

## FINANCING OF ENVIRONMENTAL PROJECTS AND SWEDISH CLEAN TECHNOLOGY

### A CO-OPERATION BETWEEN SWEDISH EXPORT CREDIT CORPORATION AND BANK OF CHINA

- Swedish Export Credit Corporation (SEK) and Bank of China have entered into a EUR 100 million Master Export Credit Facility Agreement for the financing of environmental projects and Swedish clean technology.
- The purpose of this agreement is to facilitate the development of new, sustainable Swedish-Chinese solutions to meet the challenges for climate change and environmental degradation while promoting sustainable economic growth, responsible business conduct and new employment both in China and in Sweden.
- SEK grants financing to Bank of China that provides loans to Chinese buyers with respect to their purchases under Swedish contracts.
- Environmental projects and Swedish clean technologies are defined according to EU's Eco-innovation Action Plan (2011). An assessment if the transaction is eligible for financing under this agreement, according to EU's Eco-innovation Action Plan, is made on a case-by-case basis.
- With reference to UN Global Compact's ten principles, SEK and Bank of China expect business to embrace, support and enact, within their sphere of influence, core values in the areas of environment, anti-corruption, human rights and labor standards.

### FOREIGN DEBT QUOTA - REMINDER FOR THE IMPORTER

1. For the Chinese-funded company, the long-term foreign debt quota should be approved by local Development and Reform Commission.
2. For the foreign-funded company, the long-term foreign debt quota can be covered by the difference between investment and registered capital.

### FIRST STEP FOR A BUYER IN CHINA?

For an initial assessment of a potential deal, the buyer in China is to contact Bank of China (Luxembourg) S.A. Stockholm Branch, please see contact details below.

### FIRST STEP FOR A SWEDISH EXPORTER?

For an initial assessment of a potential deal, the Swedish exporter is to contact SEK and Bank of China (Luxembourg) S.A. Stockholm, please see contact details below.

### EU'S DEFINITION OF ECO-INNOVATION

"Eco-Innovation is any form of innovation resulting in or aiming at significant and demonstrable progress towards the goal of sustainable development, through reducing impacts on the environment, enhancing resilience to environmental pressures, or achieving a more efficient and responsible use of natural resources."

### About SEK

Total assets: USD 44 bn

Total credits: USD 31.5 bn

Tier-1 capital adequacy ratio: 16.9%

Return on equity: 10.6%

Owner: 100 per cent owned by the Kingdom of Sweden.

Founded in 1962.

### About Bank of China

Total assets: USD 15,105 bn

Total credits: USD 8,158 bn

Tier-1 capital adequacy ratio: 9.59%

Return on equity: 19.14%

Owners: Central Huijin Investment Ltd. 67%.

BOC listed on Shanghai Stock Exchange and Hong Kong Stock Exchange, and had a total of 979,889 shareholders, comprising 759,257 A-Share holders and 220,632 H-Share Holders.

Established in 1912. Functioned as the Chinese central bank until 1928.

Funded by

SEK

via on-lending agreement to



for financing of Chinese buyers

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## BUSINESS PROCESS BANK OF CHINA/SEK FLOWCHART

Financing of environmental projects and Swedish clean technology – a co-operation between Swedish Export Credit Corporation and Bank of China.

