

Global Energy Finance of ICBC

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Overview of ICBC

Global Energy Finance

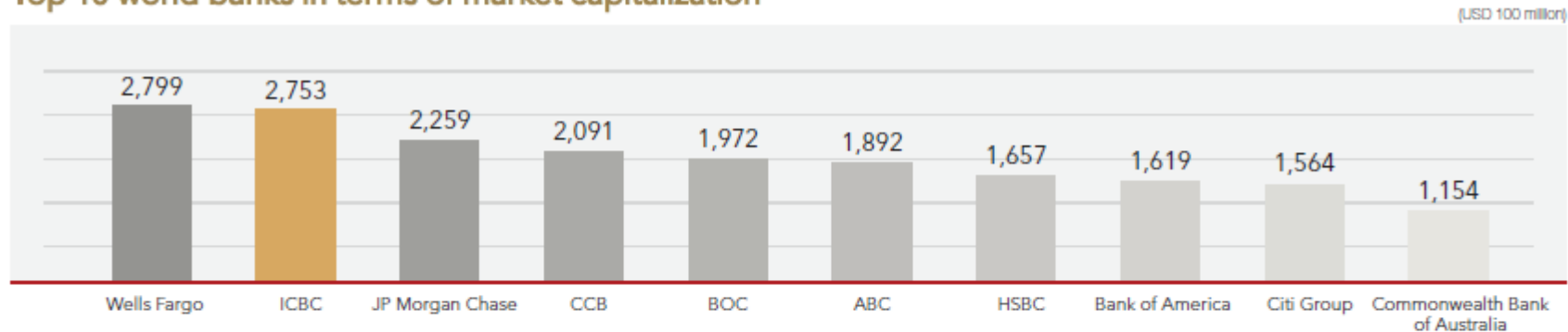
Global Advantages

ICBC Overview

Industrial and Commercial Bank of China Limited

- Founded in 1984. Grown into one of the largest banks:

Top 10 world banks in terms of market capitalization⁽¹⁾



Top 10 world banks in terms of tier-one capital⁽²⁾



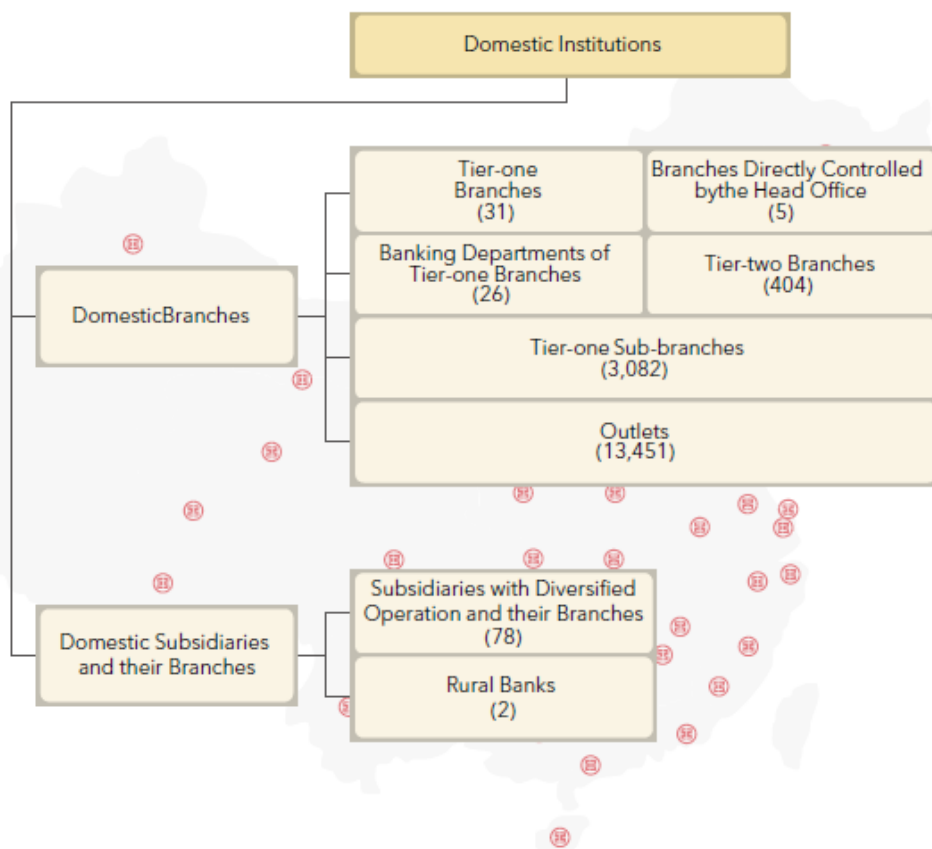
Notes: (1) Source: Bloomberg, as at 31 March 2015.

(2) Source: *The Banker*, July 2014.

ICBC Overview-Operating Highlights

Service Network

17,110 Domestic Institutions



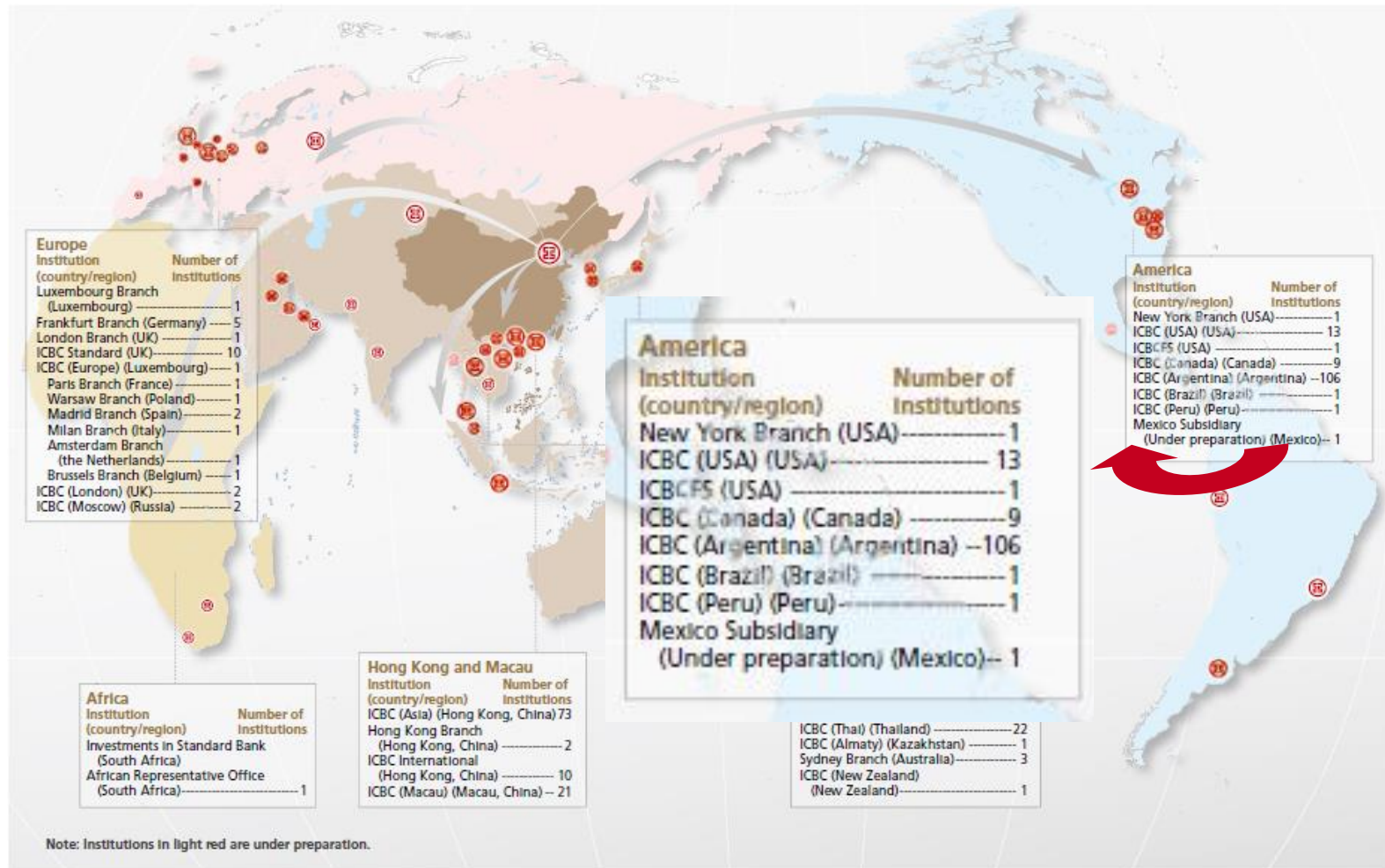
E-banking Service Network

- Internet banking customers—196 million
- Internet banking transaction volume -- USD 17.42 trillion
- Self-service banking outlets --27 thousand
- ATMs--95 thousand
- POS terminals--1,027 thousand

ICBC Overview-Operating Highlights

Service Network

399 overseas Institutions in 42 countries and regions



ICBC Overview-Awards & Rankings

Forbes

Forbes

The 1st place among the Global 2,000

(Overall ranking in terms of four aspects: sales, profit, assets and market value)

The Banker

Global Finance Intelligence Since 1986

The Banker

The 1st place among Top 1,000 World Banks
(Ranking in terms of tier-1 capital of the Bank)

Global Bank of the Year
Bank of the Year in Asia-Pacific
Bank of the Year in China

Fortune

FORTUNE

The 25th place among the Global 500

Ranked first among all commercial banks
(Ranking in terms of revenue)

Euromoney



Best Investment Bank in China

Global Finance



Best Sub-Custodian Bank in China
Best Corporate/Institutional Internet Banks

Asiamoney



Best Bank in China
Best Private Bank in China



Domestic Top Rated Provider (China)

Asiamoney



Best Domestic Bank in China

The Asian Banker



The Leading Counterparty Bank in China
Best Large-Scale Retail Bank in China
Best Asian International Transaction Bank
Best Cash Management Bank in China

The Asset



Best Domestic Bank in China
Best Cash Management (China)
Best Domestic Custodian (China)
Best Private Bank in China

Ratings Assigned by International Rating Agencies (Long-term foreign currency deposits rating)

Moody's: A1

S&P: A

Global Energy Finance of ICBC

- ❑ “Going abroad” and "Silk Road" Strategy
- ❑ To operate and provide finance services to overseas projects: energy, infrastructure, resources
- ❑ To support Chinese companies to operate more actively in international market, through the finance on making FDI, contracting projects (e.g. EPC), M&A, etc.
- ❑ Engaged in overseas projects located in over 50 countries, and provided up to 30 billion USD loans as well as developing and financial advisory services.
- ❑ Major finance products: export finance, project finance, M&A finance, etc.

Financing Structures and Cases

- ☐ Export Buyer's Credit
- ☐ Resources backed Structured Finance
- ☐ Project Finance
- ☐ Cross-border RMB Financing
- ☐ Outbound M&A Loan

Financing Structures and Cases

Export Buyer's Credit

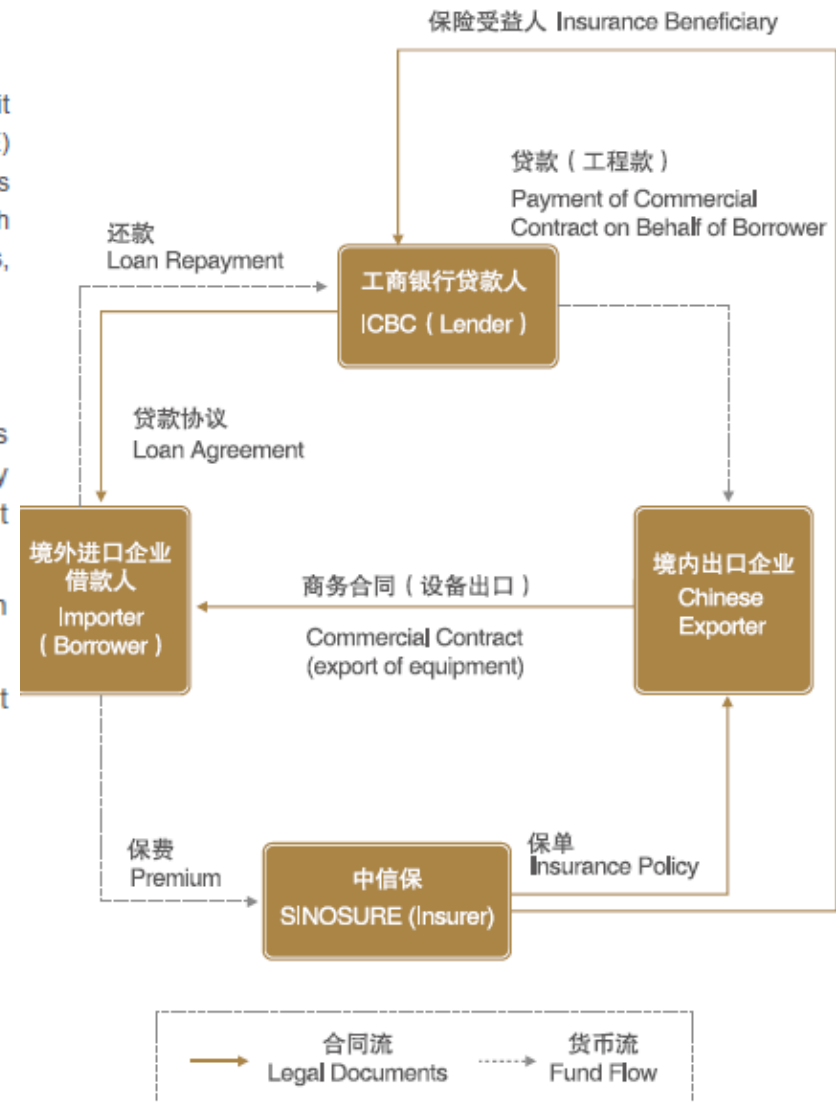
ICBC offers medium-and long-term loans to the importer under buyer's credit insurance program of China Export & Credit Insurance Corporation (SINOSURE) which covers political and commercial risks with 95% coverage ratio. The loan is used to pay Chinese companies for the export of capital goods and services such as mechanical and electronic products, and complete plant equipment packages, as well as the contract for overseas projects.

Scope

- The commercial contract of the exported capital goods and services should be in accordance with the relevant legislation of import country and export country. The aggregate amount of the export buyer's credit should be no less than USD 5 million.
- The goods and services originated from China should be no less than 70% of the commercial contract.
- Generally, the loan amount is up to 85% of the commercial contract price, and the term of the loan is no more than 15 years.

Cases

- Morupule Coal Fired Power Plant in Botswana, 825M USD
- GIBE III Hydropower Station in Ethiopia, 470M USD
- KS Hydropower Station in Argentina, 6000M USD
- Coal fired Power Plant in Vietnam, 1100M USD



Financing Structures and Cases

❑ Project Finance

Defination

- Financing overseas projects on a limited-recourse or non-recourse basis;
- Debt facilities are designed to be self-liquidating from project revenues, and
- Secured by credit enhancement facilities like insurances and third party's undertakings.

Scope

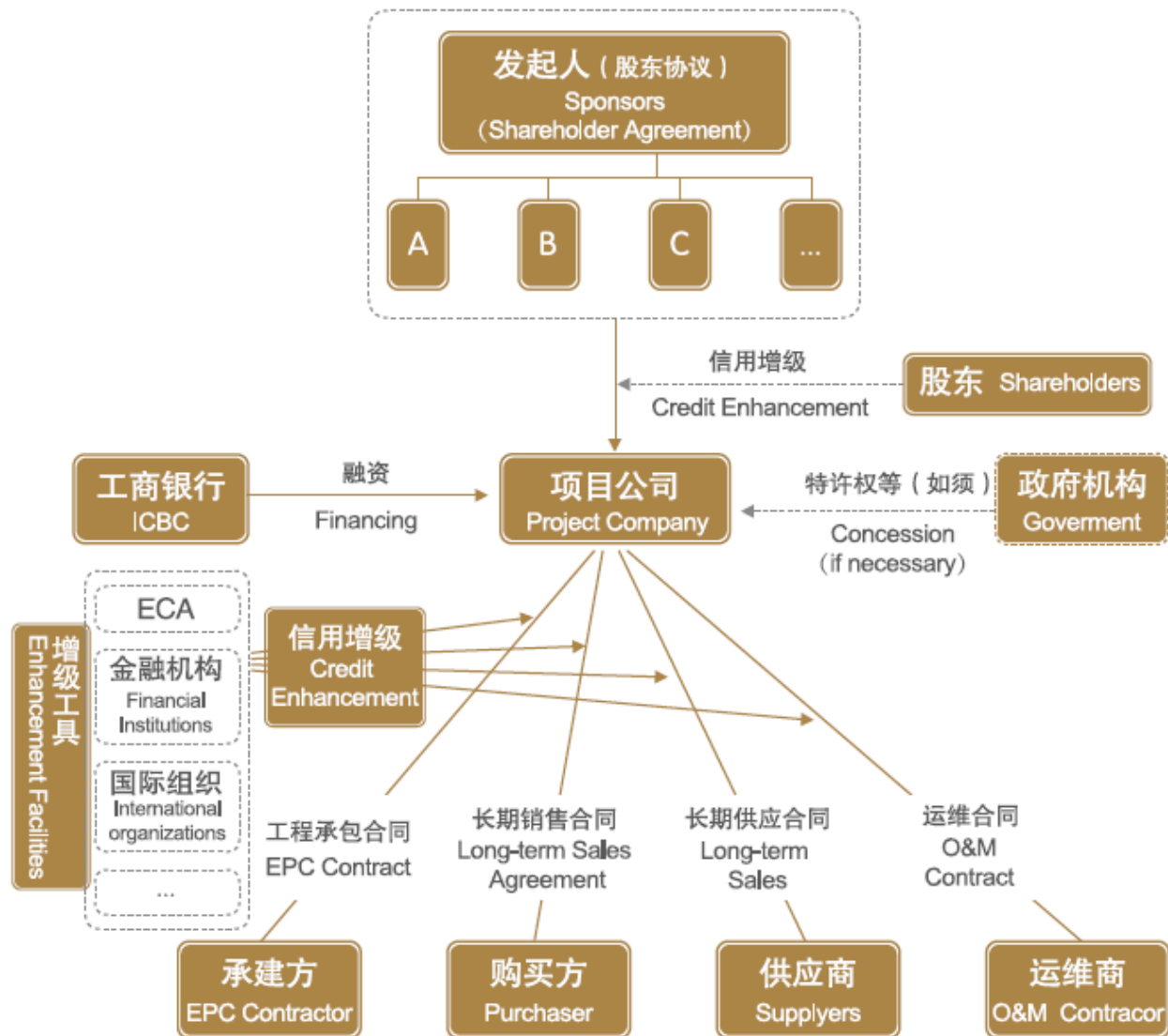
to finance the construction of large infrastuture projects,like power plants, with large capital investments as well as long-term and stable revenues.

Cases

- Russia Teninskaya Combined Cycle Power Plant Project, 400M USD
- Kenya Fuel Power Plant, 200M USD
- Honduras Patuka III Hydropower Project, 300M USD

Financing Structures and Cases

Project Finance



Financing Structures and Cases

Resources backed Structured Finance

Definition

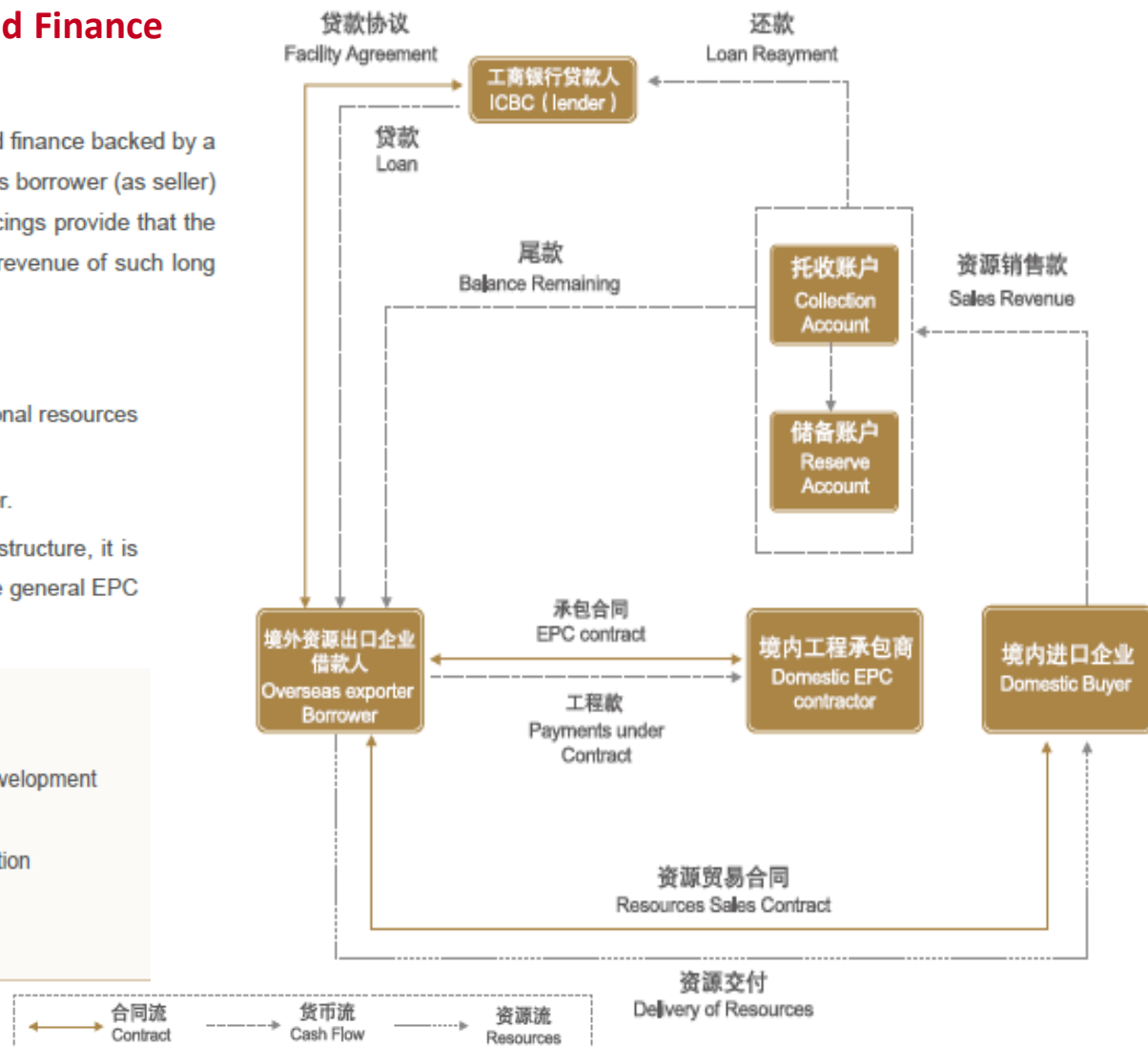
Resources backed structured finance is a form of structured finance backed by a long term resources sales contract (s) between an overseas borrower (as seller) and a domestic Chinese enterprise (as buyer). Such financings provide that the main source of repayment will be secured from the sales revenue of such long term resource sales contract (s).

Scope

- The borrower or its parent company should be an international resources producer with sufficient reserves and large sales volumes.
- The buyer should be a major Chinese resources purchaser.
- If any construction project forms part of the transaction structure, it is preferable to have a Chinese company appointed as the general EPC contractor.

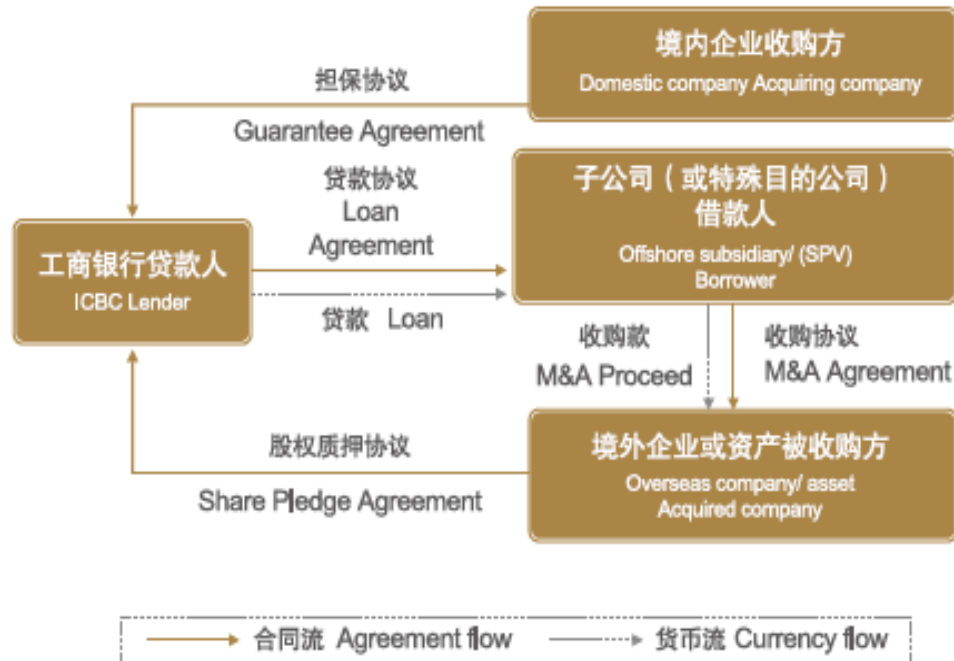
Cases

- > Oil backed facilities to Sonangol Finance Limited
- > Oil backed facilities to PDVSA for the Tiuna housing development project
- > Resource backed facilities to Mongolian Mining Corporation
- > Pre-export Finance for Energy Resource LLC



Financing Structures and Cases

Ourbound M&A Loan

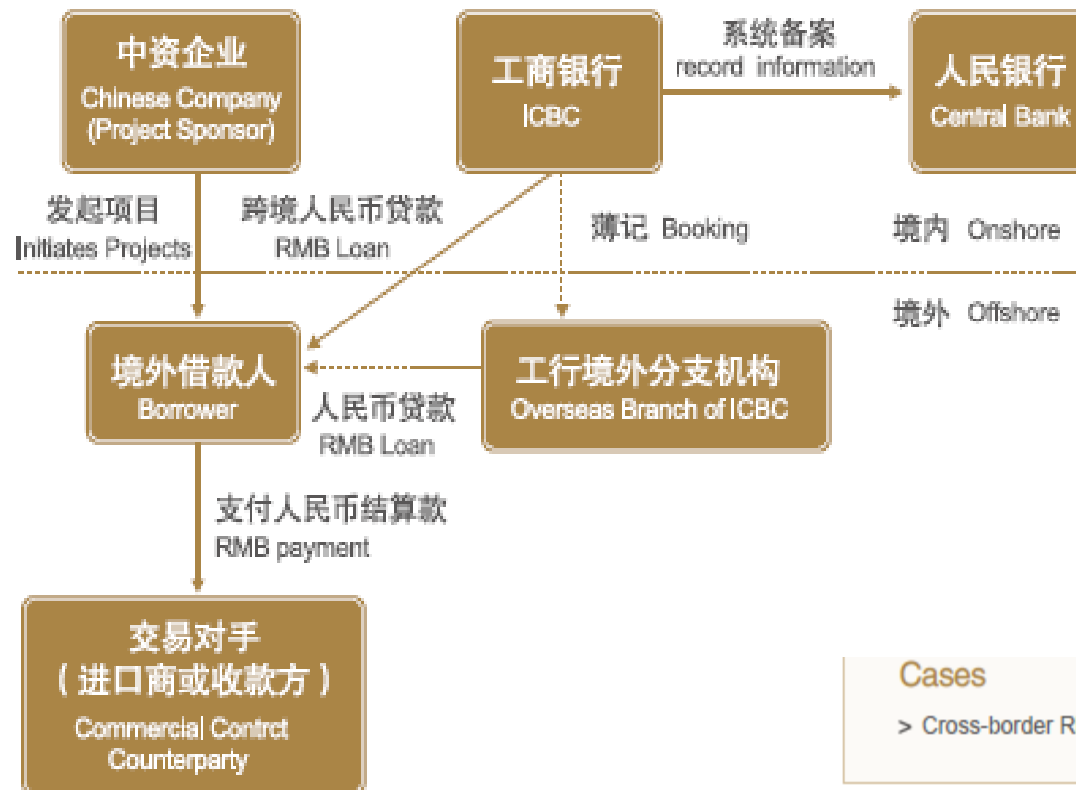


Cases

- > CNOOC acquired Nexen in Canada
- > China Three Gorges Corp. acquired Energias de Portugal (EDP) in Portugal
- > Shandong Yantai Wanhua Polyurethanes Co. acquired Borsod Chem Zrt. in Hungary
- > Yancoal acquired potash exploration rights in Canada
- > Shandong Weichai acquired Ferretti in Italy
- > GCS Capital acquired Dexia Asset Management

Financing Structures and Cases

❑ Cross-border RMB Financing

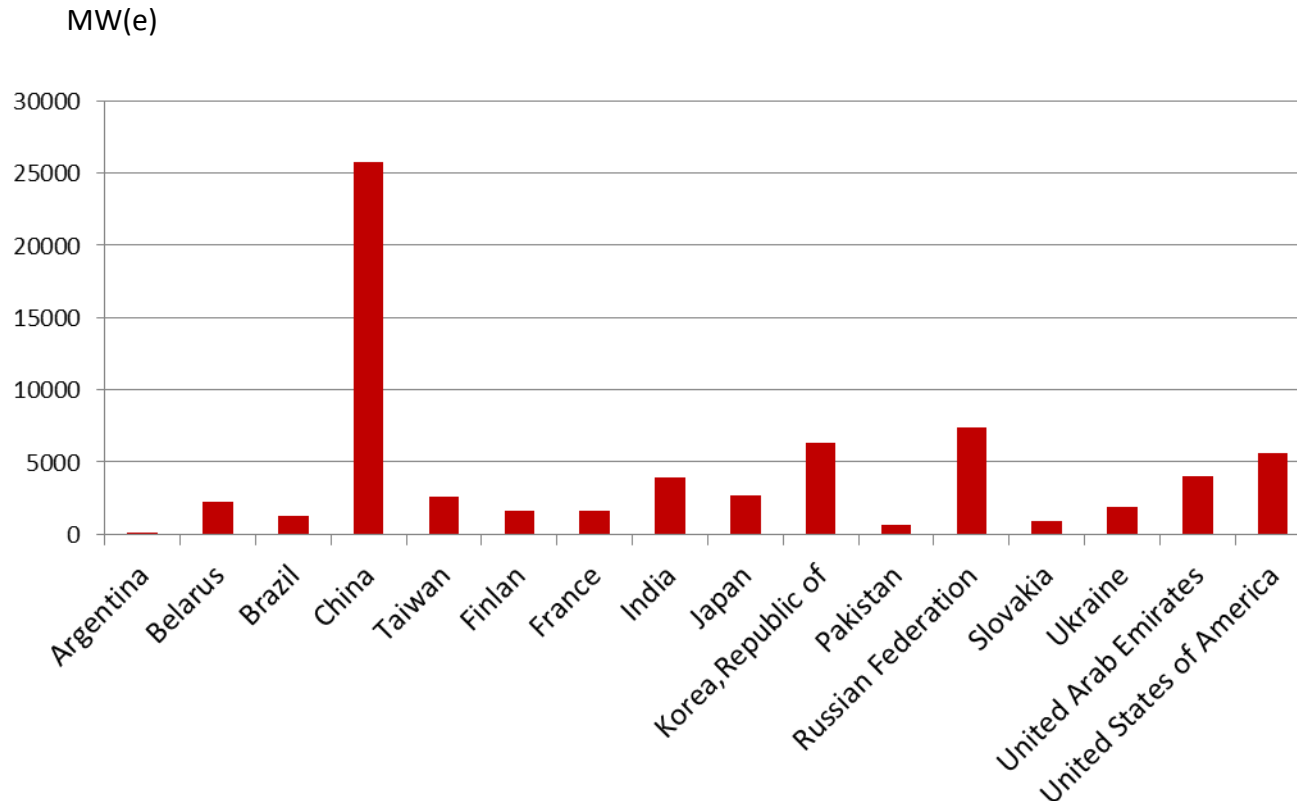


Cases

- > Cross-border RMB aircraft financing for HKAC leasing company

Global Advantages

- By the end of 2014, global nuclear power reactors under construction is 68450 MW(e); Chinese nuclear power reactors under construction is 25756 MW(e), ranking first.



Source: IAEA Annual Report 2014

Global Advantages

- ❑ China has been continuously investing in nuclear power reactors for more than 30 years.
- ❑ ICBC started to provide financial service for civil nuclear industry since the first nuclear power plant was built in 1985, and has financed almost every reactor in China.

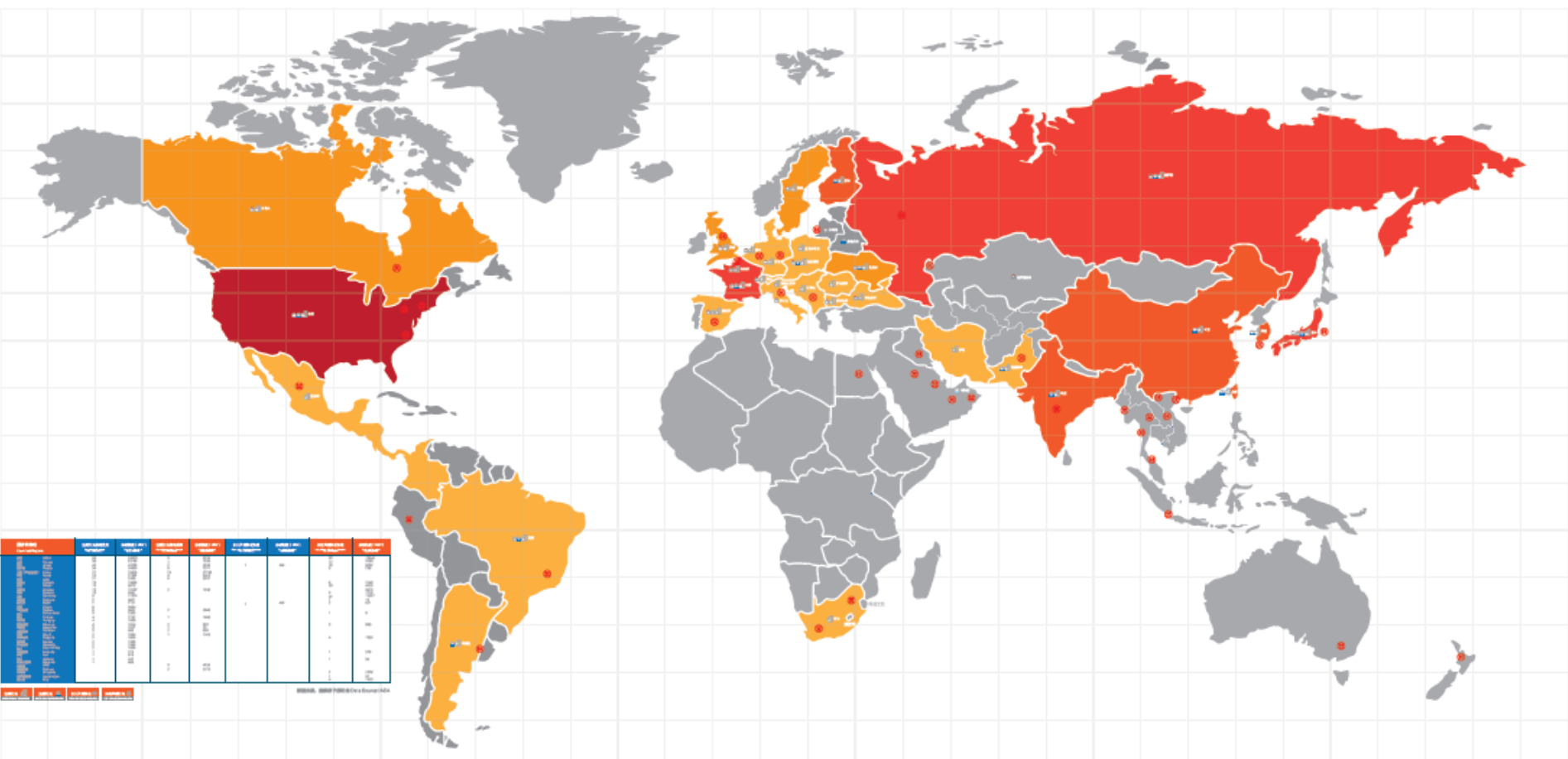


Global Advantages

工行在全球核电国家机构分布图

ICBC'S GLOBAL INSTITUTIONS IN COUNTRIES WITH NUCLEAR REACTORS

ICBC 中国工商银行



Global Advantages

- ☐ Global Institution Networks
- ☐ High Efficient Approval Procedure
- ☐ Comprehensive Financial Services
- ☐ Ability for Implementing Giant Projects
- ☐ Professional Working Teams
- ☐ Abundant Customer Resources

More cooperations will be reached.



Thank you!