

Project Summary for Public Disclosure
(after approval of NDB financing)

Project Name	BoCom Financial Leasing LNG Transportation Project
Country	The People's Republic of China
Type	Non-Sovereign
Area of Operation	Transport Infrastructure
Concept Approval Date	17 October 2023
Financing Approval Date	29 August 2024
Initial Limit of NDB Financing	USD 150 million equivalent
Current Limit of NDB Financing	USD 150 million equivalent
Borrower	Bank of Communications Financial Leasing Co. Ltd.
Project Entity	Bank of Communications Financial Leasing Co. Ltd.
Project Context	<p>China aims to reach a peak in its carbon dioxide (CO₂) emissions before 2030 and achieve carbon neutrality by 2060. As a cleaner alternative, natural gas has become an important substitute of coal, given its significantly lower emissions of greenhouse gases and air pollutants. Increasing liquefied natural gas ("LNG") transportation capacity is critical for the country as demand for natural gas has grown significantly. New LNG carriers will enable the country to meet increased demand.</p> <p>The borrower is one of the leading companies in aircraft and shipping leasing in China and a wholly owned subsidiary of the Bank of Communications.</p>
Project Description	NDB has approved a loan to Bank of Communications Financial Leasing Co. Ltd. ("BCFL") to acquire at least three large scale LNG carriers powered by the low-pressure dual-fuel propulsion system with capacity to transport 174 thousand m ³ of LNG each. LNG carriers will meet all necessary environmental and safety standards of the International Maritime Organization.
Project Objective	The Project will add new LNG transportation capacity for import of LNG to China. The Project is primarily aligned with SDG 7 to ensure access to affordable, reliable, sustainable and modern energy for all. The Project also indirectly contributes to Greenhouse Gas emissions reduction which will be achieved

	via supply of LNG for domestic consumption and substitution of coal, thereby in line with SDG 13 “Climate Action”.	
Implementation Arrangements	NDB loan will be provided to BCFL. BCFL will be the lessor of the vessels with lessees being ultimately majority owned by Chinese LNG importers.	
Environmental and Social Information	The Project has been categorized as Category FI-B in line with NDB’s Environment and Social Framework. BCFL has established an Environmental and Social Management System (“ESMS”) to assess and manage the E&S impacts and risks. E&S screening, due diligence and monitoring of LNG carriers will be carried out by BCFL’s respective client managers. The potential adverse E&S impacts and risks of the LNG carriers will be managed and mitigated through the application of the BCFL’s ESMS and ensuring compliance with the requirements of the IMO, as well as the implementation of an Environmental and Social Impact Management Plan, agreed upon with NDB.	
Financing	Source of Fund	Percentage
	NDB	25%
	Other Sources	75%
Contacts	NDB	Borrower and Project Entity
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