

FINANCING PROGRAMS FOR ENERGY PROJECTS

Mindanao Energy Investment Forum 2016
July 28, 2016



Presentation Outline

1. **Who we are?**
2. **What We Offer?**
3. **Basic requirements**
4. **Summary**

- ✓ A premier development financial institution dedicated to support the national government's thrusts
- ✓ 7th Largest Bank: Total Asset as of 2015 – P508 Billion (source: BSP)
- ✓ Committed to triple bottom line - Social, Environment and Economics
- ✓ 1st Local Bank to be ISO 14001 Certified
- ✓ Recipient of national and international awards (ADFIAP, Karlsruhe Awards, etc.)
- ✓ Strength is on medium and long-term financing



Priority Thrusts



Infrastructure and
Logistics



Environment
Initiatives



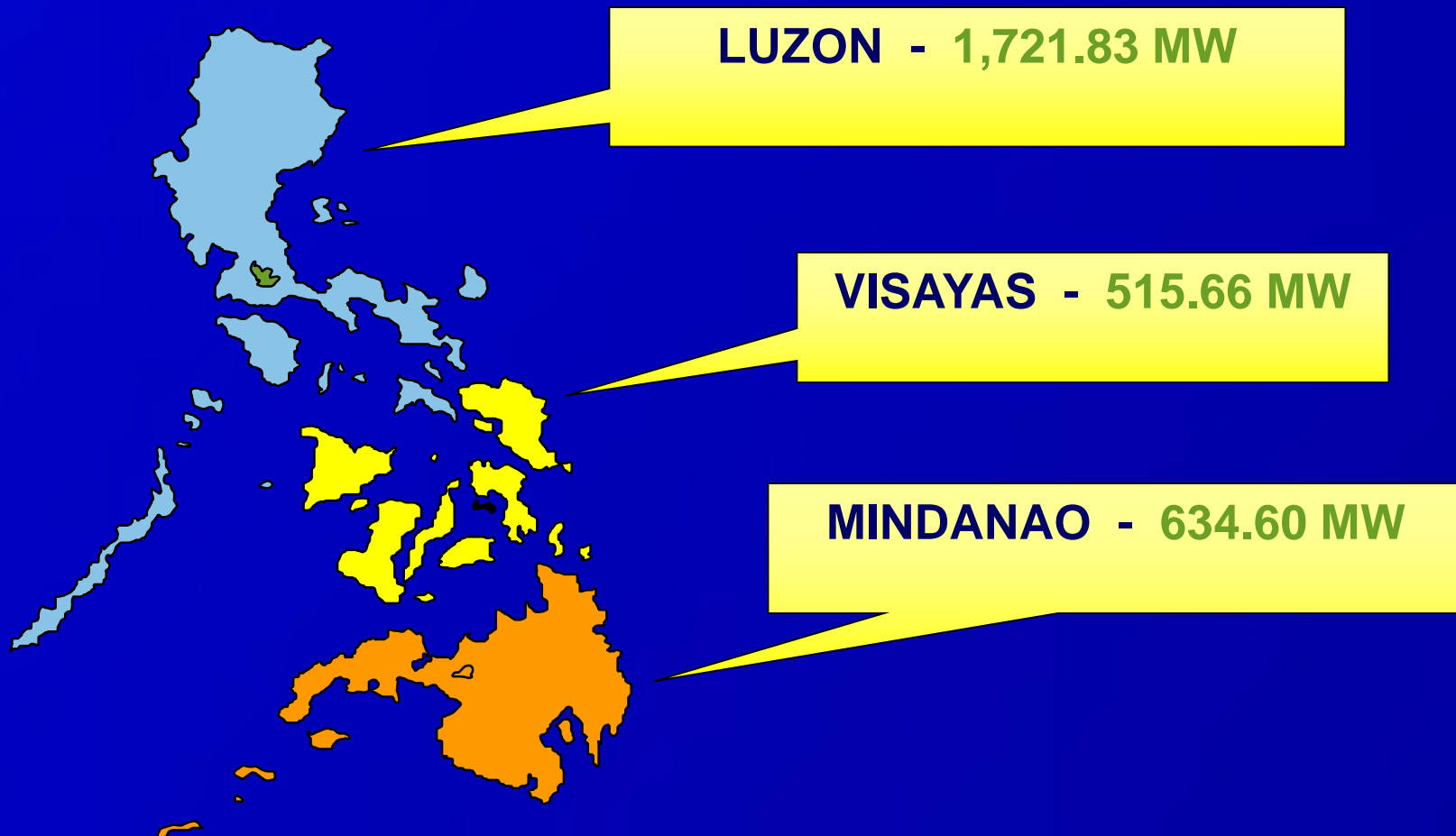
Social Services &
Community Devt.



Micro, Small and
Medium Enterprises

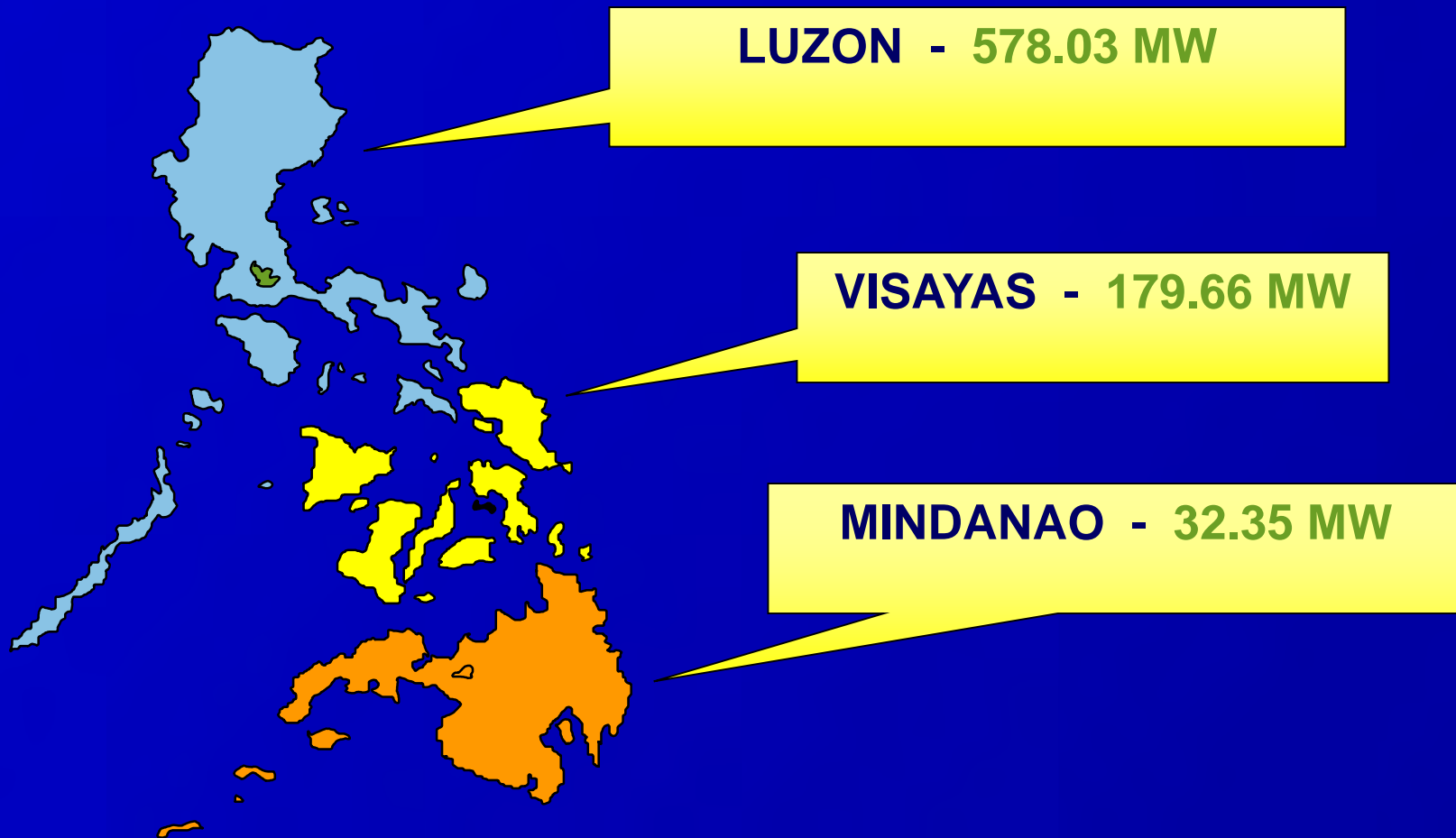


Contribution in Power Supply (operational & under construction)



... total capacity of 2,872.09 MW

Contribution in RE Development (operational & under construction)

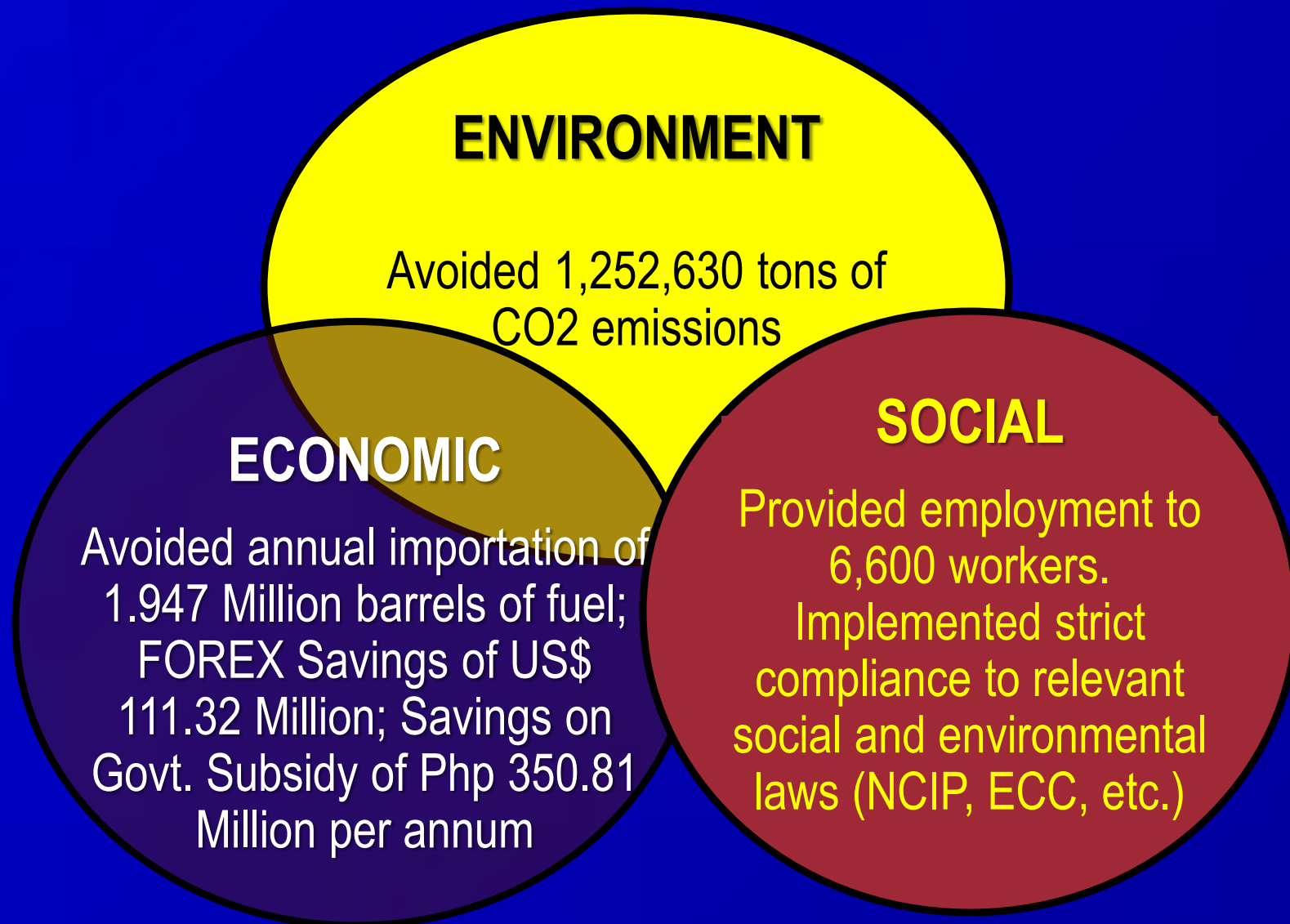


... total capacity of 790.04 MW

Select Power Projects Transactions and Capital Market Fund Raising Deals

 <p>FDC Misamis Corp.</p> <p>PHP8.4 Billion Term Loan</p> <p>Lender</p> <p>2014- Ongoing</p> 	 <p>Therma South Inc.</p> <p>PHP24.0 Billion Syndicated Term Loan</p> <p>Co-Lead Arranger and Lender</p> <p>October 2013</p> 	 <p>Petrowind Energy Inc.</p> <p>PHP4.0 Billion Term Loan</p> <p>Lender</p> <p>July 2013</p> 	 <p>Power Sector Assets and Liabilities Management Corp.</p> <p>PHP 75 Billion Syndicated Term Loan Facility</p> <p>Joint Lead Arranger and Lender</p> <p>May 2011</p> 	 <p>Power Sector Assets and Liabilities Management Corp.</p> <p>PHP 30 Billion Fixed Rate Retail Bonds</p> <p>Sole Issue Coordinator Joint Issue Manager and Bookrunner Selling Agent</p> <p>April 2010</p> 	 <p>Power Sector Assets and Liabilities Management Corp.</p> <p>USD 1.2 Billion Global Bond Offering</p> <p>Sole Global Coordinator Joint Dealer Manager</p> <p>November 2009</p> 
 <p>TA GUIMARAS WIND ENERGY CORP</p> <p>PHP6.2 Billion Term Loan</p> <p>Lender</p> <p>November 2012</p> 	 <p>SNAP B</p> <p>PHP 5.0 Billion Syndicated Term Loan</p> <p>Lender</p> <p>July 2012</p> 	 <p>SNAP M</p> <p>PHP 5.0 Billion Syndicated Term Loan</p> <p>Lender</p> <p>July 2012</p> 	 <p>Petron Corporation</p> <p>PHP 10 Billion Corporate Notes</p> <p>Joint Lead Manager</p> <p>May 2009</p> 	 <p>Energy Development Corp.</p> <p>PHP 7 Billion Fixed Rate Bonds</p> <p>Joint Lead Underwriter</p> <p>May 2013</p> 	

Funded RE Contributions (actual and potential)



Financing Assistance

1. Project Financing with technical assistance on environmental projects (e.g. renewable energy)
2. Project Preparation for small scale renewable energy projects (up to 10 MW)
3. Loan Syndication
4. Transaction and Financial Advisory

FINANCING PROGRAMS

1. **Financing Utilities for Sustainable Energy Development (FUSED) Program** – for power generation, transmission and distribution projects
2. **Green Financing Program** – supports among others, energy efficiency and alternative fuel projects

Financing Program Features

ELIGIBLE PROJECTS

1. **Power generation**
 - a. **Renewable energy** - hydro, wind, solar, biomass, geothermal and other emerging technologies
 - b. **Conventional energy** – coal, diesel and bunker fuel
2. **Power transmission and distribution**– system loss reduction, rehabilitation, upgrading, expansion and other network and non-network projects
3. **Energy Efficiency** – building retrofit, efficient lighting and investment in other energy efficiency equipment
4. **Alternative Fuels** – bio fuels production, vehicle conversion and retrofitting

Financing Program Features

ELIGIBLE BORROWERS

1. Private Corporations
2. Local Government Units
3. Electric Cooperatives
4. Private Financial Institutions
5. Government-Owned and Controlled Corporations

Financing Program Features

ELIGIBLE PURPOSES

Capital expenditures, working capital, interest during construction and consultancy services.

TERM

Based on project cash flows, maximum of 15 years inclusive of up to 5 years grace period on principal.

INTEREST RATE

Prevailing market rate, fixed or variable.

OTHER FEES

Front-end and commitment fee.

Legal Requirements

- ✓ Citizenship (at least 70% Filipino owned – for ODA funds)
- ✓ Standard regulatory requirements (e.g. ECC, Certification Precondition/Certificate of Non-Overlap, Water Permit, Building Permit, etc.)
- ✓ Electricity Sales Agreement/Renewable Energy Payment Agreement, RESA and Feedstock/Fuel Supply Agreement
- ✓ If GOCC, Monetary Board Opinion

Technical and Financial Requirements

- ✓ Feasibility Study and Detailed Engineering Design
- ✓ Financial Statement of existing operation or related companies

- ✓ Infrastructure development particularly energy projects is High on DBP's Priority Thrusts as it is a way forward to economic development
- ✓ Distinct push on Renewable Energy, Rural Electrification and Energy Efficiency to achieve further development in the countryside
- ✓ Local banks are very liquid to support energy projects
- ✓ Official Development Assistance funds (e.g. JICA) are made available to support energy projects and to make it affordable to end-consumers
- ✓ DBP as your long term partner in the energy sector
- ✓ Programs and project impacts and outcomes are aligned with development goals (e.g. PDP, SDG)

Thank you.

For more information, please contact:

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