

# Investor Perspective in Mini Grid Project

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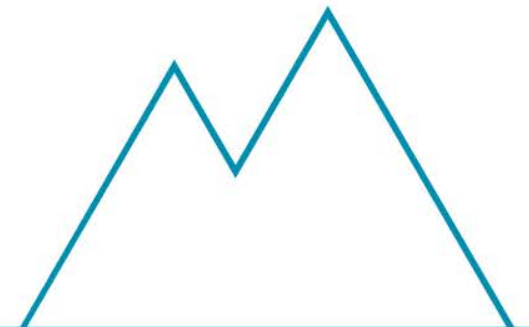
# Outline

- Brief Introduction of NMB Bank
- Exposure in Mini Grid Project
- Access to Energy Project under Implementation
- Bank's Concern on Mini Grid Project Financing
- Way Forward



# Introduction

- Completed 20 Years of Successful Operation
- First Finance Company Upgraded to a Commercial Bank in 2008
- Recently Completed Historic Merger with 3 Development Banks and 1 Finance Company
- Becomes One of the Largest Commercial Bank in the Country
- Foreign Joint Venture Partner: FMO, Dutch 'AAA' Rated Entrepreneurial Development Bank
- Market Leader in Mini Grid Project Financing
- Has a Great Thrust in Financing All Types of Renewable Energy Projects
- Partner Bank of Central Renewable Energy Fund



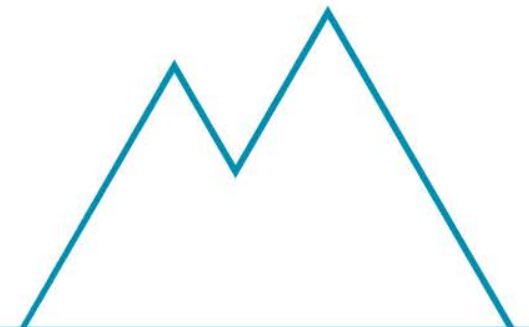
# Exposure in Mini Grid Project

- Financed 20 Mini Grid Based Micro Hydro Project Owned by Community and Private Developer
- Financed First Solar Micro Grid Project in the Country Supported by ADB under Energy for ALL Investor Forum
- Completed Financial Closure of First Micro Hydro Project Based on Anchor Load Customers Supported by ADB under Energy for All Investor Forum



# Mini Grid Based Access to Energy Projects

- CleanStart Project Supported by United Nations Capital Development Fund
- Micro Hydro Debt Fund Supported by GIZ through Alternative Energy Promotion Center
- Integrated Renewable Energy Project Supported by FMO and Winrock International
- Improved Water Mill Electrification Project Supported by Renewable Energy and Energy Efficiency Partnership and SNV



# Bank's Concern in Mini Grid Project

- Risk Return Profile
- High Administration Cost
- Tariff Collection
- Project Developer/Management
- Repair and Maintenance
- Project Load Factor/ Cash Flows
- Grid Extension
- External Sock
- Risk Control Measures
- Internal Constrains





# How Bank's Concern Has Been Addressed?



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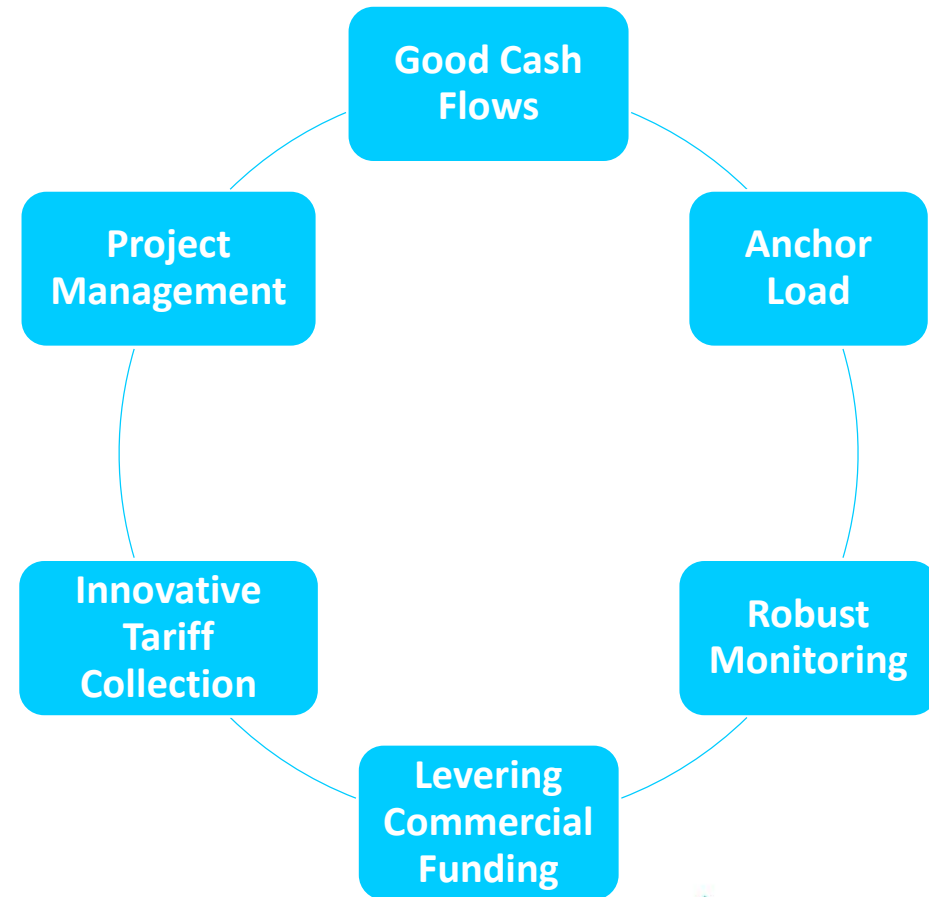
- Public Private Partnership Led by Strong Developer
- High Revenue Due to Anchor and Business Load
- Robust Monitoring System
- Pre-paid Metering
- Collections Link with Bank Account
- Smart Structuring/ Encouraging Commercial Funding
- Project Insurance





# Way Forward – Addressing the Gap

- Banks have Appetite to Finance in Mini Grid Sector
- Replicate the Innovative Initiation
- Develop Strong Project Management System
- Risk Identification/Mitigation
- Sustainable Policy to Encourage Commercial Funding



# Thank you



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