Overview of ADB’s Private Sector Operations

Michael Barrow
Director General
Private Sector Operations Department
Asian Development Bank

Tokyo, 7 October 2019
I. Introduction to ADB
II. Why We Work with the Private Sector
III. ADB’s Private Sector Operations
IV. Japanese Partnerships in Nonsovereign Transactions
V. PSOD Programs
VI. Mobilization of Third-Party Funds
VII. Appendix: 2018 and YTD 2019 Case Studies
Introduction to ADB
Asian Development Bank (ADB)

Multilateral bank with regional footprint across Asia and the Pacific

Non-regional offices
NARO: Washington, DC, USA
ERO: Frankfurt, Germany
PLCO: Sydney, Australia

1966
Year of establishment

AAA
S&P/Fitch Ratings

3,000+
Employees globally

33
Field offices
- ADBHQ
- ADB Field Offices
- ADB/PSOD Field Offices

68 members; 49 in the region
40 borrowing members

PROSPEROUS
INCLUSIVE
ASIA AND THE PACIFIC

RESILIENT
SUSTAINABLE
A DB’s Strategy 2030

7 Operational Priorities based on a prosperous, inclusive, resilient & sustainable Asia and the Pacific

- Addressing remaining poverty and reducing inequalities
- Accelerating progress in gender equality
- Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability
- Making cities more livable
- Promoting rural development and food security
- Strengthening governance and institutional capacity
- Fostering regional cooperation and integration
ADB’s Partnership with Japan

- Japan is a **founding member** of ADB
  - Overall capital subscription: $23.04 billion
  - Paid-in capital subscription: $1.15 billion
  - Total shareholding: **15.571%**

- Since 1966, Japan has contributed and committed **$14.83 billion** to **Special Funds**:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADF (committed)</td>
<td>$12.89 billion</td>
</tr>
<tr>
<td>ADBI (incl. committed funds)</td>
<td>$272.36 million</td>
</tr>
<tr>
<td>TASF (committed)</td>
<td>$692.02 million</td>
</tr>
<tr>
<td>JSF (committed)</td>
<td>$973.77 million</td>
</tr>
<tr>
<td>RCIF (committed)</td>
<td>$3.63 million</td>
</tr>
</tbody>
</table>

- Companies and consultants from Japan have been awarded **$4.11 billion** in **procurement contracts** on ADB-financed projects
ADB’s Partnership with Japan

- **Cofinancing commitments** with Japan from 1 January 2014 to 31 December 2018:

<table>
<thead>
<tr>
<th>Projects</th>
<th>Number of Projects</th>
<th>Cofinanced amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Official Loans</td>
<td>20</td>
<td>$3.34 billion</td>
</tr>
<tr>
<td>Official Grants</td>
<td>34</td>
<td>$152.8 million</td>
</tr>
<tr>
<td>Official Equity</td>
<td>4</td>
<td>$51.28 million</td>
</tr>
<tr>
<td>Commercial Cofinancing</td>
<td>12</td>
<td>$5.2 billion</td>
</tr>
</tbody>
</table>

- In addition, Japan has contributed to the following:

**Single-Donor Trust Funds**

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Cofinanced amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan Fund for Poverty Reduction</td>
<td>$814.09 million</td>
</tr>
<tr>
<td>Asian Clean Energy Fund</td>
<td>$55.7 million</td>
</tr>
<tr>
<td>Investment Climate Facilitation Fund</td>
<td>$31.5 million</td>
</tr>
<tr>
<td>Japan Fund for the Joint Crediting Mechanism</td>
<td>$61.97 million</td>
</tr>
<tr>
<td>Leading Asia’s Private Infrastructure Fund</td>
<td>$762.13 million</td>
</tr>
</tbody>
</table>

**Multi-Donor Trust Funds**

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Cofinanced amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afghanistan Infrastructure Trust Fund</td>
<td>$127.5 million</td>
</tr>
<tr>
<td>Cooperation Fund for Regional Trade and Financial Security Initiative</td>
<td>$1 million</td>
</tr>
<tr>
<td>Asia Pacific Project Preparation Facility</td>
<td>$40 million</td>
</tr>
<tr>
<td>High Level Technology Fund</td>
<td>$39.4 million</td>
</tr>
<tr>
<td>Domestic Resource Mobilization Trust Fund</td>
<td>$3.9 million</td>
</tr>
<tr>
<td>Clean Technology Fund</td>
<td>$1 billion</td>
</tr>
</tbody>
</table>
Examples of nonsovereign collaboration with Japanese partners in the infrastructure and finance sectors include:
ADO 2019 Update

• Developing Asia GDP to slow from 5.9% in 2018 to 5.4% in 2019 and 5.5% in 2020
  ➢ Gloomier prospects for international trade and evidence of slowing growth in advanced economies, PRC, India and larger economies in East and Southeast Asia
  ➢ Downside risks include further escalation in US-PRC trade conflict and growing public and private debt in developing Asia

• Inflation across developing Asia to increase slightly from 2.4% in 2018 to 2.7% in 2019 and 2020
  ➢ Pressure building on higher food prices, particularly in PRC
Why We Work with the Private Sector
To achieve the **Sustainable Development Goals (SDGs)** by 2030, the participation of the private sector will be crucial - in mobilizing resources, creating jobs, and supporting growth in the region.

- The private sector is the source of 90% of all jobs in developing countries and helps drive innovation.
- Needs will only increase and gaps remain significant across infrastructure, trade and financing across Asia.
- G7/G20 and almost all other development finance institutions (DFI) are increasing their emphasis on private sector participation and financing.
How ADB Can Assist the Private Sector

ADB can play a key role in helping to:

• Improve the business environment
• Increase the number of bankable projects
• Create markets
• Crowd-in private financing

ADB can multiply the development impact of our interventions by leveraging our:

• Relationships with governments and private sector clients
• Financial intermediaries for greater reach and diversification
• Knowledge products and advice on business incubation and PPPs
• Financial capacity to mobilize even greater amounts
Why Private Sector Clients Work with DFIs

- Percent of clients rating DFI performance above average or high versus commercial banks

- Clients work with ADB and other DFIs to benefit from both financial and non-financial forms of additionality that they are unable to obtain elsewhere


FAST TALK

MICHAEL BARROW
Director General, Private Sector Operations, ADB
RENEWABLE ENERGY AND THE ROLE OF THE PRIVATE SECTOR

ADB LIVE STAY TUNED

Interview at the 52nd ADB Annual Meeting (Video)

7 October 2019
ADB’s Private Sector Operations
Private Sector Operations Department (PSOD)

- Broadly, ADB has two “financing” departments – Public and Private sector

- **PSOD is responsible for all Private sector (or Nonsovereign) financing and investments** - structuring and funding investments across the capital structure in privately held and state-sponsored companies across a wide range of industry sectors throughout developing Asia
  
  - Emphasis is on **commercially viable transactions** that generate financial returns while also delivering on ADB's organization-wide mission to promote environmentally sustainable and inclusive economic growth

- A key objective for PSOD is the mobilization of official and commercial cofinancing through trust funds under ADB administration, B Loans, credit enhancement products, and risk transfers
Management Team

Diwakar Gupta
Vice President

Christopher Thieme
Deputy Director General

Michael Barrow
Director General

Craig Roberts
Senior Advisor

Shantanu Chakraborty
Director

Jackie Surtani
Director

Christine Engstrom
Director

Janette Hall
Director

Craig Roberts
Officer-in-Charge

Mark Kunzer
Director

Martin Lemoine
Head

Sherwin Pu
Head

Aniruddha Patil
Head

Steven Beck
Advisor

Bart Raemaekers
Advisor

Timo Teinila
Advisor

7 October 2019
## Modalities

<table>
<thead>
<tr>
<th>Instrument</th>
<th>Typical Size</th>
<th>Typical terms</th>
<th>When is it relevant?</th>
</tr>
</thead>
</table>
| Debt                | $20M - $500M | • 7 years (corporate) to 15+ years (project)  
• LIBOR / ADB cost of fund in local currency + credit spread  
• Secured or unsecured                                           | • Established company with large balance sheet, strong cash flow  
• Possibility to mobilize co-financing under B Loan or risk participation |
| Equity              | $2M - $100M  | • 25% ownership maximum  
• Board seat  
• Minority protection rights  
• Put on the parent company                                             | • Growing company in a pre-IPO or pre-trade sale situation                           |
| Guarantees          | $20M - $500M | • Partial credit guarantees (PCG): market-based, fees based off lenders’ margin  
• Partial risk guarantees (PRG): market-based, fees based off reinsurance market | • Where other lenders are more efficient than ADB in mobilizing local currency, or reaching target customers (PCG)  
• In frontier markets (PRG)                                              |
| Donor Funding       | $5M - $10M   | • Long-term loan at concessional interest rates to be “blended” with ADB financing  
• First-loss cover                                                      | • Whenever donor funds managed by ADB are available  
• Applicable for climate mitigation and adaptation projects or low-income countries |
| Technical Assistance| $0.5M - $1M  | • For project preparation TA, reimbursable at closing  
• For capacity development TA, non-reimbursable grant                  | • For projects in need of additional, concessional financial assistance             |
Focus Areas

- **Significantly expand** PSO by: broadening sectors, geography, and products, and engaging in new initiatives to maximize development impact on a portfolio basis
- **Decentralize** operations to be closer to clients
- **Mobilize** far greater amounts of official and commercial co-financing via new products and structures
- **Build markets** through local currency offerings, equity investments, and innovative structured products
- **Drive innovation** and deliver high-level technology solutions
- Enable **project incubation** and development
- Seamless **One ADB** approach
- Continuous **process** reforms
- Structured approach to screen and measure **development effectiveness**
One ADB Approach

Aligning our product offering to client needs

Office of Public-Private Partnership

Transaction Advisory Services

Technical Assistance through AP3F

Regional Department

Sovereign
- MOF guaranteed senior/subordinated debt and/or equity injection at project or implementation agency level
- Technical Assistance
- Capacity Building
- Sector/Policy Reform

Private Sector Operations Department

Nonsovereign
- Loan guarantee not required
- Corporate/project debt
- Equity investment
- Guarantee products
- Syndication

PPP Project Delivered

Source: ADB
Eligible Transactions

- Located in ADB’s developing member countries
- ADB’s target sectors (infrastructure, financial sector, agribusiness, etc.) and themes (climate change, inclusive business, etc.)
- Developmentally and commercially sound, with a clear business plan
- Financing not directly guaranteed by the government
- Clear financing or other need (safeguards support, risk coverage, etc.) from ADB
- Willing to employ professional advisors (legal, technical, environment and social, etc.)
- For equity investments, a board seat for ADB and clear exit strategy

ADB Additionalities

- High demonstrational value and replicability
- Innovative (new technologies or ways of doing business)
- Highest integrity and ethical standards
- Crowding in commercial financing

- Financial, including (i) various products from debt to equity, credit enhancement and risk mitigation; (ii) local currencies; and (iii) longer tenors and patient investor
- Non-financial, including (i) stamp of approval; (ii) country risk mitigation, neutral broker role with governments; (iii) safeguards and corporate governance expertise; and (iv) extensive knowledge of markets, sectors, and clients
Approval Process

**Standard Deals**

1. **Concept Review**
   - Review of business plan and financials
   - Internal peer review
   - Concept Review Committee review

2. **Due Diligence**
   - Technical, commercial, legal and safeguards due diligence
   - Finalize term sheet
   - Formal risk rating
   - Disclose safeguards documents

3. **Final Review**
   - Investment Committee review
   - President’s review

4. **Board Approval**
   - 21-day circulation to the Board for review
   - Board’s approval
   - Proposals less than $100 million without major exceptions to ADB policies, potential for significant safeguards issues, novel financing arrangements, significant financial assistance relative to the size of the DMC
   - Deemed approval at the expiry of the circulation period in the absence of a request for discussion or a sufficient number of abstentions or oppositions

**FAST Deals**

1. **Early Review**
   - Review of business plan and financials
   - Initial risk rating
   - FAST Committee review

2. **Due Diligence**
   - Technical, commercial, legal and safeguards due diligence
   - Finalize term sheet
   - Formal risk rating
   - Disclose safeguards documents

3. **Final Review**
   - Investment Committee review
   - President’s approval

Notes:
(*) Any nonsovereign financing ≤$20 million for debt and ≤$10 million for equity. Other requirements apply (e.g. safeguards categorization).
Portfolio by Product and Sector

Committed Exposure of $13 billion as of 31 December 2018 (Inner Circle by Project Count, Outer Circle by Volume)

Product Exposure

- Loan 3,497 (68%)
- Debt Security 620 (5%)
- Guarantee 1,813 (15%)
- Equity 781 (6%)
- Funds 768 (6%)
- 37 (16%)
- 34 (15%)
- 7 (3%) unspecified
- 2 (2%) unspecified

Sector Exposure

- Clean Energy 2,382 (19%)
- Other Energy 3,182 (25%)
- Water and Urban 733 (6%)
- Transport 402 (3%)
- Agribusiness 327 (3%)
- Other 237 (2%)
- 70 (30%)
- 8 (4%)
- 9 (4%)
- 17 (7%)
- 4 (4%)
- 37 (16%)
- Funds 768 (6%)
- Financial Institutions 4,448 (36%)
- Other unspecified 50 (22%)

7 October 2019
Portfolio by Region and Country

Committed Exposure of $13 billion as of 31 December 2018 (Inner Circle by Project Count, Outer Circle by Volume)

Region Exposure

Country Exposure
Japanese Partnerships in Nonsovereign Transactions
INO: Sarulla Geothermal Power Project

Key Features:

- Accelerating development of the Indonesian geothermal sector via the financing, implementation, and commissioning of the first geothermal Independent Power Producer (IPP) in Indonesia in over 10 years; avoiding the emission of 1.3 million tons of greenhouse gases (CO₂ equivalent) per annum.

Sponsors:

Turbine Supplier: Toshiba

Cofinancier:

<table>
<thead>
<tr>
<th>Borrower</th>
<th>Sarulla Operations Limited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country</td>
<td>Indonesia</td>
</tr>
<tr>
<td>Sector</td>
<td>Energy</td>
</tr>
<tr>
<td>Sub-sector</td>
<td>Renewable energy generation - geothermal</td>
</tr>
<tr>
<td>Approval Date</td>
<td>5 December 2013</td>
</tr>
<tr>
<td>Commitment Date</td>
<td>28 March 2014</td>
</tr>
<tr>
<td>ADB</td>
<td>$250 million (ADB); $80 million (CTF); $20 million (Canadian Climate Fund)</td>
</tr>
<tr>
<td>JBIC</td>
<td>$479 million</td>
</tr>
</tbody>
</table>
INO: Muara Laboh Geothermal Power Project

Key Features:
- The project will develop, operate, and maintain geothermal steam resources and an 80MW power generation unit in the Liki Pinangawan Muara Laboh concession area.
- The development of a baseload geothermal power plant and avoidance of carbon emissions will assist in the government’s efforts to achieve sustainable growth targets through private sector investment.

Sponsor and EPC Contractor:
- Sumitomo Corporation

Turbine Supplier:
- Fuji Electric

Cofinanciers:

<table>
<thead>
<tr>
<th>Borrower</th>
<th>Supreme Energy Muara Laboh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country</td>
<td>Indonesia</td>
</tr>
<tr>
<td>Sector</td>
<td>Energy</td>
</tr>
<tr>
<td>Sub-sector</td>
<td>Renewable energy generation - geothermal</td>
</tr>
<tr>
<td>Approval Date</td>
<td>7 December 2016</td>
</tr>
<tr>
<td>Commitment Date</td>
<td>26 January 2017</td>
</tr>
<tr>
<td>ADB</td>
<td>$70 million</td>
</tr>
<tr>
<td>LEAP / CTF</td>
<td>$20 million; $19.25 million</td>
</tr>
</tbody>
</table>
INNO: Rantau Dedap Geothermal Development Project-Phase 2

Key Features:
- In 2014, ADB arranged a concessional CTF loan to support Phase 1, which carried out drilling and exploration to quantify and characterize the nature of geothermal resources.
- Based on the results of Phase 1, Phase 2 will construct, operate and maintain the power project with capacity of 90 MW located in South Sumatra Province.
- Both Phase 1 & 2 are implemented by SERD, which is owned by PT Supreme Energy, Engie, Marubeni Corporation and Tohoku Electric Power.

<table>
<thead>
<tr>
<th>Borrower</th>
<th>PT Supreme Energy Rantau Dedap (SERD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country</td>
<td>Indonesia</td>
</tr>
<tr>
<td>Sector</td>
<td>Energy</td>
</tr>
<tr>
<td>Sub-sector</td>
<td>Renewable energy generation - geothermal</td>
</tr>
<tr>
<td>Approval Date</td>
<td>23 March 2018</td>
</tr>
<tr>
<td>Commitment Date</td>
<td>23 March 2018</td>
</tr>
<tr>
<td>ADB</td>
<td>$175.3 million</td>
</tr>
<tr>
<td>Clean Technology Fund</td>
<td>$50 million</td>
</tr>
</tbody>
</table>

Sponsors:
- Marubeni
- Tohoku Electric Power co., Inc.

EPC and Turbine Supplier:
- Fuji Electric

Cofinanciers:
- JAPAN BANK FOR INTERNATIONAL COOPERATION
- nexi
The project involves the construction, operation and maintenance of a 15 MW solar power plant in the Khushig valley in Tuv aimag. The project will generate 22.3 GWH of clean energy annually and reduce Mongolia’s carbon dioxide emissions by 26,400 tons per year.

The project benefits from the transfer of technical and operational expertise from Japan and Thailand. SSP, which owns 75% of TGC, is a renewable energy developer listed on the Stock Exchange of Thailand with operations across Asia. Sharp Corporation from Japan, which owns 10% of TGC, is the lead EPC contractor. SSP is a guarantor of the loan.

The project is ADB’s first private sector infrastructure investment in Mongolia and first PSOD-EARD joint project.

**Key Features:**

<table>
<thead>
<tr>
<th>Borrower/Guarantor</th>
<th>Tenuun Gerel Construction LLC (TGC) as Borrower and Sermsang Power Corporation Public Company Limited (SSP) as Guarantor</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Country</strong></td>
<td>Mongolia</td>
</tr>
<tr>
<td><strong>Sector</strong></td>
<td>Energy</td>
</tr>
<tr>
<td><strong>Sub-sector</strong></td>
<td>Renewable energy generation - solar</td>
</tr>
<tr>
<td><strong>Commitment Date</strong></td>
<td>20 March 2019</td>
</tr>
<tr>
<td><strong>ADB</strong></td>
<td>$9.6 million</td>
</tr>
<tr>
<td><strong>LEAP</strong></td>
<td>$9.1 million</td>
</tr>
</tbody>
</table>

**Sponsor and Panel Supplier:**

**Cofinancier:**
## Key Features:

- The project involves the construction and operation of a 250 MW wind power project in Gujarat. Power will be sold to PTC India Limited at a fixed tariff of ₹ 3.46/kWh.
- The project was awarded through a competitive process under India’s first wind energy auction launched in 2016 by the Ministry of New and Renewable Energy. This auction has brought down the cost of wind power from that under the feed-in-tariff regime.
- The project helps to diversify the energy mix in India by adding renewable energy capacity, reduces the country’s dependence on fossil fuels and helps the promotion of cost-competitive, convenient, safe, and reliable new and renewable energy supply options.

## Sponsors:

- Ostro Kutch Wind Pvt. Ltd. (100% stake)
- OSTRO (100% stake)
- JERA (~10% stake)
- ReNew Power (100% stake)

### Table: Project Details

<table>
<thead>
<tr>
<th>Borrower</th>
<th>Ostro Kutch Wind Private Limited (OKWPL)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country</td>
<td>India</td>
</tr>
<tr>
<td>Sector</td>
<td>Energy</td>
</tr>
<tr>
<td>Sub-sector</td>
<td>Renewable energy generation - wind</td>
</tr>
<tr>
<td>Approval Date</td>
<td>12 December 2017</td>
</tr>
<tr>
<td>Commitment Date</td>
<td>25 September 2018</td>
</tr>
<tr>
<td>ADB</td>
<td>$93 million equivalent in Indian rupees</td>
</tr>
</tbody>
</table>
INO: Jawa-1 Liquefied Natural Gas-to-Power Project

Key Features:

• The project will build, operate, and maintain a 1,760 MW combined-cycle gas-fired power plant in Cilamaya, Karawang, West Java. The assistance will support the development of one of the first and largest power projects using LNG in Indonesia. The project will also provide an affordable power generation source that could increase the penetration capacity of renewable energy sources on the Jawa-Bali grid.

• P.T. Jawa Satu Power is owned by (i) Marubeni Corporation, a major Japanese trading house that has net overseas installed capacity of 10,541 MW and is a leading player in IPP business globally; (ii) Sojitz Corporation, a major Japanese trading house; and (iii) PT. Pertamina (Persero), a state-owned company engaged in the energy sector including oil, gas and new and renewable energy.

<table>
<thead>
<tr>
<th>Borrower</th>
<th>P.T. Jawa Satu Power</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country</td>
<td>Indonesia</td>
</tr>
<tr>
<td>Sector</td>
<td>Energy</td>
</tr>
<tr>
<td>Sub-sector</td>
<td>Conventional energy generation</td>
</tr>
<tr>
<td>Approval Date</td>
<td>29 August 2018</td>
</tr>
<tr>
<td>Commitment Date</td>
<td>18 October 2018</td>
</tr>
<tr>
<td>ADB</td>
<td>$185.1 million</td>
</tr>
<tr>
<td>LEAP</td>
<td>$120.0 million</td>
</tr>
</tbody>
</table>

Sponsors:

Marubeni   
Sojitz Corporation

Cofinanciers:

JICA  
JBIC  
Nexi
THA: Chonburi Natural Gas Power Project

Key Features:

- The project will build, operate, and maintain a 2,500 MW combined-cycle power plant in the WHA Eastern Seaboard Industrial Estate 1 of Chonburi Province. The project will utilize natural gas and will be the first to employ new high-efficiency technology that reduces pollutants and emissions, providing cleaner air quality and lower carbon footprint.

- Gulf SRC is wholly owned by Independent Power Development, a joint venture between Gulf Energy Development Public Company Limited (GED) with 70% of shares and Mitsui & Co., Ltd with 30%. GED is a leading power generation company with the largest portfolio of contracted PPAs in Thailand, focused on gas-fired power plants. Mitsui is one of Japan’s largest trading companies and has a track record in developing more than 70 power projects in 21 countries.

**Borrower** | Gulf SRC Company Limited  
--- | ---  
**Country** | Thailand  
**Sector** | Energy  
**Sub-sector** | Conventional energy generation  
**Approval Date** | 30 October 2018  
**Commitment Date** | 2 November 2018  
**ADB** | $227.7 million  
**LEAP** | $120.0 million  

**Sponsor:** EPC Contractor and Turbine Supplier:

**Cofinancier:**

JAPAN BANK FOR INTERNATIONAL COOPERATION
**REG: High Value Horticulture Development Project**

**Key Features:**

- The project will scale-up and transfer a successful high-value horticulture business model built on (i) the introduction of climate-controlled greenhouse technology in tropical highlands in Asia; and (ii) the integration of its business downstream into distribution in domestic and export markets.
- The project will contribute to at least three targets of the Sustainable Development Goals: (i) implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, and that strengthen capacity for adaptation to climate change; (ii) enhance regional and international cooperation on and access to science, technology, and innovation; and (iii) significantly increase the exports of developing countries.
- The project will promote gender equality by increasing the proportion of women employees (from 60% in 2015 to 65% by 2020) including in management positions (from 53% in 2015 to 63% by 2020).

<table>
<thead>
<tr>
<th>Borrower</th>
<th>Kunming Hasfarm Flowers (KHF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country</td>
<td>Regional</td>
</tr>
<tr>
<td>Sector</td>
<td>Agriculture</td>
</tr>
<tr>
<td>Sub-sector</td>
<td>Agriculture products</td>
</tr>
<tr>
<td>Approval Date</td>
<td>16 December 2016</td>
</tr>
<tr>
<td>Commitment Date</td>
<td>1 December 2017</td>
</tr>
<tr>
<td>ADB</td>
<td>$250 million</td>
</tr>
</tbody>
</table>

Hasfarm exports more than 50% of its flowers to Japan using a distribution platform called Greenwings.
Key Features:

- Olam is a leading agribusiness company with presence in 70 countries. It differentiates itself by focusing on niche commodities and businesses, buying from growers and village-level agents at the farm gate, and providing value-added solutions and services to customers (e.g., traceability guarantees).

- ADB’s loan will be used to fund Olam’s expansion plan over the 2017-2018 period which include large mid-stream projects and working capital investments for smallholder farmer supply in Viet Nam, Indonesia, Timor-Leste, and Papua New Guinea.

- $3.0 million TA will support about 13,000 smallholder coffee farmers in Viet Nam, Indonesia, Timor-Leste, and PNG.

20% shareholder in Olam International:

Mitsubishi Corporation

Cofinancier:

Japan International Cooperation Agency

One third of soluble coffee produced in Vietnam by this ADB-JICA project exported to Japan
PSOD Programs
Trade Finance Program

Products

Funded Products
1. Revolving Credit Facility (RCF): loans to banks in TFP countries of operation to support pre- and post-shipment transactions
2. Funded Risk Participation Agreement (FRPA): automatically binds the TFP for up to 50% of bank risk in support of funded trade transactions

Distribution Product (Cofinance)
Risk Distribution Agreement (RDA): TFP leverages capital resources and credit limits by sharing risk

Guarantee Products
1. Credit Guarantee (CG): covers up to 100% of bank risk, provided within 24-48 hours
2. Risk Participation Agreement (RPA): automatically binds TFP up to 85%

Knowledge Products
1. ADB Trade Finance Gap, Growth, and Jobs Survey quantifies market gaps for trade finance and the impact on economic growth and jobs
2. TFP anti-money laundering initiatives help fight financial crime
3. TFPs’ Trade Finance Register helps regulators and financial institutions calibrate risk parameters by creating the first statistics for trade finance on a global industry basis in collaboration with the International Chamber of Commerce (ICC)
4. TFP gender initiatives attract, retain, and promote women in banking
5. Environmental and social safeguards develop measures to ensure sustainability and labor standards in trade
6. Training and capacity building

$1.35 billion program size
Trade Finance Program

21 countries of operation, 75 local banks
90% of outstanding exposure in top 4 counties BAN, PAK, SRI and VIE
Trade Finance Program

150+ international banks in 98 countries

*Full list of partner banks at [www.adb.org/tpf](http://www.adb.org/tpf)
Trade Finance Program

TFP Portfolio (2009 to 2018)

2018 vs. 2017
• 38% increase in value of transactions supported
• 33% increase in cofinancing
• 28% increase in no. of transactions supported
## Trade Finance Program

### TFP in 2018

<table>
<thead>
<tr>
<th>Transactions supported (US$)</th>
<th>2009-2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>$6.20 billion</td>
<td>$36.30 billion</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cofinancing</th>
<th>2009-2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3.75 billion</td>
<td>$21.60 billion</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No. of transactions</th>
<th>2009-2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,476</td>
<td>21,083</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SMEs supported</th>
<th>2009-2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,475</td>
<td>15,688</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No. of Intra-regional trade transactions</th>
<th>2009-2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,136</td>
<td>15,790</td>
</tr>
</tbody>
</table>

### Five most active of 21 TFP countries
Armenia, Bangladesh, Pakistan, Sri Lanka, Viet Nam
Trade Finance Program

TFP in Japan

Number of Japanese import / export transactions to developing Asia

Value of Japanese import / export transactions with 16 countries including Bangladesh, Pakistan and Viet Nam

Value of trade guarantees provided to Japanese banks

Number of transactions supported with Japanese banks

Co-financing with Japanese banks

1,407

$723.75 million

$1.21 billion

1,494

$226.75 million
Supply Chain Finance Program

Works with corporates and PFIs to enhance SME access to working capital

Post-Shipment Post-Acceptance Financing: How It Works

- Supplier sends goods
- Buyer accepts goods and commits to pay at invoice due date
- Partner Financial Institution (PFI) requests payment
- PFI makes payment (net of fees)
- ADB binds to risk participation on specific transactions
- ADB remits funds in case of funded participation
- ADB remits principal and fees

2018 Program Highlights

- Transactions supported $217 million
- Cofinancing $109 million

$300 million program size
## Microfinance Risk Participation and Guarantee Program

- Provide greater access to finance for the underserved and lower income population
- Promote development of the microfinance industry
- Meet unmet demand of microfinance institutions (MFIs) for funding
- Expand and increase lending at the partner financial institutions (PFIs) level
- Remove and eliminate FX component of financing for MFIs

<table>
<thead>
<tr>
<th>Transactions Supported</th>
<th>Microfinance wholesale and retail loans, capital market instruments such as bonds and securitizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADB Support</td>
<td>Credit enhancement through risk participations and guarantees</td>
</tr>
<tr>
<td>Tenor</td>
<td>Up to 5 years</td>
</tr>
<tr>
<td>Coverage</td>
<td>Up to 50% of the risk per transaction</td>
</tr>
<tr>
<td>Eligible Partners</td>
<td>Financial institutions from ADB’s developing member countries, subject to eligibility criteria</td>
</tr>
<tr>
<td>Eligible Currencies</td>
<td>Those of ADB’s developing member countries (DMCs)</td>
</tr>
</tbody>
</table>

$340 million program size
Looking to partner with Sumitomo Mitsui Banking Corporation in India and Gojo (Japanese impact investor) in Cambodia, India, Myanmar and Sri Lanka
$1,154,922,970
New loans supported

$596,100,018
Cofinancing

5,998,584
Borrowers supported (approximately 95% are women)

*as of July 2019
Mobilization of Third-Party Funds
Cofinancing and Asset Management

**COMMERCIAL CO-FINANCING ($MM)**

<table>
<thead>
<tr>
<th>Year</th>
<th>B Loan</th>
<th>Parallel Loan</th>
<th>Guarantee Cofinancing</th>
<th>Short-term Finance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>2,000</td>
<td>1,000</td>
<td>500</td>
<td>1,500</td>
</tr>
<tr>
<td>2016</td>
<td>3,000</td>
<td>2,000</td>
<td>1,000</td>
<td>3,500</td>
</tr>
<tr>
<td>2017</td>
<td>4,000</td>
<td>3,000</td>
<td>2,500</td>
<td>5,000</td>
</tr>
<tr>
<td>2018</td>
<td>5,000</td>
<td>4,000</td>
<td>3,000</td>
<td>7,000</td>
</tr>
</tbody>
</table>

**Funds Under Management**

- **Leading Asia’s Private Infrastructure Fund**
  - $1.5 billion
  - Debt and Equity

- **Canadian Climate Fund for the Private Sector in Asia**
  - $82 million / $150 million

- **Climate Investment Funds**
  - $350 million
  - Concessional Finance

7 October 2019
Commercial Cofinancing Initiatives

Catalyzing and mobilizing financial resources for development

“Long-term cofinancing target for private sector operations ... with every $1 in financing for its private sector operations matched by $2.50 of long-term cofinancing”

ADB Strategy 2030

275 MW Gas Power Project (Indonesia)
June 2019
✓ B Loans to include commercial lenders
✓ Parallel loans to include multilateral
✓ Partial risk guarantee for commercial lenders

15 MW Solar Power Project (Mongolia)
March 2019
✓ First ever cofinancing with Leading Asia’s Private Infrastructure Fund (LEAP) in Mongolia’s renewable energy sector

7 October 2019
Leading Asia’s Private Infrastructure Fund (LEAP)

Overview

• Launched in March 2016 and managed by ADB
• $1.5 billion in funding from JICA for parallel and non-parallel co-financing of private sector infrastructure in Asia and the Pacific:
  ➢ Energy (including renewables)
  ➢ Transportation
  ➢ Water & urban infrastructure
  ➢ Information, communications and technology
  ➢ Health
• Loans and equity investments
• 5-year investment period

Progress to Date

• Signed: 12 parallel transactions totaling $501 million
• In process: 9 parallel and non-parallel transactions totaling $165 million
• 9 of signed and in process transactions have Japanese involvement ($348 million)
• Pipeline: 17 transactions totaling $1 billion
• 11 have Japanese involvement ($895 million)
ReNew Power is the largest renewable energy IPP in India in terms of total energy generation capacity. Since commencing operations with a 25.2 MW wind project in Jasdan, Gujarat, the company has grown exponentially, and has a current renewable asset base of over 7 GW, of which more than 4 GW is operational.

The project involves the construction of 398 megawatts (MW) of solar power and 311 MW of wind power subprojects across six states in India.

**Key Features:**

<table>
<thead>
<tr>
<th>Borrower</th>
<th>SPVs owned by ReNew Power Ventures Pvt. Ltd.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country</td>
<td>India</td>
</tr>
<tr>
<td>Sector</td>
<td>Energy</td>
</tr>
<tr>
<td>Sub-sector</td>
<td>Renewable energy generation – solar and wind</td>
</tr>
<tr>
<td>Approval Date</td>
<td>16 May 2014</td>
</tr>
<tr>
<td>Commitment Date</td>
<td>13 June 2014</td>
</tr>
<tr>
<td>ADB</td>
<td>$195 million</td>
</tr>
<tr>
<td>LEAP</td>
<td>$195 million</td>
</tr>
</tbody>
</table>

~10% stake
Transaction Highlights:

- $5 million Parallel Equity investment in DCDC Healthcare Services Private Limited (DCDCPL) to expand dialysis and ancillary health services in India to more than 180 centers in 2018 from its current 100 centers in operation.

- Investment will fund the cost of new buildings, furnishings, and dialysis equipment. Purchase of equipment is under a dedicated availability agreement with Nikisso, Nipro (both Japanese dialysis machine producers), and Fresenius (German).

Development Impacts:

- Investment is aligned with the Government of India’s 2016 National Dialysis Program, which aims to add 3,000 new dialysis centers across the country.

- Expansion of the DCDC network improves access to quality dialysis services for end-stage renal diseases especially in under-served and lower-income populations.

Dialysis Machine Suppliers:

- Nikkiso
- Nipro
INNO: Riau Natural Gas Power Project

Transaction Highlights:

- $20 million loan for the construction of a 275 MW combined-cycle gas turbine power plant and ancillary infrastructure in Riau province in Central Sumatra, Indonesia.
- Project is being implemented through PT. Medco Ratch Power Riau, owned by PT. Medco Power, a leading developer and operator of small and medium-sized independent power producers (IPP) in the country, and Ratchaburi Electricity Generating Holding Public Company Limited, Thailand’s largest IPP.

Development Impacts:

- Power plant is expected to provide stable and reliable power to the domestic grid, amounting to about 1,445 gigawatt hours annually.
- The use of combined-cycle gas-fired power generation will improve the environmental sustainability of the current energy mix in Sumatra by displacing diesel and coal as fuels for electricity generation.
- The project will also contribute to lowering the average power generation cost in Sumatra.
**Transaction Highlights:**

- $25 million equity investment in Avaada Energy Private Limited to expand its solar photovoltaic operating and under construction generation capacity from 593 megawatts (MW) as of December 2018 to 1,991 MW operating capacity by March 2023.

**Development Impacts:**

- The project will contribute to the strategy of the Government of India to increase the share of renewable energy generation capacity from about 20% in 2018 to 40% by 2030, and help reduce the emission intensity of India’s gross domestic product by 33% to 35% by 2030.

<table>
<thead>
<tr>
<th>Company</th>
<th>Avaada Energy Private Limited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country</td>
<td>India</td>
</tr>
<tr>
<td>Sector</td>
<td>Energy</td>
</tr>
<tr>
<td>Investment Type</td>
<td>Parallel Equity</td>
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<tr>
<td>Commitment Date</td>
<td>22 March 2019</td>
</tr>
<tr>
<td>ADB</td>
<td>$25 million</td>
</tr>
<tr>
<td>LEAP</td>
<td>$25 million</td>
</tr>
</tbody>
</table>
Appendix:
2018 and YTD 2019 Case Studies
**VIE: Municipal Waste-to-Energy Project**

**Client:** China Everbright International Limited (CEIL)

**ADB Commitment:** $100m loan

**Key Features:**
- CEIL is a leading integrated environmental protection company in the People’s Republic of China (PRC). CEIL’s core businesses are wastewater management, waste-to-energy (WTE), and other renewable energy.
- Under the project, CEIL will implement a series of WTE plants in Viet Nam. These plants will collectively treat 7,500 tons of MSW daily. The project will be the first municipal WTE project financed entirely by the private sector in Viet Nam.
- CEIL will use advanced clean technologies, including flue gas emission control, to meet EU standards.

**ADB’s Value Addition:**
- Taking a portfolio approach, efficiently finance multiple WTE plants that are too small, costly, and time-consuming to finance on a stand-alone basis. ADB and CEIL pioneered this approach for CEIL’s WTE projects in PRC. The project replicates this in Viet Nam.
- Demonstration effects by supporting one of the first municipal-level PPPs and showcasing a long-term solution for MSW problems.

**Approval Date:** 1 December 2017  
**Commitment Date:** 2 February 2018

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**THA: Southern Thailand Waste-to-Energy**

**Client:** Chana Green Company Limited

**ADB Commitment:** $35.3m loan equivalent in bhat

**Key Features:**
- Agriculture has played an important role in Thailand’s economic development but has also led to serious environmental and social challenges in managing the mass amount of residual waste generated from the harvesting process.
- Waste-to-energy (WTE) technology offers an effective solution by converting agricultural waste into a dependable and renewable source of electricity.
- The project involves the construction and operation of a 25 MW biomass WTE power plant located in Chana, Songkhla province of Southern Thailand. The plant will convert 825 tons per day of agricultural waste into electricity.
- Chana Green is wholly owned by Gulf Energy Development, a leading private sector power generation company in Thailand.

**ADB’s Value Addition:**
- Help provide an environmentally sustainable solution to the abundant agricultural waste that is produced from farming and wood industries by converting biomass into a renewable source of electricity.
- Help reduce the risk perception associated with WTE projects and creates awareness of the benefits and sustainability of WTE that can be applied to other rural communities and DMCs.
- ADB’s long-term (18-year) financing will signal confidence to other banks and developers considering investing in infrastructure assets within the region.

**Approval Date:** 20 October 2017  
**Commitment Date:** 16 February 2018
Case Studies – Infrastructure

REG: ASEAN Distributed Power (Phase 2)

Client: B Grimm Power Public Company Limited
ADB Commitment: $235m loan

Key Features:
- B. Grimm is a major player in the Thailand’s small power producer segment. It owns and operates distributed gas-fired cogeneration and renewable power plants. To finance its next phase of rapid growth, B. Grimm has raised equity capital through an IPO and ADB participated in the IPO as a key anchor investor.
- Proceeds from the IPO and ADB/CCFPS loans will be used to construct new distributed and utility-scale renewable power, gas-fired power, energy storage and associated infrastructure mainly in the ASEAN countries.

ADB’s Value Addition:
- Support B. Grimm in the diversification and expansion of its renewable energy portfolio in the ASEAN region, particularly distributed power plants. ADB’s participation in the IPO will not only provide direct financing but also help attracting third-party investors and establishing more confidence in B. Grimm’s future access to capital markets.
- The countries covered are only recently beginning to develop distributed renewable power options, where developers face a range of technical and regulatory challenges. The concessional loan from CCFPS will help to demonstrate a track record of successful financing to encourage private sector developers to take on the higher risk associated with such project.

Approval Date: 29 September 2017
Commitment Date: 23 February 2018

PRC: Integrated Urban Water Management Project

Client: China Water Affairs Group Limited (CWA)
ADB Commitment: $200m loans

Key Features:
- The project will support CWA to develop and operate integrated urban water management projects, where multiple, interlocking water facilities are developed and operated synergistically.
- ADB will fund infrastructure which combines (i) water treatment and distribution; (ii) wastewater treatment; and (iii) sewage pipelines developed as PPPs with local governments in second- and third-tier cities.
- CWA’s investments during 2018-2021 are expected to increase or improve treatment capacity for over 10 million m³ per day of water and 1.8 million m³ per day of wastewater, and construct at least 5,000 km of sewage pipelines.
- This is the third phase of collaboration between ADB and CWA, and more directly emphasizes the integration of the urban water sector.

ADB’s Value Addition:
- Raise the profile of integrated urban water management approaches and catalyze their adoption in PRC.
- Lower transaction costs by bundling together multiple infrastructure subprojects, which are often too small and time-consuming to finance on a stand-alone basis.
- Collaborate with CWA to expand its environmental and social policies and procedures to encompass all areas of the water value chain, demonstrating international best practices.

Approval Date: 24 November 2017
Commitment Date: 2 March 2018
Case Studies – Infrastructure

PRC: Geothermal District Heating Project

Clients: Arctic Green Energy Corporation Private Limited (AGE) and Sinopec Green Energy Geothermal Development Company Limited (SGE)

ADB Commitment: $250m loans

Key Features:
- The project involves the construction, acquisition, rehabilitation, and operation of a series of urban district heating systems based on geothermal energy. ADB will finance on a subproject-by-subproject basis, subject to defined environmental, social, development, and financial criteria.
- Each subproject will involve a PPP arrangement with a municipal government, under which SGE would have exclusive rights to develop geothermal energy resources and network infrastructure, and to deliver heat and related services to residential, commercial, and industrial end users.
- SGE, the world’s largest geothermal district heating company by service area, is 51% owned by Sinopec Group of PRC and 49% owned by AGE, an Iceland-affiliated company incorporated in Singapore.
- Geothermal facilities developed by the project are expected to reduce greenhouse gas emissions by over 7 million tons CO2-equivalent per year.

ADB’s Value Addition:
- Establish more confidence in private sector participation in district heating PPPs in PRC and the use of renewable energy in heating.
- Raise environmental and social standards for PRC geothermal industry.
- The portfolio approach will lower transaction costs by bundling a series of subprojects in multiple cities, which are too small and time-consuming to finance on a stand-alone basis.

Approval Date: 14 December 2017
Commitment Date: 21 March 2018

INO: Eastern Indonesia Renewable Energy Project (Phase 2)

Client: The Equis Group

ADB Commitment: $12.5m loan; $21.9m loan from Canadian Climate Fund for the Private Sector in Asia II; $5.8m loan from Leading Asia’s Private Infrastructure Fund

Key Features:
- This transaction follows phase 1 of the project where ADB provided financing for a 72 MW wind farm.
- Phase 2 are the first utility-scale solar PV plants by the private sector in Indonesia. It consists of a 21 MW solar PV power plant in Likupang, North Sulawesi, and three 7 MW solar PV power plants in Lombok, West Nusa Tenggara. These solar power plants will supply energy to PLN, Indonesia’s national power utility.

ADB’s Value Addition:
- Mobilize all required debt package for the first utility-scale solar PV projects in Indonesia. Indonesia’s RE sector has not taken off due to the absence of supporting regulatory mechanisms, but the project will have a positive demonstration effect for the growth of the nascent RE sector.
- ADB’s long term loan and the concessional loan from CFPS II will mitigate the risk of solar power and raise the project’s financial viability despite the relatively low-tariff environment in Indonesia.
- Play a pivotal role in building a critical mass of first-generation RE project in Indonesia.

Approval Date: 11 April 2018
Commitment Date: 19 April 2018
INO: Maternity and Child Care Hospital Project

Client: PT Medikaloka Hermina TbK (Hermina)
ADB Assistance: $10m equity and $10m equity from Leading Asia’s Private Infrastructure Fund

Key Features:
- Hermina is the second largest private hospital group in Indonesia, operating 28 hospitals with 2,780 beds in 2017. Since it opened its first maternity clinic in 1985, it has developed a chain of general multispecialty hospitals with a continued focus on maternity and pediatric health care services.
- Hermina’s strategic focus is serving emerging and current middle-income segments of the population.
- Hermina aims to expand to 40 hospitals with 4,000 beds by 2020.
- Through its partnership with the Jaminan Kesehatan Nasional (JKN), the universal health insurance program of Indonesia, Hermina is contributing to more equitable provision of health care services in Indonesia.

ADB’s Value Addition:
- ADB’s participation as an anchor investor in the IPO of Hermina in May 2018, helped the company successfully complete an IPO fund raise of $140 million in challenging market conditions.
- Improve Hermina’s environmental and social safeguards standards through the adoption of ADB’s standards.
- Demonstrate viability of a business model that focuses on JKN adoption and contribute to the overall improvement of health care services in Indonesia.

Approval Date: 24 April 2018
Commitment Date: 7 May 2018

KAZ: Restructuring and Transformation Project

Client: Samruk-Energy
ADB Commitment: $120 loan equivalent in tenge

Key Features:
- Samruk-Energy, wholly owned by the sovereign wealth fund Samruk-Kazyna, is the largest power generation company in Kazakhstan. It owns 31% of the country’s installed generation capacity. In 2015, the company adopted a long-term strategy focusing on introduction of new technologies, expansion of renewable energy, and doubling of shareholder value, but several macroeconomic challenges have slowed down the implementation. As part of the government’s privatization plan, the company also plans to go for an IPO.
- ADB’s financing will support Samruk-Energy’s overall business restructuring and transformation plan aimed at (i) reducing foreign exchange risks; (ii) improving operational efficiency; and (iii) identifying renewable energy opportunities, to attract investors for the IPO.
- This transaction will be ADB’s first nonsovereign transaction with an SOE in Kazakhstan. ADB is also providing a technical assistance to support the restructuring process.
- Cofinanced by EBRD.

ADB’s Value Addition:
- ADB’s long-term tenge financing will reduce Samruk-Energy’s foreign exchange debt and free up resources for future development and preparations for the upcoming IPO.

Approval Date: 15 December 2017
Commitment Date: 8 November 2018
## Case Studies – Infrastructure

### THA: Thailand Green Bond Project

**Client:** B.Grimm Power Public Company Limited  
**ADB Assistance:** $152.7m debt investment in bonds equivalent in baht  
**Key Features:**  
- ADB invests in corporate bonds (green bonds) issued by B.Grimm, a leading energy company in Thailand with a growing presence in other ASEAN countries.  
- It is the first “Climate Bond” certified by the Climate Bond Initiative (CBI), and the first “Green Bond” issued by a Thai energy company in compliance with the International Capital Markets Association’s Green Bond Principles (GBP).  
- The bond proceeds are used for the construction and refinancing of 16 solar power plants in Thailand, for a total capacity of 98.5 MW.  
- ADB helped and advised B.Grimm in ensuring compliance with the GBP, and also assisted in B.Grimm’s application to the CBI for the Climate Bond certification.  
**ADB’s Value Addition:**  
- Help make green bonds and climate bonds better known in the region.  
- Foster confidence among issuers towards green bonds, help promote further investments in renewable energy and other climate-friendly businesses, and enable easier access to funding for these projects.  
- Encourage other players in the market to improve their environmental and social management system as B.Grimm’s.  
**Approval Date:** 5 December 2018  
**Commitment Date:** 7 December 2018

### REG: AC Energy Green Bond Project

**Client:** AC Energy Finance International Limited (ACEFIL)  
**ADB Assistance:** $20m debt investment in bonds  
**Key Features:**  
- ADB invests in green bonds issued by ACEFIL. These bonds are in compliance with the International Capital Markets Association’s Green Bond Principles, and Climate Bond Initiative (CBI) certification process under its Climate Bond Standards. AC Energy, ACEFIL’s parent company and also the bond guarantor, obtained CBI certification upon the advice of ADB. The proceeds of ADB’s subscription will only be applied to solar and wind projects in the Philippines, Indonesia and/or Viet Nam.  
- AC Energy is a wholly-owned subsidiary of Ayala Corporation, one of the most diversified conglomerates in the Philippines. AC Energy has developed and grown its Philippine portfolio to over 1,739 MW of gross capacity by end of 2018, expended overseas, and has become a regional renewable energy leader in Southeast Asia.  
**ADB’s Value Addition:**  
- Ensure that bonds will comply with the GBP and climate bond monitoring process.  
- Help make green bonds and climate bonds better known in the region.  
- ADB’s anchor investor role will be catalytic in offering an alternative to the loan markets for financing clean energy initiatives in the private sector.  
**Approval Date:** 30 January 2019  
**Commitment Date:** 31 January 2019
Case Studies – Infrastructure

**ARM: Yerevan Gas-Fired Combined-Cycle Power Project**

*Source: Photo courtesy of Siemens, Roush Power project*

**Client:** ArmPower CJSC  
**ADB Assistance:** $68.4m loan  
**Key Features:**  
- The project consists of a 250MW gas-fired combined cycle power plant, and associated infrastructure at the site of the plant. The power generated from the project will be sold to Electric Networks of Armenia.  
- ArmPower will develop, own and operate the project. It is owned 60% by Renco Power, a joint-venture between Renco S.p.A. and Societa Italiana per le Imprese all’Estero (SIMEST), and 40% by Siemens Project Ventures (SPV). Renco, an Italian company incorporated in 1979, provides consulting, engineering and construction services for the energy, oil, and gas and civil infrastructure sectors. SIMEST, established in 1991, promotes investments of Italian businesses abroad and provides Italian companies with technical and financial support. SPV is the investment arm of Siemens Financial Services, which is a wholly-owned company by Siemens AG, a global leading technology company.  
- Cofinanced by IFC, DEG and OFID.  
**ADB’s Value Addition:**  
- Catalyze long-term debt financing which has limited availability in the domestic market.  
- Enhance the project’s environmental and social standards.  
- Establish precedents for future financings of similar independent power producer projects by boosting investor and lender confidence.  
**Approval Date:** 16 April 2018  
**Commitment Date:** 15 February 2019

**MYA: Nationwide Data Connectivity Project**

**Client:** Ooredoo Q.P.S.C.  
**ADB Assistance:** $500m loan  
**Key Features:**  
- The project consists of (i) rollout of fixed and wireless broadband services; (ii) upgrade of mobile telecommunication networks; and (iii) acquisition of additional spectrums and licenses in Myanmar by Ooredoo.  
- Ooredoo, headquartered in Qatar, is a leading global telecommunications company that serves almost 120 customers. It has significant geographic diversification, with operations in 10 markets across Asia, the Middle East, and North Africa. Ooredoo is 67% owned by Qatar and is listed on the Qatar and Abu Dhabi stock exchanges.  
**ADB’s Value Addition:**  
- Strong demonstration impact on other multinational and international financiers in proving that private sector infrastructure investments can be successful in Myanmar.  
- Expand Ooredoo’s commitment to support and advance inclusive sustainable development by promoting the use of ICT in supporting gender equality and women’s empowerment.  
- Reduce gender gap by facilitating women’s basic access to ICT and providing ICT jobs, promotion, training, and health services to women.  
- Ensure adoption and implementation of environmental and social safeguards standards.  
**Approval Date:** 19 February 2018  
**Commitment Date:** 19 February 2019
Case Studies – Infrastructure

KAZ: Baikonyr Solar Power Project

Client: Samruk-Kazyna United Green LLP
ADB Assistance: $12m loan equivalent in tenge
Key Features:
- The project comprises the design, construction, commissioning, and operations and maintenance of a 50 MW (direct current) ground-mounted solar power plant and integration into the grid in southern Kazakhstan.
- The main project components will include approximately 150,822 PV panels, 14 central inverter stations, and a substation.
- Samruk-Kazyna United Green LLP is a joint venture between UG Energy Limited (51%) and Samruk-Kazyna Invest LLP (SKI) (49%). UG Energy is a UK company and part of United Green Group (UGG) while SKI is a subsidiary owned by Samruk-Kazyna JSC, Kazakhstan’s sovereign wealth fund. UGG and SKI entered into a partnership in 2014 to develop Kazakhstan’s first solar power project, which was financed by the EBRD.
- Cofinanced by EBRD.
ADB’s Value Addition:
- Demonstration effect by showing the viability of solar power projects in a country with an emerging solar power sector.
- ADB’s long term loan is necessary for the project to achieve sound debt service coverage levels over the life of the project and strengthen the momentum towards long-term local currency financing of renewable energy assets.
- Increase confidence among investors and lenders and promote further private sector investment in renewable energy and power.
Approval Date: 10 May 2018
Commitment Date: 27 February 2019

PRC: Eco-Industrial Park Waste-to-Energy Project

Client: Shanghai SUS Environment Company Limited
ADB Assistance: $100m loan equivalent in US dollars, euro, yen and yuan
Key Features:
- SUS is the licensee of Hitachi Zosen Corporation’s grate incineration technology, leading equipment provider for waste-to-energy (WTE) plants, and emerging developer of eco-industrial parks (EIPs) in PRC. EIPs aim to minimize the loss of resources by aggregating a series of environmental protection infrastructures such as municipal solid waste (MSW) treatment facilities, sludge disposal facilities, kitchen waste treatment facilities, medical treatment facilities, and sanitary landfills. MSW WTE is used as the core component of EIPs.
- ADB’s loan will support the development of WTE plants in EIPs in second-and third-tier cities in PRC, with an aggregate renewable energy generation capacity of 60MW and MSW treatment capacity of 3,000 tons/day. The project will also support initiatives by the government to procure state-of-the-art technology from an experienced private sector sponsor through build-operate-transfer WTE projects, as well as other waste facilities within EIPs.
- The project will expand the low-carbon circular economy, increase livability of cities, and tackle climate change through increased renewable energy generation and reduction of landfill-generated methane in PRC.
ADB’s Value Addition:
- Promote higher industry standards through SUS’s incineration technologies that can meet stringent emissions standards.
- Enhance SUS’s environmental and social standards through the adoption of international safeguards standards.
- Finance a portfolio of WTE projects efficiently and economically and mobilize local commercial banks.
Approval Date: 29 November 2018
Commitment Date: 22 March 2019
Case Studies – Infrastructure

### KAZ: Total Eren Access M-KAT Solar Power Project

**Client:** M-KAT Green Limited Liability Partnership  
**ADB Assistance:** $30.5m loan equivalent in tenge  
**Key Features:**  
- The project will build, operate, and maintain a 100 MW direct current solar power plant in southeastern Kazakhstan. The assistance will stimulate the efforts of the Government of Kazakhstan to promote investment in the renewable sector helping replace imports of electricity in power-deficient southeastern Kazakhstan with indigenous renewable sources.  
- M-KAT Green LLP is an SPV that is 100% owned by Total Eren SA. Total Eren is a French IPP company specializing in renewable energy. It develops, builds, and operates renewable energy assets in both developed countries and emerging markets with growing energy needs.  
**ADB’s Value Addition:**  
- Provide long-term local currency financing not readily available in Kazakhstan.  
- Create a demonstration effect on other developers and sponsors, thereby helping establish the viability of solar power projects.  
- Ensure development of high environmental and social standards.  
**Approval Date:** 14 January 2019  
**Commitment Date:** 8 April 2019

### IND: Railways Track Electrification Project

**Client:** Indian Railways Finance Corporation  
**ADB Assistance:** $750m loan equivalent in Indian rupees  
**Key Features:**  
- The Government of India has placed significant emphasis on investing in infrastructure and has developed a 5-year, $132 billion capital expenditure program for the modernization of Indian Railways, which it owns through the Ministry of Railways, and is the third largest railway network in the world. Part of the overall master plan is the electrification of railway tracks which is critical for the movement of goods and people within the country. Electric traction is more advantageous than diesel-powered trains since it is inexpensive to operate, uses renewable energy and recovers energy from braking or slowing down of the train.  
- The project involves electrification of approximately 3,378 route km of existing railway tracks spread across 13 states in India.  
**ADB’s Value Addition:**  
- ADB’s 20-year amortizing local currency loan will allow Indian Railways to match the cash flows from the assets to loan repayment with no foreign exchange risk.  
- ADB’s participation will help attract private sector insurance companies by way of unfunded risk transfers, which is an important and new source of mobilization.  
- ADB will also provide technical assistance to Indian Railways which will help build capacity on environmental and social safeguards systems required for implementing the railway electrification subprojects.  
**Approval Date:** 10 July 2018  
**Commitment Date:** 16 May 2019
Case Studies – Infrastructure

AFG: Kandahar Solar Power Project

Client: Barakat Kandahar Solar Energy (BKSE)
ADB Assistance: $4.0m loan; $3.85m loan from Canadian Climate Fund for the Private Sector in Asia II
Key Features:
- The project will build, operate and maintain a 15 MW (direct current) ground-mounted solar power plant located in southern Afghanistan, about 24 km southwest of Kandahar. Main project components include (i) about 55,000 photovoltaic panels and 100 inverters; and (ii) a 6 km transmission line.
- The project is part of several initiatives undertaken by Afghanistan’s Ministry of Energy and Water to increase investment in the renewable energy industry in the country. 77 Afghanistan, BKSE’s majority owner (90%), was selected among the bidders to implement the project and subsequently entered into a 20-year power purchase agreement (PPA). The PPA will be transferred to BKSE. The remaining shares of BKSE are owned by Burak Unsal of 77 Construction, Contracting and Trading Co.
ADB’s Value Addition:
- Provide long-term financing for private sector solar projects not readily available in Afghanistan.
- ADB’s support, along with its ability to mobilize loans from CFPS II are crucial to meet major market gaps and establish project viability.
- Ensure adoption of international best practices in environmental and safeguards management.
Approval Date: 2 April 2019
Commitment Date: 17 May 2019

THA: Bangkok Mass Rapid Transit Project (Pink and Yellow Lines)

Client: BSR Joint Venture
ADB Assistance: $311m loans equivalent in baht
Key Features:
- The project will construct and operate two mass rapid transit (MRT) monorail lines, Pink Line and Yellow Line. The Pink Line will operate in Bangkok and Nonthaburi province with a total length of about 34.5 km while the Yellow Line will operate in Bangkok and Sumut Prakan province with a total length of about 30 km.
- Through a PPP net cost scheme, the government is responsible for the provision of land and rights of way, as well as the subsidy payment, while the private sector invests in civil works, mechanical and equipment systems, and rolling stock, as well as operation and maintenance.
- BSR Joint Venture comprises BTS Group, Sino-Thai Engineering and Construction Public Company (STECON) and Rachaburi Electricity Generating Holding Public Company (RATCH). The concession was awarded to BSR through a competitive and transparent tender process.
- ADB will provide a loan with longer tenor (“ridership ramp-up tranche”) to mitigate the ridership risk following the expiry of the government subsidy.
ADB’s Value Addition:
- Signal confidence to other financiers and investors and catalyze commercial financing to the MRT sector through the innovative “ridership ramp-up tranche”.
- By supporting the Thai MRT sector from both private sector and public sector (South Purple Line) operations, contribute to the promotion of the PPP schemes, and give assurance to the government that ADB’s support is available regardless of the PPP scheme applied to individual lines.
Approval Date: 5 June 2018
Commitment Date: 30 May 2019
IND: Highway Equipment Finance Project

Client: GR Infraprojects Limited (GRIL)
ADB Assistance: $23m debt financing equivalent in Indian rupees
Key Features:
• GRIL is one of the leading engineering, procurement, and construction companies in the roads and highways sector in India. GRIL intends to use ADB funding to purchase new construction equipment and machinery for its execution capacity expansion. The increased operational capacity will enhance GRIL’s ability to execute its existing order book and enable it to bid for larger and more complex projects, thus supporting the investment plans of the Government of India in the roads sector.
• GRIL is majority owned by the Agrawal family, and has years of experience in the road construction industry.

ADB’s Value Addition:
• Provide access to medium-term financing to GRIL where such financing is becoming scarce for companies operating in core infrastructure sectors.
• Help strengthen human resource management system, promote gender equality, and improve social and environment standards by implementing a standardized corporate wide environment, health and safety policy.

Approval Date: 16 July 2019
Commitment Date: 9 August 2019

REG: Pacific Renewable Energy Program

ADB Assistance: $50.0m loan; $50.0 partial risk guarantee
Key Features:
• The Program encourages private sector investment in renewable energy by mitigating short term liquidity risk, through a donor-backed standby letter of credit, and supports long-term investment through a partial risk guarantee (PRG).
• The Program includes one or more of the following forms of financing support: (i) a letter of credit of up to 24 months to cover short-term liquidity risk, drawable by a project company in an amount covering payments due but unpaid under the PPA; (ii) a PRG covering standard political risks and breach of contract under a power purchase agreement (PPA); (iii) a direct loan to the private sector investor or special purpose vehicle; and (iv) technical assistance for transaction advisory support and streamlined project preparation or tender processes.
• ADB can lend local currencies by providing a partial credit guarantee (PCG) with a local currency lender.

ADB’s Value Addition:
• Create an enabling environment and address key investment risks to promote private sector investment in the Pacific.
• Encourage transparency and governance through technical assistance.

Approval Date: 17 April 2019
Case Studies – Financial Sector

ARM: Strengthening the Banking Sector for Financial Inclusion

**Client:** Ameriabank CJSC (AMB)

**ADB Commitment:** $30m equity

**Key Features:**
- Access to finance in Armenia is problematic particularly for MSMES. 50% of Armenia’s 130,000 SMEs have no access to finance and this figure increases to 60-70% in rural areas. Some banks have started to target this segment because of rising demand and higher yields, coupled with better understanding of SMEs. AMB is one such bank and has been identified as a strong partner for ADB to help improve access to finance in the country.
- AME is the largest bank in Armenia in terms of assets and has a market share of about 17% in total assets. It primarily serves corporate customers (75% of its portfolio) with the remainder comprising SMEs and retail customers. In recent years, AMB has shifted its strategy to emphasize SME lending. AMB has conducted detailed market analysis and plans to roll out products tailored to SMEs’ needs. ADB’s equity will assist expansion of AMB’s SME lending and bolster its capital base.
- ADB will also provide technical assistance of up to $1 million to support digital banking, IT systems, and risk management investments.

**ADB’s Value Addition:**
- Support AMB expanding lending and new product offerings to SMEs, thus supporting overall economic growth, job creation, and diversification.
- Provide critically needed long-term, local currency funding in the absence of well-developed capital markets.
- Fund AMB’s capital requirements for FY2018 and support AMB’s planned IPO by catalyzing other investors.

**Approval Date:** 27 September 2017

**Commitment Date:** 22 January 2018

PRC: Green Transport Finance

**Client:** Minsheng Financial Leasing Company Limited

**ADB Commitment:** $200m direct loan

**Key Features:**
- MFL is a private financial institution which was established in 2008 as one of the first five bank-owned financial leasing companies approved and regulated by the China Banking Regulatory Commission.
- The transaction is to scale up the deployment of green vehicles, which will mitigate traffic congestion and air pollution.
- ADB’s direct loan will be used to finance the leasing or purchasing of green buses. The green buses eligible for ADB financing will need to meet Euro V-equivalent emission standards and fall within at least one of these categories: (i) energy-efficient and new-energy buses; or (ii) buses running on cleaner fuel such as compressed or liquefied natural gas, or biomethane.
- MFL will use the proceeds of the B Loan to finance (i) green vehicles, which include green buses as well as other commercial vehicles and passenger cars that meet the same emission standards and fall within the same categories of the green buses; and (ii) batteries and charging stations for electric vehicles.
- The project will be supported by TA to strengthen the capacity of bus operators by providing information resources and training.

**ADB’s Value Addition:**
- Promote green public transport.
- Support the leasing sector through long-term funding.
- Support partnership between public and private sectors.
- Catalyze private sector funding.

**Approval Date:** 30 August 2017

**Commitment Date:** 30 July 2018
IND: Expanding Credit Delivery for Micro-, Small-, and Medium-Sized Enterprises Project

**Client:** Cholamandalam Investment and Finance Company (Chola)

**ADB Commitment:** $150m senior secured nonconvertible debentures in Indian rupees

**Key Features:**
- Based in Chennai, Chola is a pan-Indian nonbank financial company (NBFC) selected by ADB for its track record in providing finance to MSMEs in logistics and distribution services, which are critical for job creation and overall economic growth. Chola is an attractive partner for ADB, as 70% of its total portfolio is in states with a lower level of penetration by banks and formal financing institutions; in addition to its strong credit profile and good governance standards.
- ADB will provide longer-term financing to Chola, for on-lending to MSMEs, at least half of which will be from the lagging states. ADB’s financing will meet Chola’s requirements for scarce medium-term funds, which will help fund longer-tenor MSME loans and diversify Chola’s funding mix.
- Given the slowdown in credit growth from banks in India, ADB’s funding will also have a countercyclical benefit on MSME’s access to finance, translating into balanced regional economic growth and employment.

**ADB’s Value Addition:**
- Support growth and job creation in India’s MSME segments, through improved access to finance, and in a period where commercial banks have slowed their pace of lending for this segment.
- Provide longer-tenor debt in local currency.

**Approval Date:** 8 December 2017

**Commitment Date:** 7 August 2018

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SRI: Improving Access to Finance for Micro, Small, and Medium-sized Enterprises

**Client:** DFCC Bank PLC

**ADB Commitment:** $35m loan

**Key Features:**
- DFCC is a universal bank with business lines including corporate banking; business banking targeting medium-sized firms; and branch banking, which serves micro and small enterprises and retail customers.
- ADB has a relationship with DFCC and its former subsidiary DFCC Vardhana Bank (DVB). DVB joined ADB’s Trade Finance Program in 2004 and received a $15m loan for housing finance in 2012. DFCC is also a participant in ADB’s SME Line of Credit Project.
- ADB’s financing will support DFCC’s funding requirements for medium-term funding, which is in short supply. This will enable the bank to provide longer-tenor micro, small, and medium-sized enterprises (MSMEs) loans and help the bank diversify its funding sources.

**ADB’s Value Addition:**
- Provide access to longer-tenor debt in support of MSMEs, whose ability to access funds is constrained.
- Strengthen DFCC’s outreach to women entrepreneurs and bolster internal policies on women.

**Approval Date:** 16 May 2018

**Commitment Date:** 15 August 2018
**Case Studies – Financial Sector**

**PRC: Financing Micro, Small, and Medium-Sized Enterprises in the Western Region**

**Client:** MicroCred Nanchong Company Limited  
**ADB Commitment:** $19.7m loan  
**Key Features:**  
- MicroCred Nanchong is fully owned by MicroCred China Limited (MCL), and is registered in Sichuan, one of PRC’s poorest provinces. It had built a long and successful record in providing unsecured microloans to MSMEs in Sichuan province. MCL has strong shareholders (majority owned by Baobab, with other shareholders including IFC, KfW and Developing World Markets), sound corporate governance, experienced management team, developed risk management systems, and satisfactory financial performance.  
- ADB’s loan supports lending operations to micro, small, and medium-sized enterprises in the underdeveloped western region of PRC. By providing access to finance, the project will support the expansion of small businesses and generation of additional employment opportunities, which will in turn contribute to poverty reduction.

**ADB’s Value Addition:**  
- Provide access to longer-tenor finance to help fill MCL’s funding gap to support its expansion. MicroCred Nanchong does not have access to deposits and faces difficulties in obtaining finance from commercial banks.  
- Support effective gender mainstreaming through the gender action plan by targeting more than 10,000 female borrowers.

**Approval Date:** 6 August 2018  
**Commitment Date:** 5 November 2018

**VIE: Mainstreaming Small and Medium-Sized Enterprises Lending Project**

**Client:** Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV)  
**ADB Commitment:** $200m direct loan and $100m B loan  
**Key Features:**  
- ADB will provide longer-tenor funding to BIDV to support the growth of its lending to SMEs and provide critically needed financial products to this underserved segment.  
- BIDV is the largest lender to SMEs in Viet Nam, having it as a priority in line with the government’s efforts to boost lending to this segment. BIDV is 95.3% state-owned through the State Bank of Vietnam; 4.7% is publicly listed.

**ADB’s Value Addition:**  
- Provide access to longer-tenor debt not readily available in Viet Nam and support the growth of SMEs.  
- Part of ADB financing will be earmarked for SMEs in rural areas as well as SMEs owned by women.  
- Mobilize private sector financing for BIDV to help close its funding gap. ADB may also transfer some of its risk to private sector insurers.  
- ADB will also provide technical assistance to (i) strengthen BIDV’s risk management and environmental and social management systems; (ii) support investments in BIDV’s digital strategy; and (iii) develop systems to track female borrowers and create a strategy and products to support this important market segment.

**Approval Date:** 29 August 2018  
**Commitment Date:** 23 November 2018
**Case Studies – Financial Sector**

**PRC: Small and Medium-Sized Enterprises Finance in Underdeveloped Regions Project**

**Client:** Zhujiang Financial Leasing Company Limited (ZFL)
**ADB Commitment:** $58.9m loan

**Key Features:**
- ADB will provide longer-tenor financing to ZFL for lease finance to small and medium-sized enterprises (SMEs) located in the underdeveloped central and western regions of PRC.
- ZFL was established in 2014 as a wholly-owned subsidiary of one of PRC’s leading rural commercial banks, Guangzhou Rural Commercial Bank, and is a leasing company regulated by the China Banking and Insurance Regulatory Commission. ZFL’s operations have a strong development focus, sound corporate governance, experienced management team, developed risk management systems and good financial performance.

**ADB’s Value Addition:**
- Provide access to longer-tenor debt in support of SMEs in underdeveloped regions of PRC, which face significant barriers in accessing finance.
- Help ZFL develop more longer-tenor leasing products for SMEs and improve its asset-liability profile.
- Enhance ZFL’s environmental and social safeguards capacity.

**Approval Date:** 27 July 2018  
**Commitment Date:** 27 November 2018

**IND: Expanding Micro, Small and Medium Enterprise Lending**

**Client:** Capital First Limited (CFL)
**ADB Commitment:** $148m senior secured non-convertible debentures equivalent in Indian rupees

**Key Features:**
- Established in 2012, CFL is a retail lender serving the financing needs of underbanked salaried and self-employed individuals and MSMEs, which comprise India’s “missing middle”. CFL’s growth has been underpinned by its successful development of products and services tailored to the needs of its target customers based on new technologies and deep analytics, enabling rapid credit decisions and superior customer service offered through various delivery channels.
- ADB funding will support the growth of CFL’s lending to MSMEs.
- ADB will also provide technical assistance of up to $200,000 to support CFL’s capacity building on environment and social safeguards.

**ADB’s Value Addition:**
- Support MSME growth and development of the missing middle.
- Support the advancement of India’s emerging lower middle-income segment.
- Diversify and increase the tenor of CFL’s liabilities to better match the funding needs of its MSME lending.

**Approval Date:** 29 September 2017  
**Commitment Date:** 29 November 2018
### CAM: Expanding Micro, Small, and Medium-Sized Enterprise Lending Project

**Client:** PRASAC Microfinance Institution Limited  
**ADB Assistance:** $40m loan  
**Key Features:**  
- The project will support the growth of PRASAC’s financing portfolio for micro, small, and medium-sized enterprises (MSMEs), providing needed financial products and services to this underserved segment. PRASAC has prioritized the development of its MSME financing business line, emphasizing MSMEs led by women.  
- PRASAC was established in 1995 as a development project funded by the European Union to rehabilitate and support agricultural development in 6 provinces in Cambodia. The company evolved over the years and became a microfinance institution, providing credit to rural communities and microenterprises throughout the country. Present shareholders include Lanka Orix Leasing Company (70%), a leading financial service conglomerate in Sri Lanka, Bank of East Asia (21%), the largest independent local commercial bank in Hong Kong and, PRASAC Staff Company (9%).  
**ADB’s Value Addition:**  
- Provide access to longer-tenor debt to support growth and reduce certain risks and to diversify its funding sources.  
- Promote gender equality and/or women’s empowerment in PRASAC’s business activities through the gender action plan.  
**Approval Date:** 17 July 2018  
**Commitment Date:** 18 December 2018

### IND: Supporting Access to Finance for Women in Rural Areas Project

**Client:** Annapurna Finance Private Limited  
**ADB Assistance:** $30m equity; $20m debt security  
**Key Features:**  
- Annapurna has been part of ADB’s Microfinance Risk Participation and Guarantee Program since 2014. It is one of the largest MFIs in India with the majority of its portfolio in lagging states and rural areas. Annapurna’s largest shareholder is Oman India Joint Investment Fund, a growth capital private equity fund focused on investing in the mid-market segment in India. The Belgian Investment Company for Developing Countries, a bilateral development bank, holds about 14%.  
- The transaction will support Annapurna’s growth as it expands its lending presence in eastern and central India and diversifies across underpenetrated regions of India. This will be Annapurna’s first partnership with a multilateral institution.  
- ADB’s investment will be used to finance (i) microfinance loans to women customers under the self-help group and joint liability group models; (ii) other small loans to individuals and micro and small enterprises; and (iii) affordable housing loans.  
- ADB will also provide capacity building technical assistance of up to $500,000 to support Annapurna in key areas such as gender mainstreaming, including skills development of its customers and risk management.  
**ADB’s Value Addition:**  
- Through ADB’s nominee on Annapurna’s Board, Annapurna will benefit from ADB’s experience and knowledge in some of its core business areas, such as MSE finance, rural finance, and affordable housing finance.  
- Strengthen the capital of Annapurna and provide longer-tenor debt.  
- Support Annapurna’s adherence to high corporate governance and adoption of market leading risk management, social, and environmental standards.  
**Approval Date:** 14 November 2018  
**Commitment Date:** 27 December 2018 (for equity only)
Case Studies – Financial Sector

**GEO: Low-Income Housing Finance**

**Client:** Credo Bank JSC  
**ADB Assistance:** GEL 60 million loan and $0.5 million technical assistance  
**Key Features:**  
• ADB signed a long-term loan agreement with Credo Bank to support the launch of housing finance products targeting low-income clients for home renovation and construction in rural Georgia and the periphery of the capital.  
• Since 2014 Credo is owned by a consortium led by Access Microfinance Housing AG. In 2016, ADB provided a $23m loan and technical assistance (TA) to support Credo in its transformation from microfinance lender to a bank, which materialized in March 2017. More than half of Credo’s 230,000 strong clientele are women, predominantly representing rural and farm households that generate income from farming and business, including agritourism.  
**ADB’s Value Addition:**  
• Provide needed long-term funding for housing in Georgia, enable affordable loans to lower-income segments and improve the livelihood of rural Georgians.  
• Support Credo’s initiatives to serve lower-income homeowners, and thereby help reduce rural poverty and improve living conditions in rural Georgia.  
• ADB will provide a TA to support Credo’s efforts to extend reach to rural clients in 1700 additional villages, benefitting an estimated 30,000 women clients via branchless banking services and targeted financial literacy initiatives.

**Approval Date:** 5 December 2018  
**Commitment Date:** 17 April 2019

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**PRC: Health Care Finance in Underdeveloped Provinces**

**Client:** Far East Horizon Limited (FEH)  
**ADB Assistance:** $150m direct loan; $200m B loan  
**Key Features:**  
• FEH is one of PRC’s leading leasing and financial service groups and is listed on the Hong Kong Stock Exchange. Established in 1991, FEH has developed significant experience in healthcare leasing, especially in the underdeveloped central and western regions of PRC.  
• The project will provide longer-tenor financing to FEH to offer lease finance, through its wholly-owned subsidiary International Far Eastern Leasing, to public hospitals in the 12 least-developed provinces of PRC.  
**ADB’s Value Addition:**  
• Provide critically needed long-term finance which will support FEH’s longer-tenor lease products for health care and increase its capacity to expand its operations, especially in county hospitals in underdeveloped regions.  
• Enhance FEH’s environmental and social safeguards capacity and strengthen its policies to support more gender inclusivity.  
• Diversify FEH’s long-term funding base by mobilizing private sector cofinancing.  

**Approval Date:** 16 November 2018  
**Commitment Date:** 28 June 2019
BAN: Second PRAN Agribusiness Project

**Client:** Sylvan Agriculture Limited (SAL)

**ADB Assistance:** $14.2m loan

**Key Features:**

- ADB’s loan will support SAL’s expansion into potato chips, potato flakes, and pasta through the financing of new processing facilities located in Habiganj Industrial Park. SAL will procure potatoes under contract farming arrangements and provide secure income to 2,000 smallholder farmers. The project will promote inclusive business given the high poverty reduction impact at both farming and factory levels.
- The project will also achieve effective gender mainstreaming through the adoption of a gender action plan.
- The project is a repeat assistance to SAL, whose existing starch and liquid glucose manufacturing facilities (procuring cassava from contract farmers) were also financed by ADB in 2012.
- SAL is owned by PRAN-RFL Group, one of the largest manufacturing groups in Bangladesh and the market leader in food products. It has been developing farmer engagement through contract farming since the 1990s. PRAN has contracted about 100,000 farmers across various crops, from whom it procures for its various agribusinesses.

**ADB’s Value Addition:**

- Provide long-term US dollar funding, which is not readily available in Bangladesh.
- Promote higher environmental and social standards through compliance with ADB’s policy requirements.
- Promote gender equality through a gender action plan which includes creation of job opportunities for women and assistance to women contract farmers through technology-based applications.

**Approval Date:** 10 December 2018

**Commitment Date:** 19 March 2019
REG: Exacta Asia Investment II, L.P.

Client: Exacta Asia Investment II
ADB Commitment: $25m equity

Key Features:
- A private equity fund with a target capitalization of $250 million. Exacta II will invest in domestic consumption-driven business and export-oriented manufacturing companies in Southeast Asia.
- Investing in Exacta II would allow ADB to participate in Southeast Asia’s continued economic growth while providing development benefits.
- Exacta II will be managed by Exacta Capital Partners, a private equity fund manager that invests in lower middle-market companies whose growth is driven by domestic consumption and/or exports, and has built in-depth knowledge and expertise in industries such as food and beverages, healthcare, business services, and manufacturing.

ADB’s Value Addition:
- Help deepen capital markets in the Southeast Asian countries for lower middle-market companies who often struggle to find growth capital.
- Support the development of the private sector in countries where equity-related financing is limited.
- Raise standards on important governance matters, which are critical for companies to demonstrate as they seek additional sources of growth capital.
- Help mobilize additional financing from third-party sources.

Approval Date: 12 July 2018  
Commitment Date: 19 October 2018

REG: Creador IV, L.P.

Client: Creador IV, L.P.
ADB Assistance: $50m equity

Key Features:
- A private equity fund with a target capitalization of $500 million that seeks to invest growth capital into middle market companies in India, Indonesia, Malaysia, Philippines, Sri Lanka, and Viet Nam. Focus sectors include financial services, consumer goods and services (including healthcare), business services and manufacturing.
- Creador IV will be managed by Creador, one of the leading private equity fund managers in the region, having developed in-depth market knowledge and domain expertise within its targeted sectors.
- ADB is an existing investor in Creador III, L.P. having committed $40.9m to the $419m fund in 2015. Consistent with Creador III, ADB will have a seat on the advisory board of Creador IV.

ADB’s Value Addition:
- Further raise the visibility of the capital needs in Creador’s targeted sectors, and help catalyze institutional and non-institutional participation in other private equity funds investing in middle-market companies in South and Southeast Asian markets.
- Further enhance Creador IV’s environmental and social management system.
- Potentially provide debt and equity financing directly to Creador’s portfolio companies to help them grow and to mobilize additional financing from third-party sources.

Approval Date: 24 September 2018  
Commitment Date: 11 December 2018
Case Studies – Private Equity

**MYA: Ascent Myanmar Growth Fund I L.P.**

**Client:** Ascent Myanmar Growth Fund I L.P. (AMGF)

**ADB Assistance:** $10m equity

**Key Features:**
- A private equity fund with a target capitalization of $100 million. AMGF will invest equity capital for growth purposes in middle-market companies, including SMEs, operating in Myanmar. Focus sectors include consumer, education, financial services, healthcare, and technology, media and telecommunications.
- Ascent Capital Partners, a newly established Singapore-registered private equity fund manager, is responsible for implementing the investment. It is supported by anchor investors including two reputable and successful entrepreneurs in Myanmar; and Temasek Capital Management.

**ADB’s Value Addition:**
- Catalyze private sector investment in Myanmar and encourage international investment and governance best practices in the fund’s investee companies.
- Help Ascent Capital adopt an environmental and social management system which will be applied to portfolio companies’ operation, and a gender inclusive policy against which the proposed investments will be screened.
- Provide funding that will enable AMGF to provide long-term equity capital that will benefit fast-growing companies to scale up, contributing to the growth of Myanmar’s nascent economy and capital markets.

**Approval Date:** 11 December 2018

**Commitment Date:** 21 December 2018

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**IND: Multiples Private Equity Fund III Limited**

**Client:** Multiples Private Equity Fund III Limited

**ADB Assistance:** $35m equity

**Key Features:**
- A private equity fund with a target capitalization of $750 million, Multiples III will invest in growth stage opportunities in middle-market companies in India. It may also selectively consider control-oriented and early-stage investment opportunities. Target sectors are consumer, finance, healthcare, and technology.
- The fund will be managed by Multiples Alternate Asset Management Private Limited, an Indian-focused, independent, and well-respected private equity fund manager that has raised two funds totaling $880 million in committed capital and invested nearly $700 million across 20 investments.
- Multiples III will help (i) provide growth capital to private sector companies and catalyze their development while tapping into India’s growing middle class; (ii) support the Indian government’s efforts to increase the transparency and efficiency of the economy by improving corporate governance of portfolio companies; and (iii) contribute to private sector job creation and increased tax revenues for the Government of India.

**ADB’s Value Addition:**
- As an anchor investor, help attract additional institutional capital to enable the fund to reach its target size.
- Help develop and adopt an environmental and social management system (ESMS) that will oblige its portfolio companies to comply with ADB’s SPS.
- Promote gender equity in certain investee companies of the fund.

**Approval Date:** 13 December 2018

**Commitment Date:** 31 December 2018