

ADB Private Sector Operations

CAREC Energy Investment Forum 2016

Islamabad, Pakistan

24 October 2016



PSOD's Products and Services

Debt

- Direct loans: market-based pricing in major international and/or local currencies
- B-loans: ADB acts as Lender of Record and administers the loan, but it is funded by 3rd-party financing
- Unfunded risk participations: fronting arrangement whereby IFIs, commercial banks and insurers bear underlying credit risk on ADB financings

Equity

- Direct investments in enterprises and financial institutions through common shares, preferred stock, and/or convertibles
- Investments in private equity funds as a general partner (GP) or limited partner (LP)

Guarantees & Technical Assistance

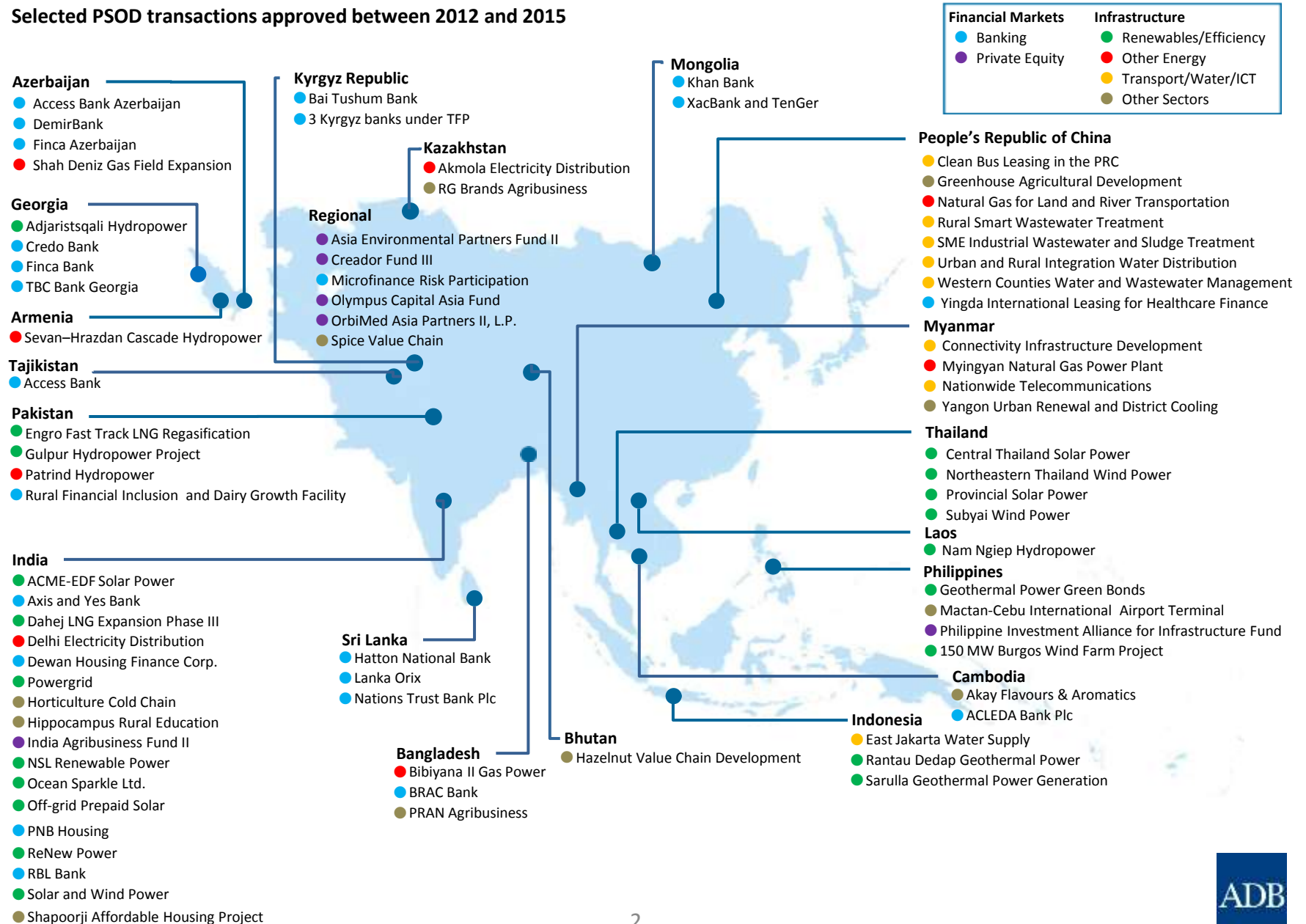
- Political Risk Guarantee (PRG): protection against political risks, including foreign exchange restrictions, expropriation, political violence and contract dispute
- Partial Credit Guarantee (PCG): protection against credit risks, including non-payment by the borrower of the principal and interest due
- Technical assistance funding for project preparation, capacity development, R&D, etc.

Asset Management

- Deployment and management of 3rd party commercial capital in ADB-led transactions
- Deployment and management of 3rd party concessional and returnable capital for targeted industries / geographies

ADB's PSOD is the leading investor in its core sectors across emerging Asia

Selected PSOD transactions approved between 2012 and 2015



2015 Case Studies: Infrastructure

102 MW Gulpur Hydro Project



Total project cost: \$367 million

ADB assistance: \$65 million direct loan

Co-financing: \$210 million (IFC and KEXIM)

Sponsors: Korea South East Power Company Limited, Daelim Industrial Company and Lotte Engineering and Construction

Development Impact: Improved power supply in Pakistan; diversified power generation mix; increased investment by private sector in renewable energy projects in Pakistan; and avoiding 254,000 tons of greenhouse gases (CO₂ equivalent) per annum.

Date Approved: 17 April 2015

\$ = US dollars.

Engro Fast-Track LNG Regasification Facility



Total project cost: \$133 million

ADB assistance: \$30 million direct loan

Co-financing: \$70 million (IFC and local lenders)

Sponsor: Engro Corporation

Development Impact: Pakistan's first LNG re-gasification terminal of 3.5 million tons per annum capacity built; energy security enhanced through diversification of energy base; commercially viable re-gasified LNG supplied to power sector replacing expensive high-speed-diesel fuel, approximately 2 millions tons greenhouse gases (CO₂ equivalent) per annum avoided.

Date Approved: 24 February 2015

\$ = US dollars.