



The Foundation of Northeast Asian Bank

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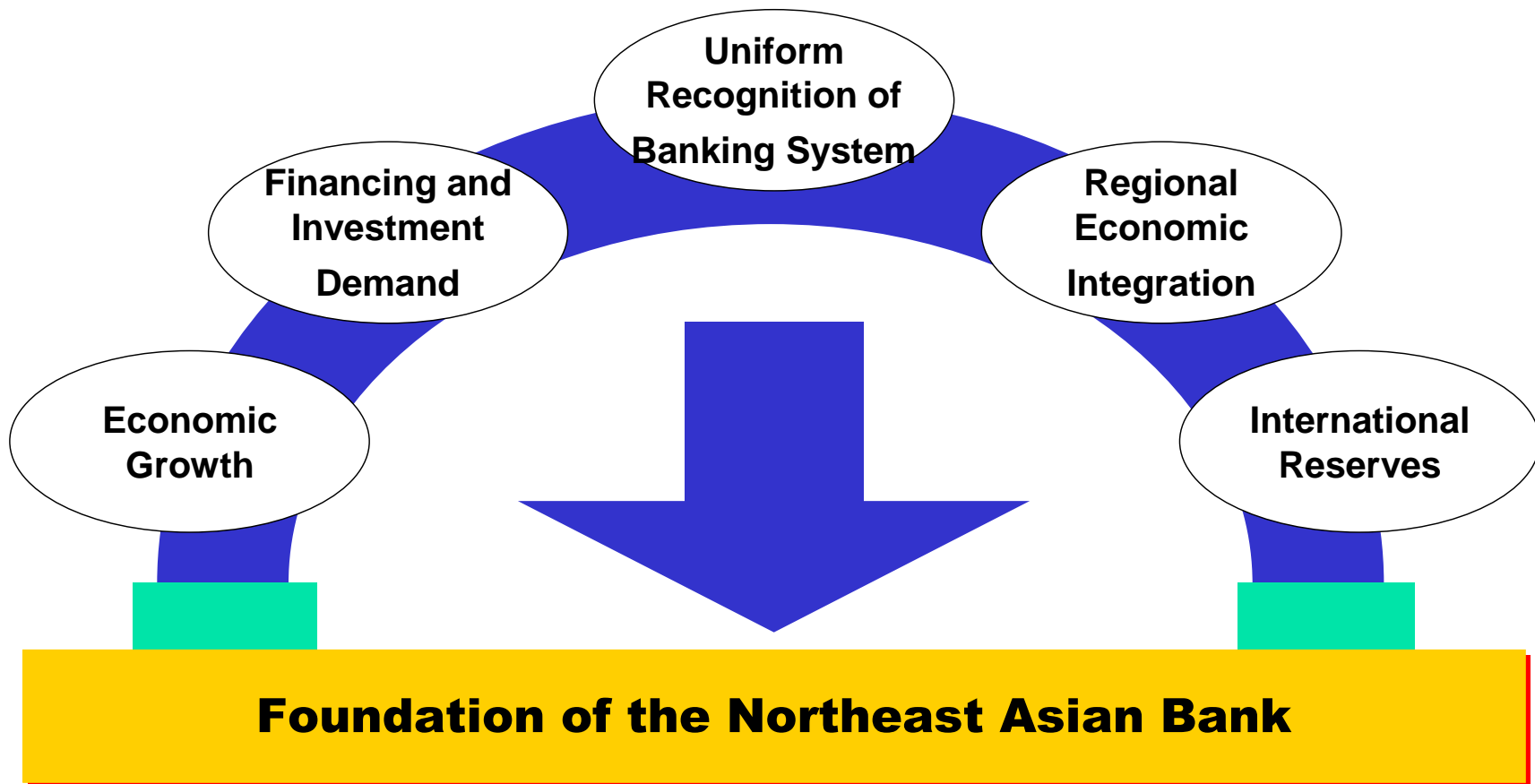
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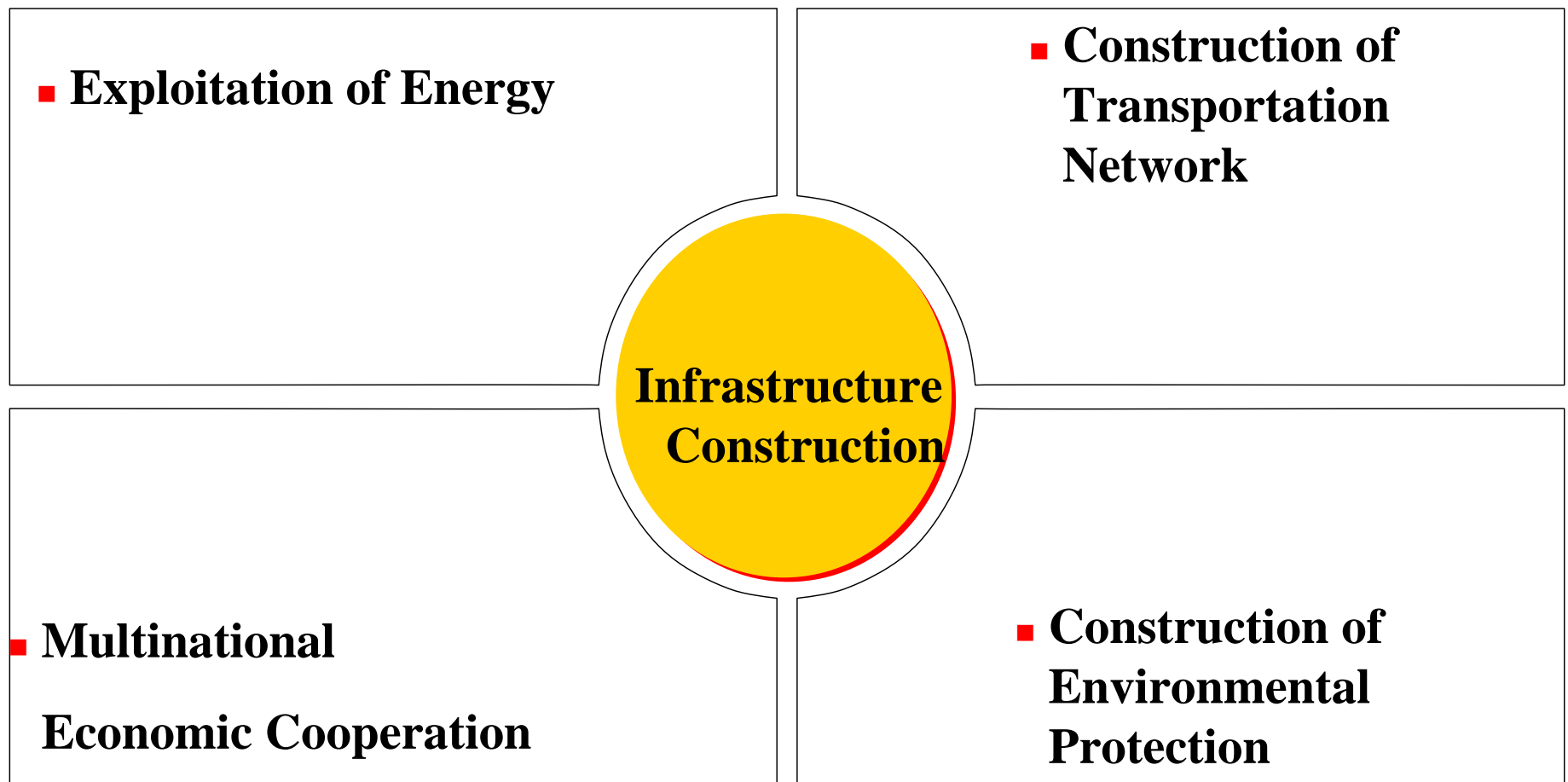
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The Feasibilities of the Foundation of the Northeast Asian Bank



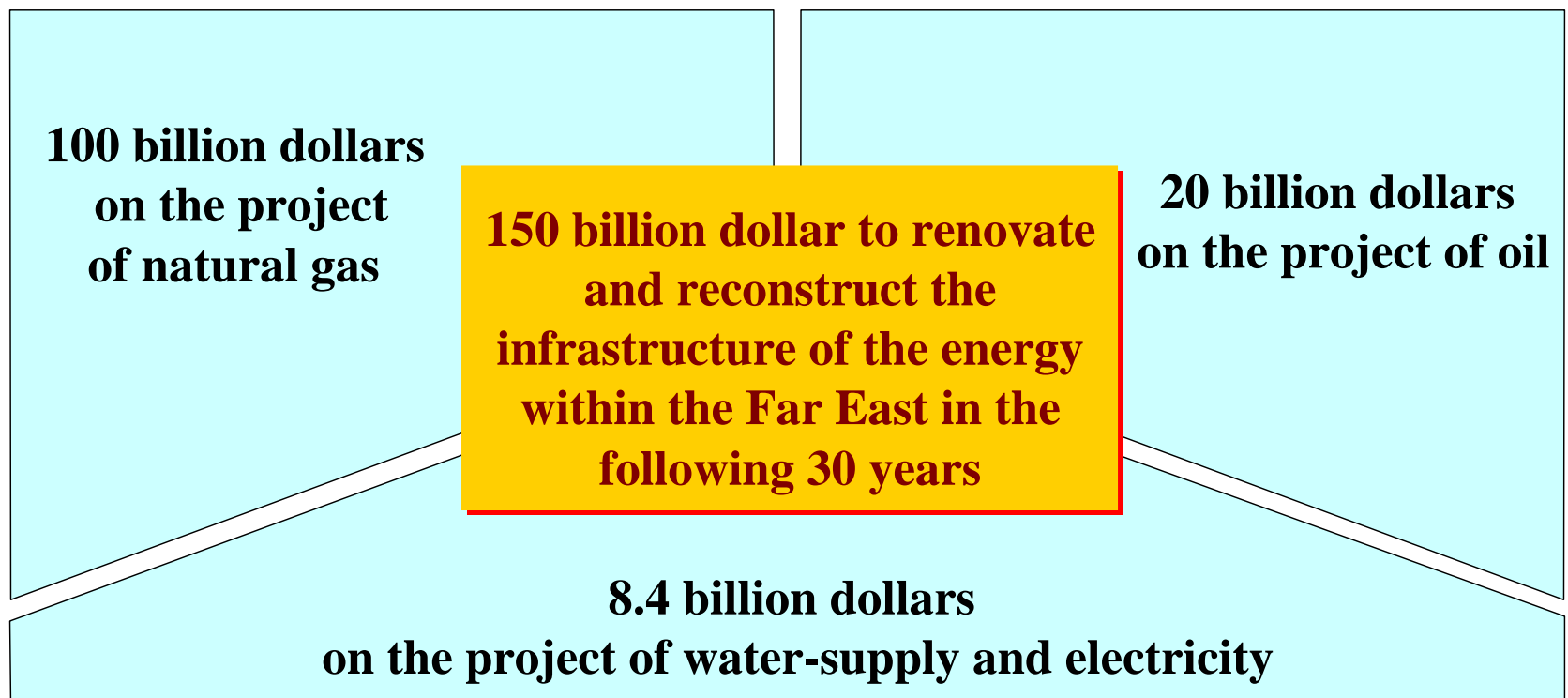


Great Financing and Investment Demand of the Infrastructure Construction

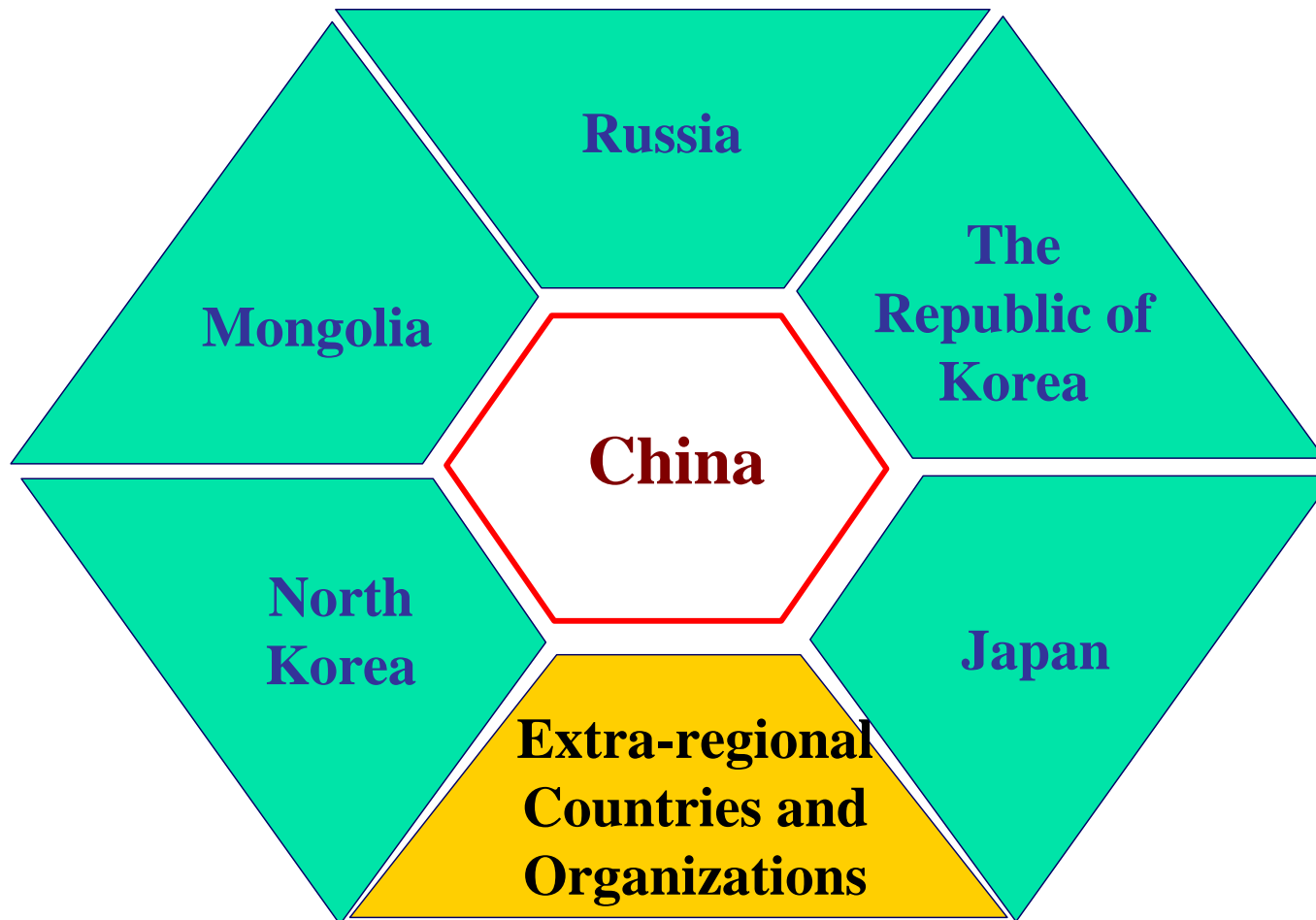


Great Financing and Investment Demand of the Infrastructure Construction

- According to the forecast by International Energy Association (IEA), the incremental demand of energy within the Northeast Asia will be **8 to 10 percent per annum**.



Relevant Interest and Consensus among Countries



The Prospect for the Economic Integration in the Northeast Asia

**Mutual Trust,
Respect
Equality, Mutual
Benefit**

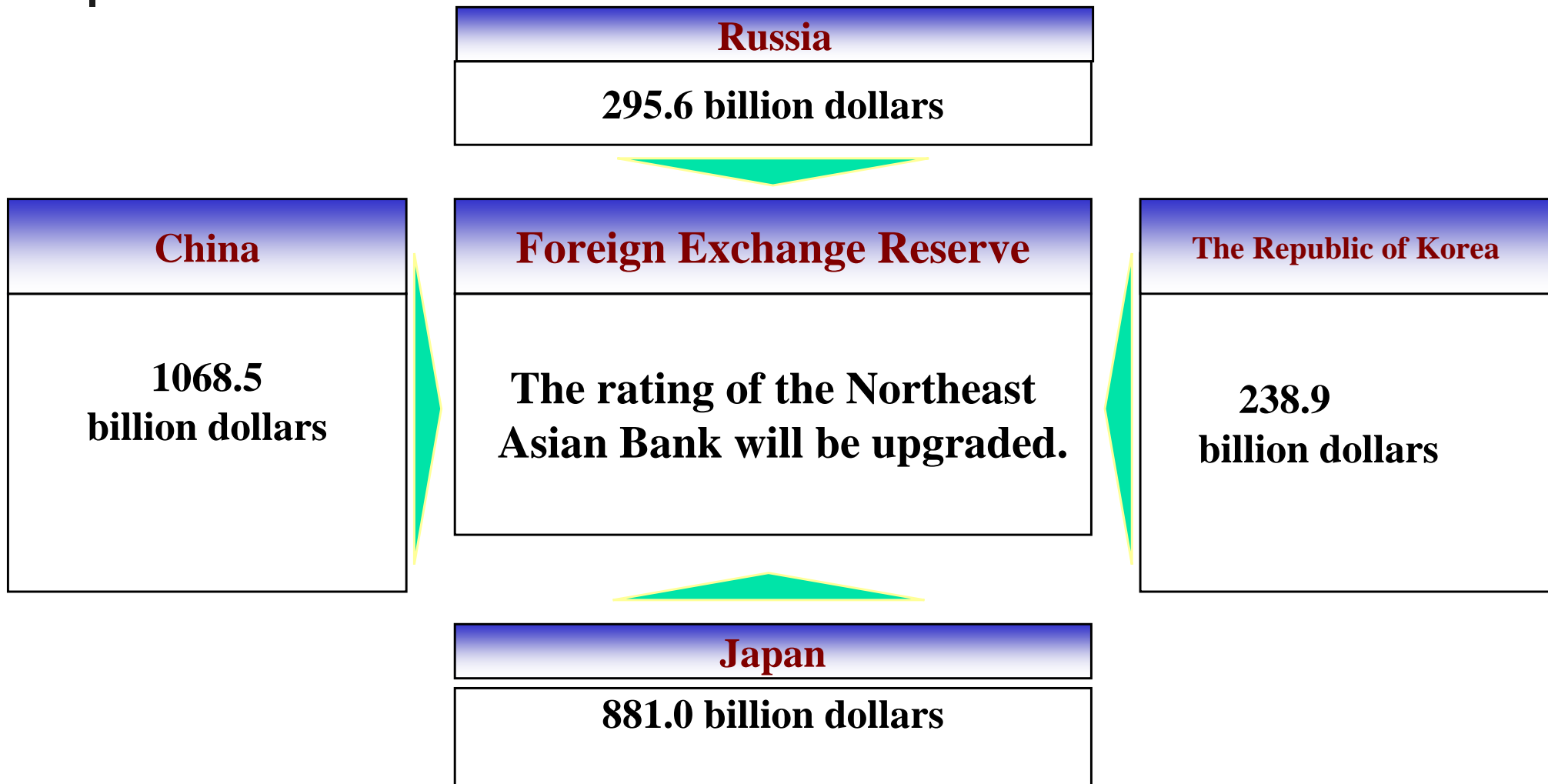
**Strengthen the across-
the-board and future-
oriented Cooperation**

**Financial Cooperation
and Stability**



Joint Declaration on the Promotion of Tripartite Cooperation among the People's Republic of China, Japan and the Republic of Korea, ASEAN+3 Summit, in Bali, Indonesia

Foreign Exchange Reserve of the Northeast Asian Countries (end of 2006)





The Framework of Northeast Asian Bank

Theoretical Orientation

- Property
- Relationship with existing multilateral financial institutions

Capital Arrangement

- Total Capital
- Subscription Approach

Framework of the Northeast Asian Bank

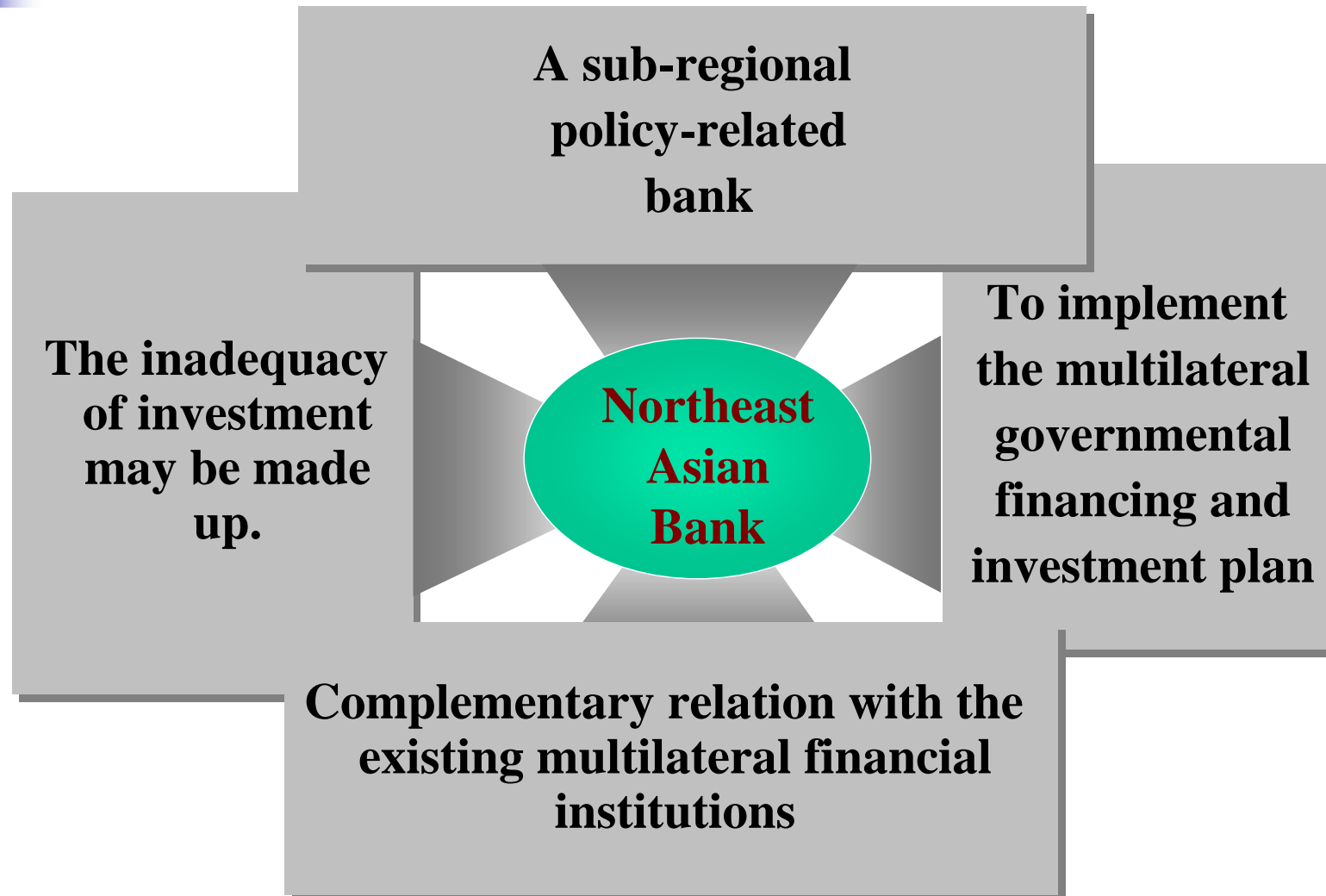
- Sources of funds
- The utilization of funds
- Agent service

- Principle of equity ratio design

Operation of Funds

Equity Ratio Design

The Theoretical Orientation of Northeast Asian Bank

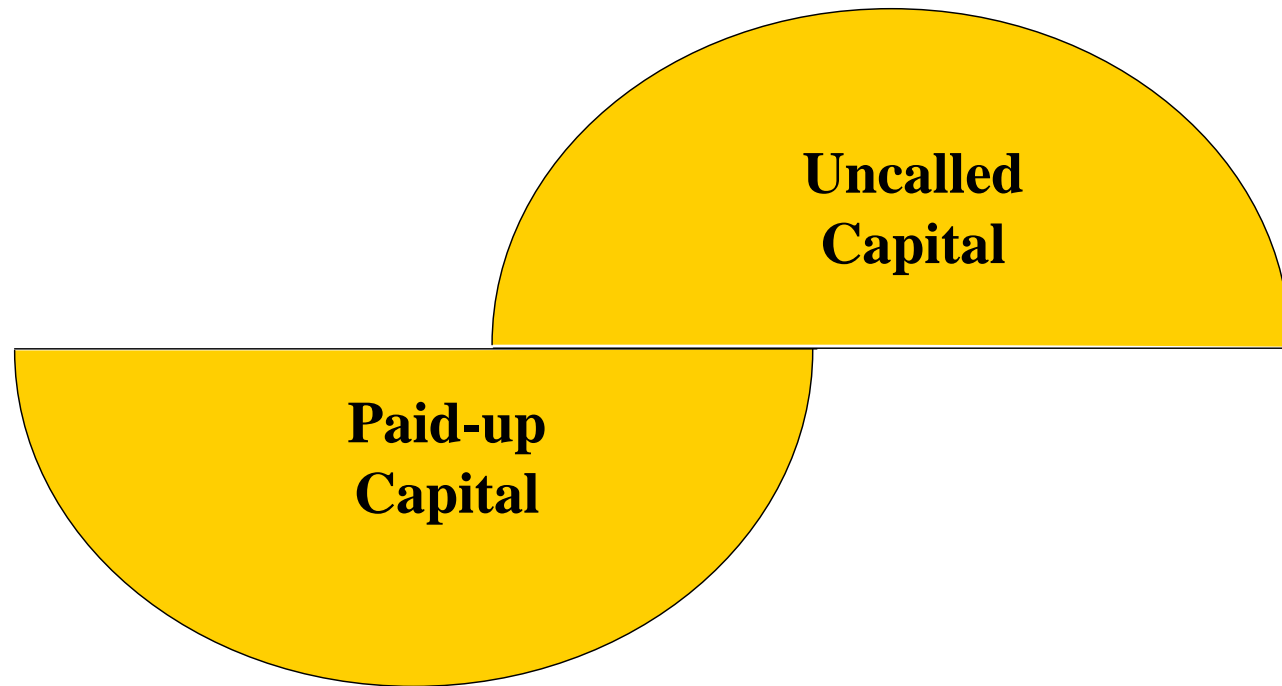


Arrangement of the Total Capital

| | 亚洲开发银行ADB | 欧洲开发银行EBRD | 北欧投资银行NIB | 美洲开发银行IDB |
|----------------------------------|-----------|------------|-----------|-----------|
| 本地区国家 Local GDP | 100353.89 | 144833.33 | 10843.67 | 146416.16 |
| 资本金总额 TotalCapital | 520 | 240 | 50 | 850 |
| Local GDP to Total Capital | 0.50% | 0.16% | 0.46% | 0.58% |



Subscription Approach





Principle of Equity Ratio Design

Shareholder Composition

**Local Member Countries in
Northeast Asia**

**U.S, Asia and Pacific
Developed Countries, EU
Members etc.**

International Organizations

**P.R. China Taiwan, Hong
Kong, Macau**

Equity Ratio Design

GDP

**International Foreign
Exchange Reserves**

Volume of International Trade

**The Growth Rates of These Three
Indicators Above**

Weighting Average Method



The Operation of Funds in the Northeast Asian Bank

Sources of Funds

- Bonds
- Funds
- Borrowings and Other Sources

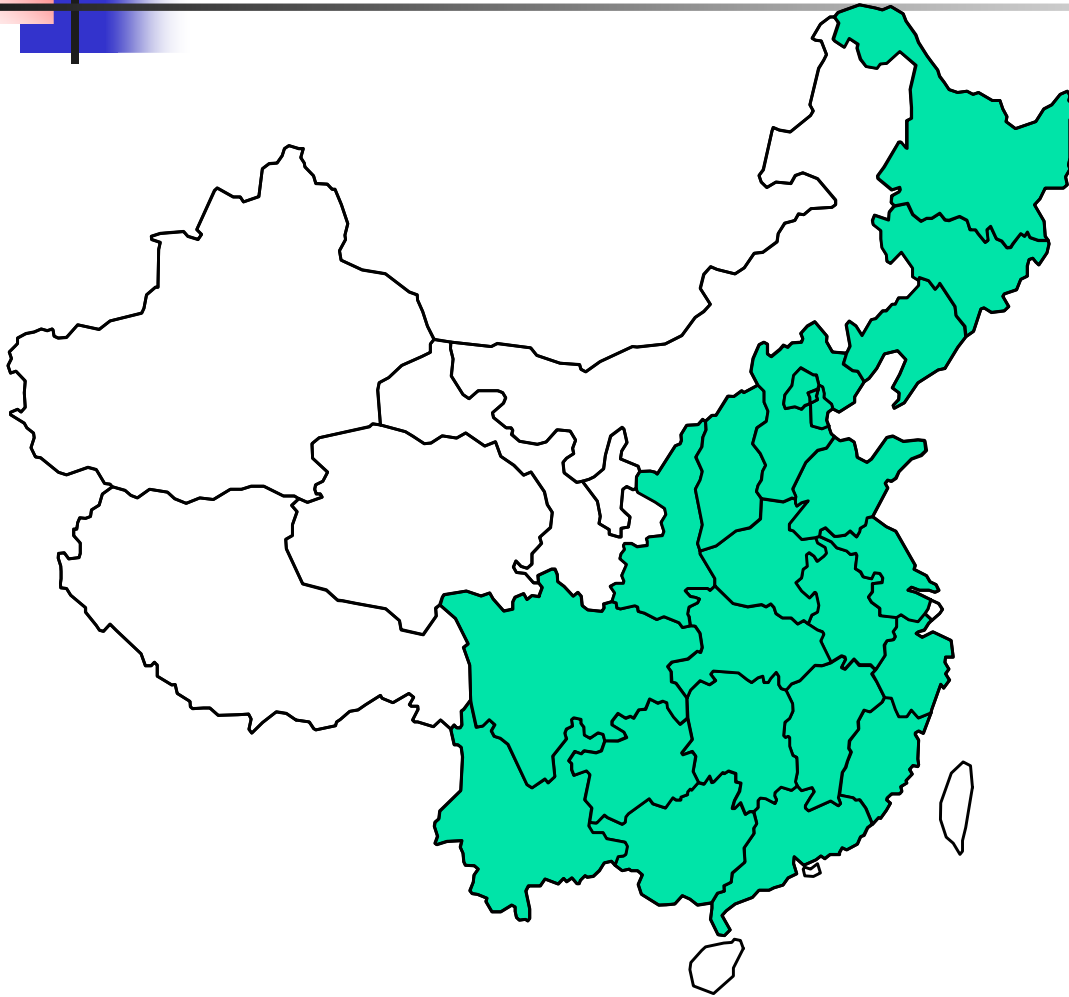
The Utilization of Funds

- Invest funds into the infrastructure construction projects in the forms of loans, equity investment and/or joint financing etc.

Agent Service

- The project funds originated from other multilateral financial institutions can be consigned into the Northeast Asian Bank.

Analysis and Proposal on the Location of the Headquarters of Northeast Asian Bank



China Meets the Basic Requirement of the Headquarters

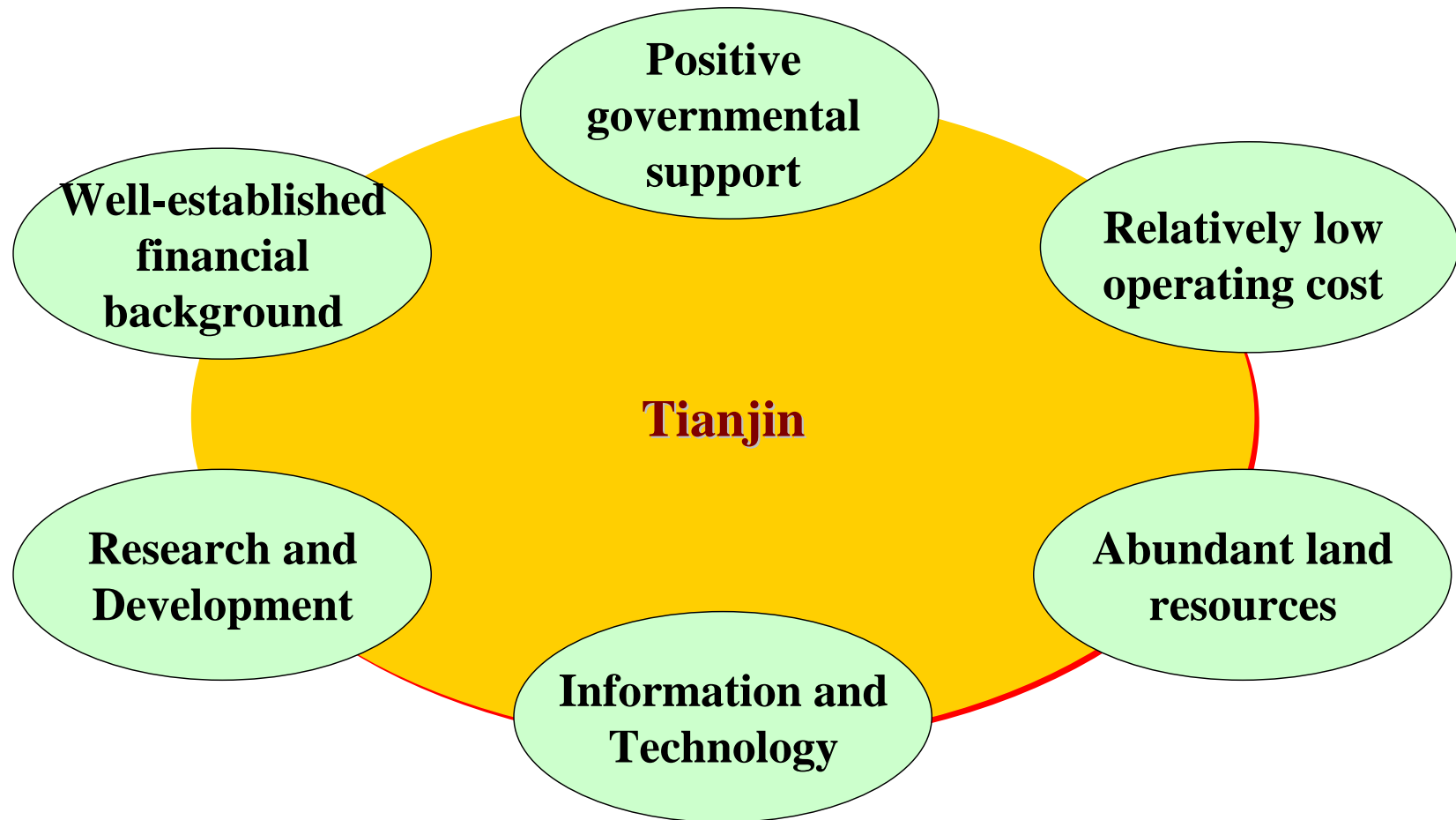
- Largest Developing Country
- Robust Economic Growth
- Market-oriented Economy
- Outward-oriented Economy
- Enormous FDI
- Promising Market
- Reform and Openness Policy
- Favorable Diplomatic Relationship

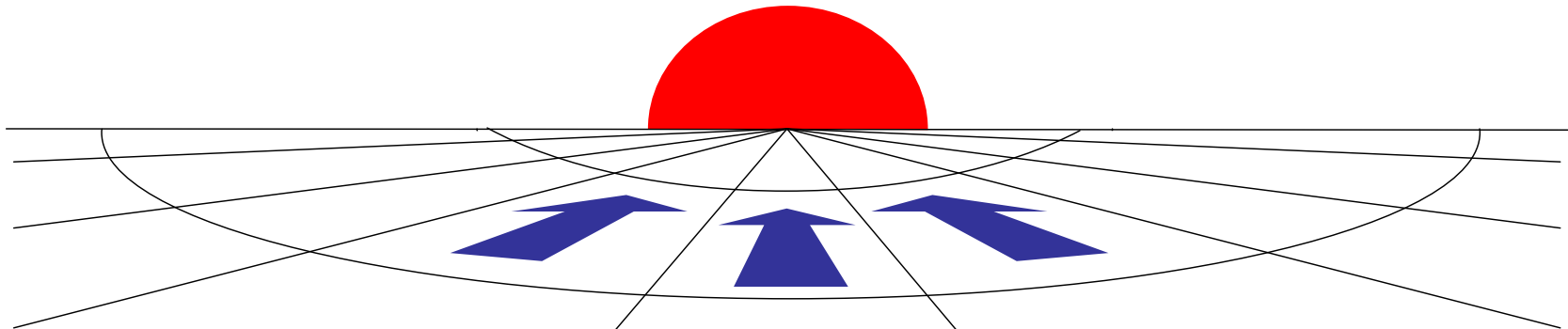
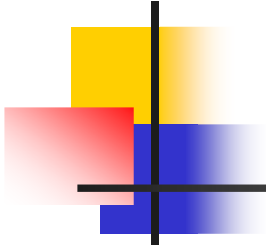


Proposal to Establish the Headquarters of the Northeast Asian Bank in Tianjin

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- Prospect of the *Tianjin Binhai New Area* under the Development Strategy of *Bohai Sea Economic Rim*
 - The Position of Tianjin in the Transportation and Trade in the Northeast Asia
 - Well-established financial background in Tianjin
 - Advantages of Beijing-Tianjin Metropolitan Region
 - Other Advantages in Tianjin

Proposal to Establish the Headquarters of the Northeast Asian Bank in Tianjin





Thank You!