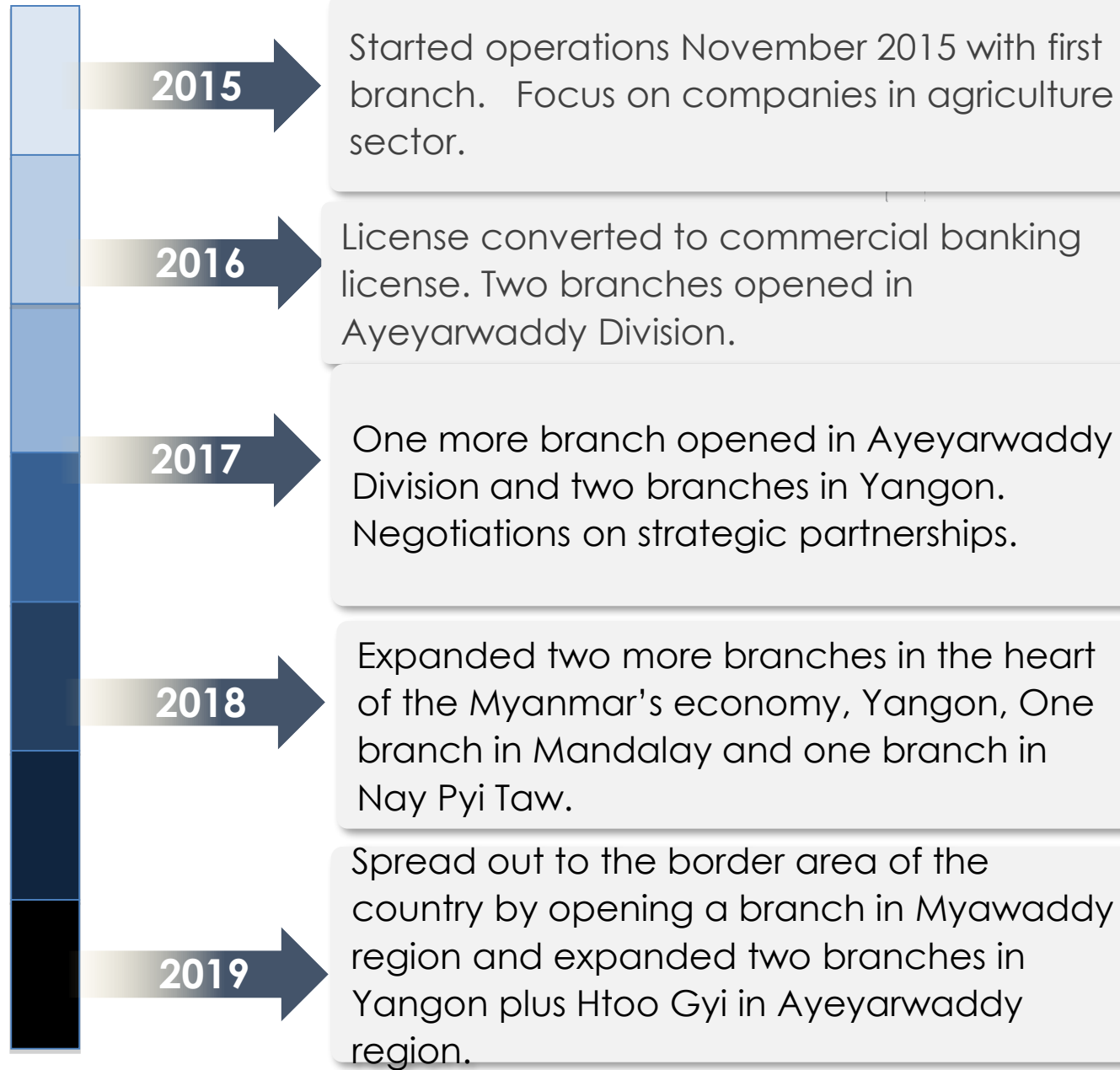


Financing The Renewable Energy Sector



Introduction to History



511816658

A bank part of larger, dynamic Ayeyar Hinthar Group



Agribusiness



**Industrial
Estate and
Property**



**Banking and
Finance**



14 branches



**350 Bn kyat
assets (\$ 233
million USD)**



500 staffs



**Healthcare and
Education**

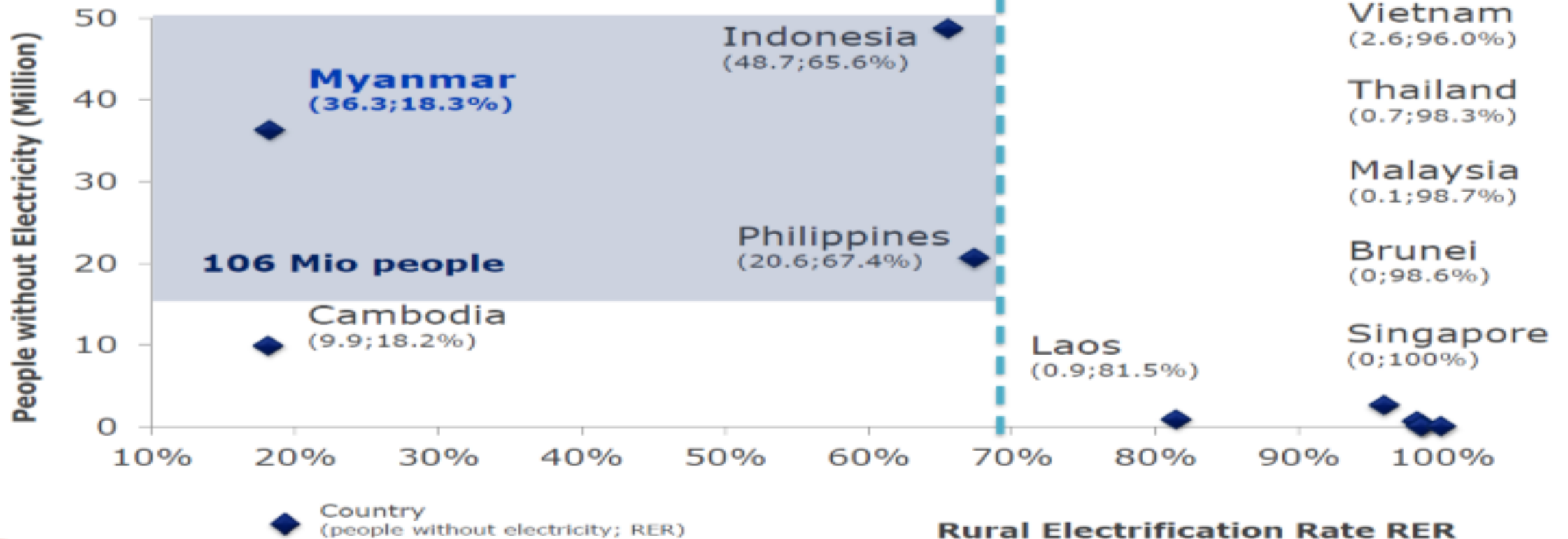


**Portfolio
Investment and
Partnerships**



Rural Electrification Rates in South East Asia

South East Asia: 119.8 million people without electricity (119.8;69.1%)





Solar Energy

Hydro Power

Wind Energy

Biomass Energy



- ❖ **National Grid (40%)**
- ❖ **Solar (38%)**
- ❖ **Diesel (14%)**
- ❖ **Hydro (6.7%) (A bank Financing Target)**
- ❖ **Solar Mini Grid (0.6%) (A bank Financing Target)**
- ❖ **Bio Mass (0.5%) (A Bank Financing Target)**
- ❖ **Wind (0.2%) (A bank Financing Target)**



- ❖ **Access to Market (1.8 Billion USD Potential Market and impact to society 2 million People, 2253 mini grids- Local SMEs can become the players)**
- ❖ **Access to Knowledge/Technical Support (GIZ, World Bank's grant)**
- ❖ **Access to finance (Local banks, Investors, DFIs and so on)**



Mini-Grid Funding Need

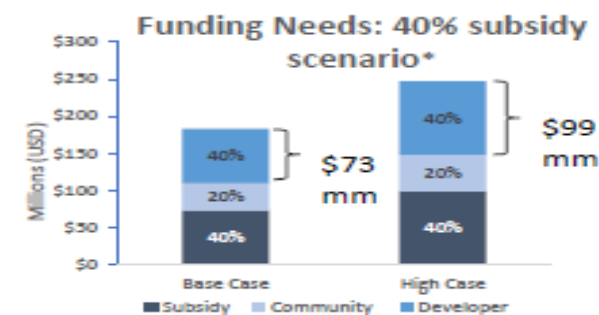
- **Total developer funding need** for the first 2,253 mini-grids: \$444-600mm (or higher if subsidies are lowered)

Funding Need Summary	Base Case	High Case
Subsidized (at 60% subsidy)	\$37mm	\$50mm
Unsubsidized	<u>\$407mm</u>	<u>\$550mm</u>
Total Funding Need	\$444mm	\$600mm

Total developer funding need for ~8,000 mini-grids (viable market estimate by 2025) is \$2 bn+

- **Breakdown of subsidized vs. unsubsidized funding needs:**

Subsidized need: 1,499 of the first 2,253 viable mini-grids are expected to be subsidized - developer funding need is \$37-99mm



Unsubsidized need: 754 of the first 2,253 viable mini-grids are expected to be unsubsidized – developer funding need is \$407-550mm

Unsubsidized Sites Financing Needs	Base Case	High Cost (+35%)	
Average capex for nonsubsidized sites	491,158	663,064	USD
Contingency & Soft costs (w/ financing costs)	10%	10%	%
Average project cost per site	540,274	729,370	USD
Community portion	0%	0%	%
Total developer financing need	407,366,667	549,945,000	USD

1) Viable unsubsidized mini-grids are larger by nature, hence costs are notably higher than subsidized sites. Typical average capacity of ~230 KW for unsubsidized vs. average capacity of ~45 KW for subsidized.



Does A Bank Really Care about Renewable Energy Sector



We have 3 million USD Renewable Energy Revolving Fund



A bank Financing Support for Solar Mini Grid



- ❖ **Performance BG**
- ❖ **Advanced Payment BG**
- ❖ **Working Capital (Structure- developers can pledge their sites and future income assigned to bank for the financing)**



- ❖ **Direct Financing (Blended Financing Equity/Debt from outside investors)**
- ❖ **Revolving Financing Facility (Debt/Mezz/Equity- Nexus, A bank)**
- ❖ **Two Step Loan Facility (JICA, KFW, AFD)**

A bank's Value Chain Lending Model (Creating Win-Win Environment and Plugging in Players)



Awba/ Yara/
Armo/

50,000 Small
Holder Farmers

Myint Myat Taw
Win/ DeHeus/
CP

Metro/
Makro/Coca
Cola

City
Mart/Orange/ABC

Local/Regional/
Global (Whole
Foods USA)

Input
Suppliers

Growers
and
Farmers

Processors

Distributors

Retailers

Consumers

Plugging in Renewable Energy (Solar, Hydro, Wind, Bio Mass) Players
<Increase Productive End use>

**Digitalize all the players with A Wallet
(Big Data and AI)**



By far A bank is the only bank to provide Green Finance HP program)



A bank's Track Record in RE (Pioneered bank to Finance Start up RE SME- Natural Farm Fresh)





Chilly



Tumeric



Ginger

Ultimate Goal is to push Myanmar Forward so A bank alone cannot do it ... we would like to invite big banks to participate and make huge impact changing Myanmar



The calling is there...

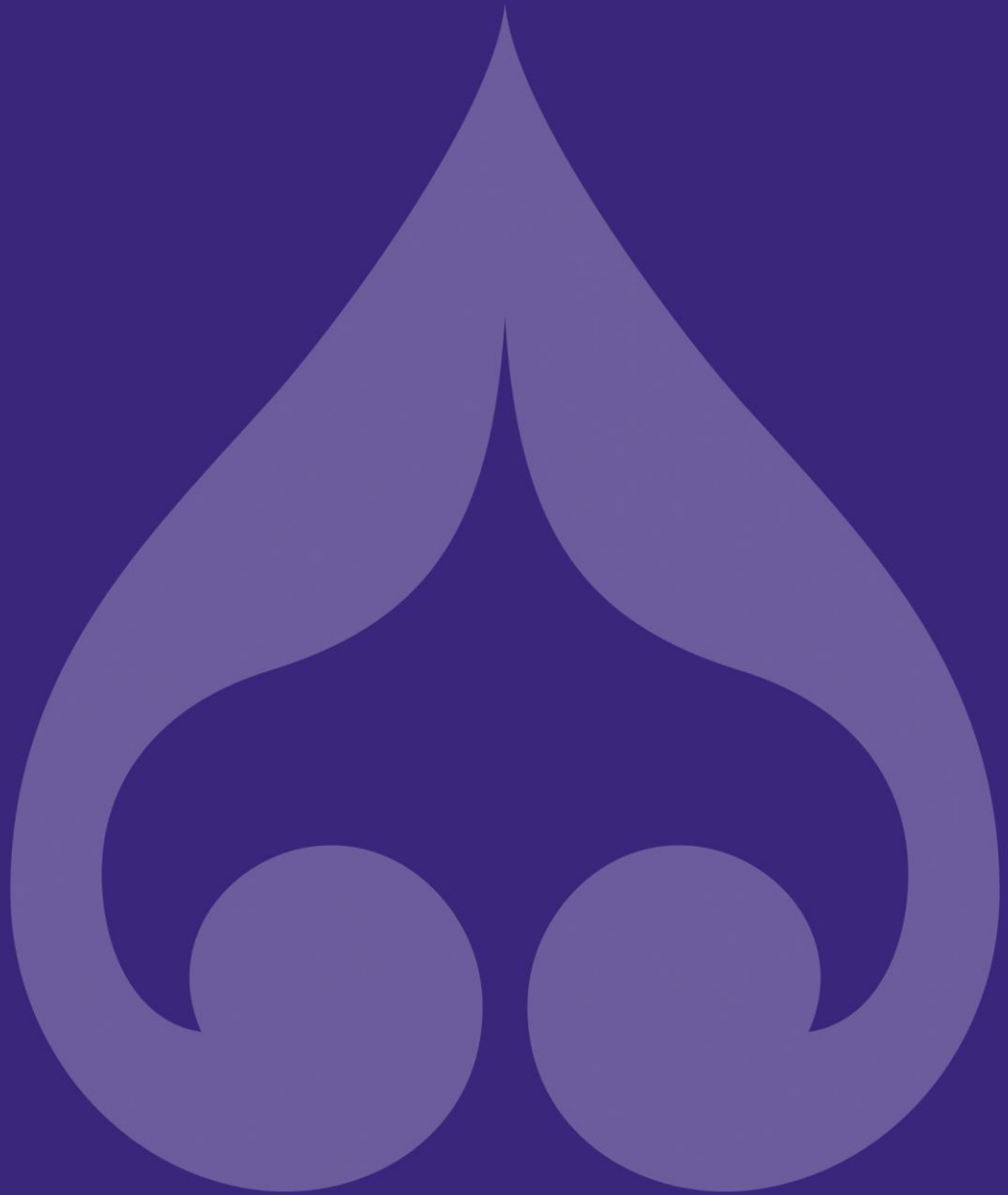


it is up to each potential player to decided whether they want to participate in this exciting journey of lighting up Myanmar.

“There’s a difference between knowing the path and walking the path”

Knowing is not enough, you must do it

Note: “For A bank, We are already in the Game! Most importantly, We execute”



Thanks

THANKS