



# PROPARCO in Lao

*Promoting Sustainable Private Sector Development*

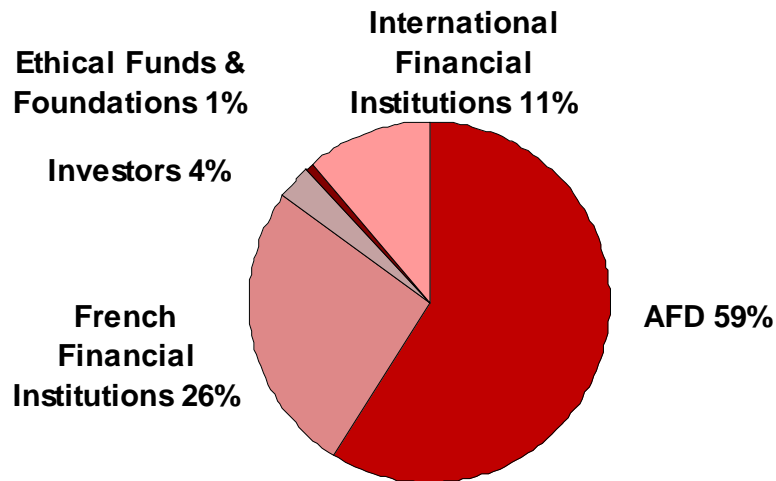
## Financing Tools Presentation



# PROPARCO – At a glance

- Private sector arm of AFD
- Mission:
  - reduce poverty by providing basic services (food, electricity, water, infra, health, education, microfinance...)
  - support economic growth and job creation
  - preserve Global Public Goods and disseminate high E&S standards
- Combines long-term developmental objectives and private sector returns
- Present in Asia since 2004 (Bangkok based)
- Offers a wide range of long term financial instruments (loans / mezzanine / equity...)
- Additionality : investing at market conditions without competing with any other private source of financing
- Not tied to French Interests

# Shareholding structure and 2010 highlight

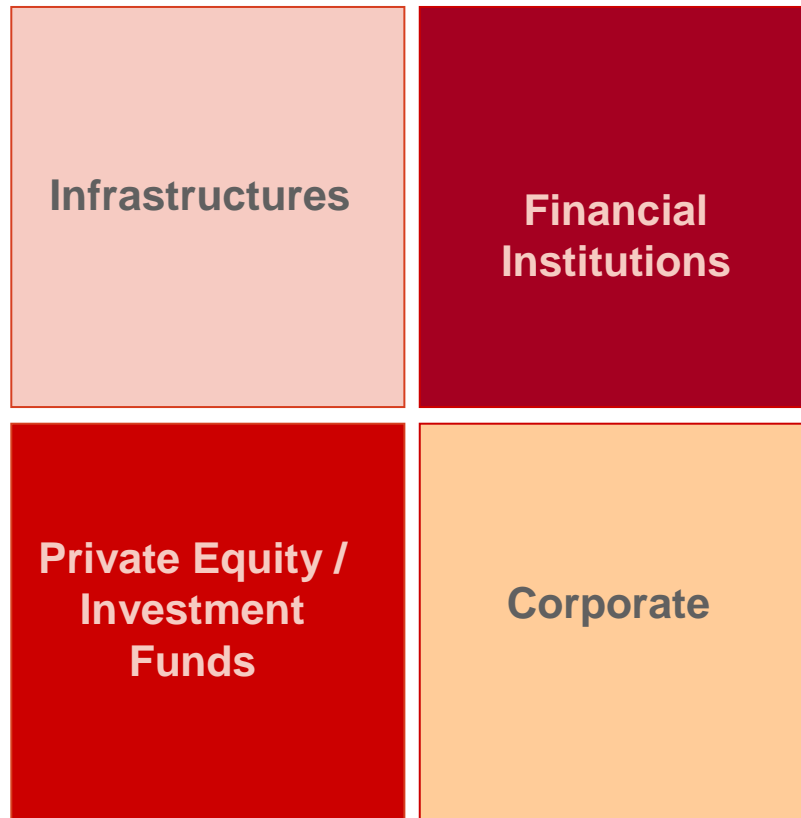


2010 in brief:  
 1,2 bn € committed  
 940 M€ signed (70 projects)  
 660 M€ disbursed



# Proparco's strategy in Lao PDR

Our mandate is to promote sustainable growth and poverty reduction



## Key success factors :

- Developmental impacts
- Additionality
- Profitability and sustainability
- KYC check
- Min. size of investments (see below)
- ...

# A full range of long term financial instruments

Senior

Junior

Convertible

Mezzanine

Equity

- Amount usually from USD 10 million to USD 100 million equivalent
- USD, EUR, JPY or local currencies
- Tenors ranging from 5 to 20 years
- Fixed or floating rate (benchmark rate + spread depending on country and project risk)
- Grace periods depending on project needs, mortgage or sculpted amortization
- Corporate or Project Finance - greenfield/brownfield
- No political risk insurance required
- Co-financing with other development institutions and/or local banks

## Examples:

- Nam Theun 2 (Lao), USD 30 million 17 years senior limited recourse loan for a 1GW hydropower project
- Theun Hin Boun, USD 40 million 16 years project financing for the 280 MW expansion of an existing hydropower plant

# A full range of long term financial instruments

Senior

Junior

Convertible

Mezzanine

Equity

- Amount usually from USD 5 million to USD 20 million equivalent
- USD, EUR, JPY or local currencies
- Tenors ranging from 5 to 20 years
- Fixed or floating interest rate plus profit sharing or equity kicker
- Tailor-made amortization and degree of subordination
- Corporate or Project Finance - greenfield/brownfield
- No political risk insurance required
- Cofinancing with other development institutions and/or local banks

# A full range of long term financial instruments

Senior

Junior

Convertible

Mezzanine

Equity

- Investments range usually from USD 5 million to 15 million equivalent
- Minority shareholding (<20%)
- Direct investment or funds
- Board seat in some cases
- Usually exit in year 5 to 10
- Expected IRR 15% or more
- Co-investment along strategic investors possible



# Our added value

## Partnership with AFD

- AAA rating guaranties competitive funding
- Possibility of co-financing on large-scale projects

## Possibility to source additional funding through other Development Finance Institutions

- Multilateral DFIs (IFC/World Bank, ADB, European Investment Bank...)
- Bilateral DFIs (FMO, DEG, etc.)
- PE funds, Climate funds
- Commercial institutions

## Reputation of excellence based on high-standard due diligence processes

- Clients & sponsors – Background check and anti-money laundering procedures
- Social & environmental impacts
- Thorough business plan analysis
- Long-Term player

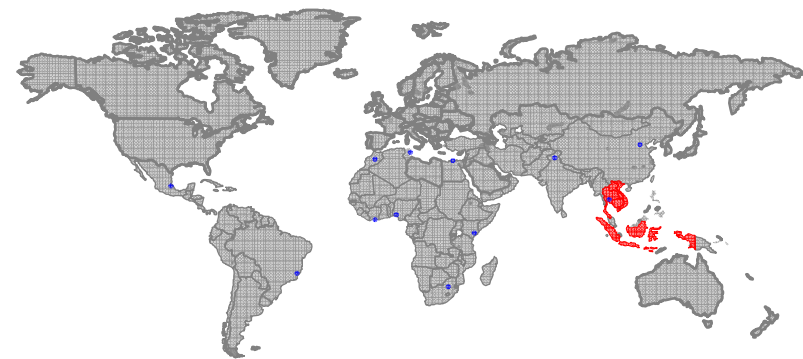
# Contact

## **Pierre-Alain Pacaud**

Regional Manager – North and South-East Asia  
pacaudpa@proparco.fr

## **Proparco Office**

Exchange Tower, Unit 3501-02, 35th floor  
388 Sukhumvit Road, Klongtoey  
Bangkok 10110, Thailand  
Tel +66 (0)2 663 6090  
Fax +66 (0)2 663 6077





# Appendix

# Most recent projects in South-East Asia



**FajarPaper**  
PT Pajar Surya Wininga Tbk.  
Indonesia  
2011  
Loan USD 10 M



**Sacombank**  
SAIGON THƯƠNG TIN BANK  
Vietnam  
2011  
Loan USD 10 M



**Panin Bank**  
Indonesia  
2010  
Loan USD 25 M



**Sacombank**  
SAIGON THƯƠNG TIN BANK  
Vietnam  
2010  
Loan USD 20 M



**TECHCOMBANK**  
Vietnam  
2010  
Loan USD 15 M



**CICT**  
Vietnam  
2010  
Loan USD 15 M



**SSIT**  
Vietnam  
2009  
Loan USD 15 M




**Sacombank**  
SAIGON THƯƠNG TIN BANK  
Vietnam  
2009  
Loan USD 20 M




**Techcombank**  
Vietnam  
2009  
Loan USD 15 M



**GOLDEN RICE**  
The Perfect Taste of Cambodian Rice  
Cambodia  
2009  
Loan USD 7 M



**Acleda Bank Plc**  
Cambodia  
2009  
Loan USD 10 M



**Theun Hinboun**  
Lao PDR  
2009  
Loan USD 40 M

## Other projects in South-East Asia



**Millicom**  
Laos  
2007  
Loan USD 13,5 M



**Airports 2**  
Cambodia  
2006  
Loan USD 17,5 M



**China Gaz**  
China  
2005  
Loan USD 25 M



**TBEC**  
Thailand  
2005  
Gua. EUR 6 M



**Nam Theun II**  
Laos PDR  
2005  
Loan USD 27 M



**Dragon Capital**  
Vietnam  
2004  
Loan USD 2 M



**Scavi**  
Vietnam  
2004  
Loan USD 2 M



**Cam GSM**  
Cambodia  
2003  
Loan USD 8,5 M



**Airports 1**  
Cambodia  
2003  
Loan USD 10 M



**Phu my 2.2**  
Vietnam  
2002  
Loan USD 40 M

# PROPARCO – Internal Process

