012:** HSBC issues the first RMB retail denominated bond on London Stock Exchange's Order book for Retail Bonds.
- **June 2010:** EBRD issues the first RMB denominated bond on London Stock Exchange.

Governmental institutions and government officials in both London and China see the benefits of RMB internationalisation and a strengthened role of London as a Renminbi trading hub outside Greater China. Promoting RMB bond issuance in domestic and international markets is indeed a declared objective of The People's Bank of China¹ and the UK Government has repeatedly stated that will fully

support Chinese plans for RMB internationalisation and will continue to focus on expanding London's role as main RMB trading hub in the Western time zone.

Benefits of listing Debt in London

- London, more than any other financial centre, **offers a long-standing globally oriented investor base**
- Admission to London Stock Exchange's debt markets allows international governments and companies to access a deep pool of liquidity
- Choice of high-quality listed markets, London Stock Exchange's Main Market and Professional Securities Market (PSM) are seen as 'best in class' among investors
- Range of secondary market solutions, from OTC-style trade reporting to end-of-day pricing to fully electronic continuous market maker quoting
- Debt listings in London are supported by a range of London Stock Exchange marketing and PR initiatives, tailored to suit the needs of issuers
- London Stock Exchange and UK Listing Authority offer the highest standards of disclosure and regulatory oversight whilst remaining accessible, flexible and predictable in turnaround timings



Notable Dim Sum Bonds on LSE

Issuer	Issue Date	Size (CNY million)	Market
China Government Bond	02/06/2016	3,000	Main
Hungary Government International Bond	25/04/2016	1,000	Main
ANZ Banking Group	25/01/2016	200	Main
Royal Bank of Canada	25/01/2016	195	Main
EBRD	19/01/2016	160	Main
National Bank of Abu Dhabi	15/01/2016	130	Main
Commonwealth Bank of Australia	12/01/2016	210	Main
Agricultural Bank of China	21/10/2015	600	PSM
China Construction Bank	20/10/2015	1,000	Main
First Gulf Bank P.J.S.C	18/08/2015	230	Main
Lloyds Bank PLC	24/07/2015	54	Main
UK Government International Bond	21/10/2014	3,000	Main
IFC	24/09/2014	1,000	Main
China Development Bank	19/09/2014	900	PSM
BP Capital Markets	28/02/2014	1,000	Main
Bank of China	16/01/2014	2,500	PSM

¹ Source: Mingyou BAO's speech at International RMB Forum, 10th March 2014, London