

The Asset Management Company In Korea



SHBNPP Global Infrastructure Fund

AUG 2013



SHINHAN BNP PARIBAS
ASSET MANAGEMENT





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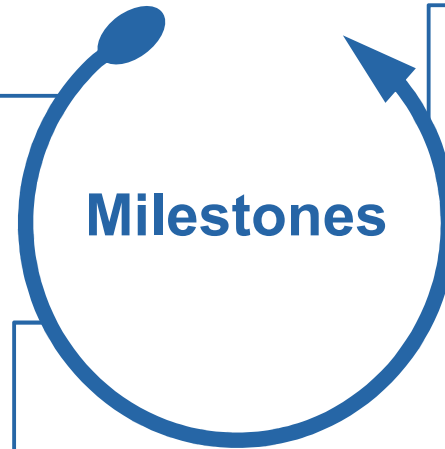
1. GIF Background

The Beginning

- Overseas Construction Sector became Main Target Market for Korean Contractors
- Growing Importance of Financing Capability in PF-type Projects
- Korean Government's Strong Will for Facilitating Overseas Business via Financial Program
- Strong Needs of Financial Investors for Overseas Investment for the Portfolio Management

Global Infrastructure Funds

- KRW 400 Billion
- AMC
 - Shinhan BNP Paribas AMC
 - Korea Investment Trust Management



Role division

Gov. of Korea
(MOLIT)

- Financial Aid on Preliminary Feasibility Studies on Overseas Project

Strategic
Investors

- State-owned Infrastructure Companies
- EPC and O&M Expertise

Financial
Investors

- Top-Tier Financial Investors in Korea
- Growing Need for Alternative Investment

Asset
Managers

- Experienced Investment Professionals
- Disciplined Investment Process

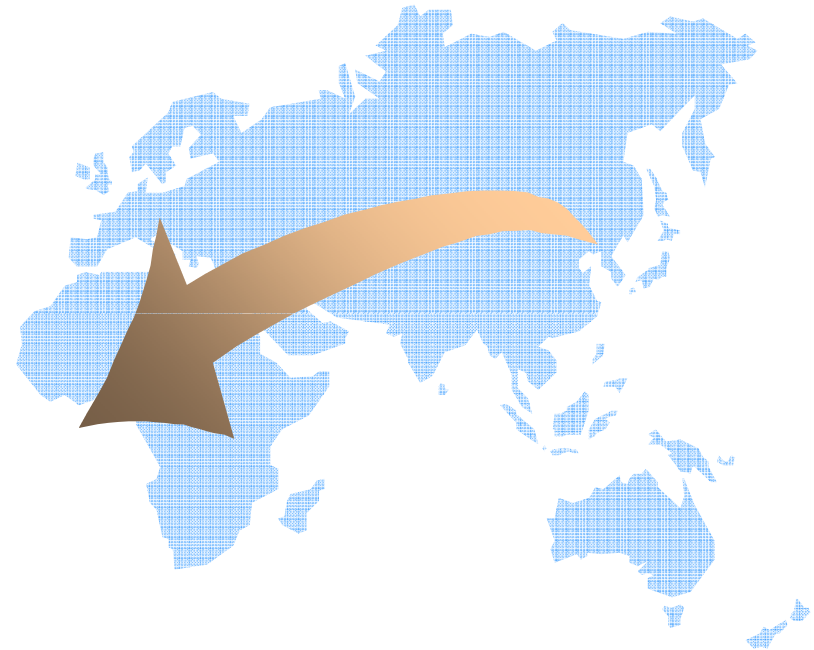
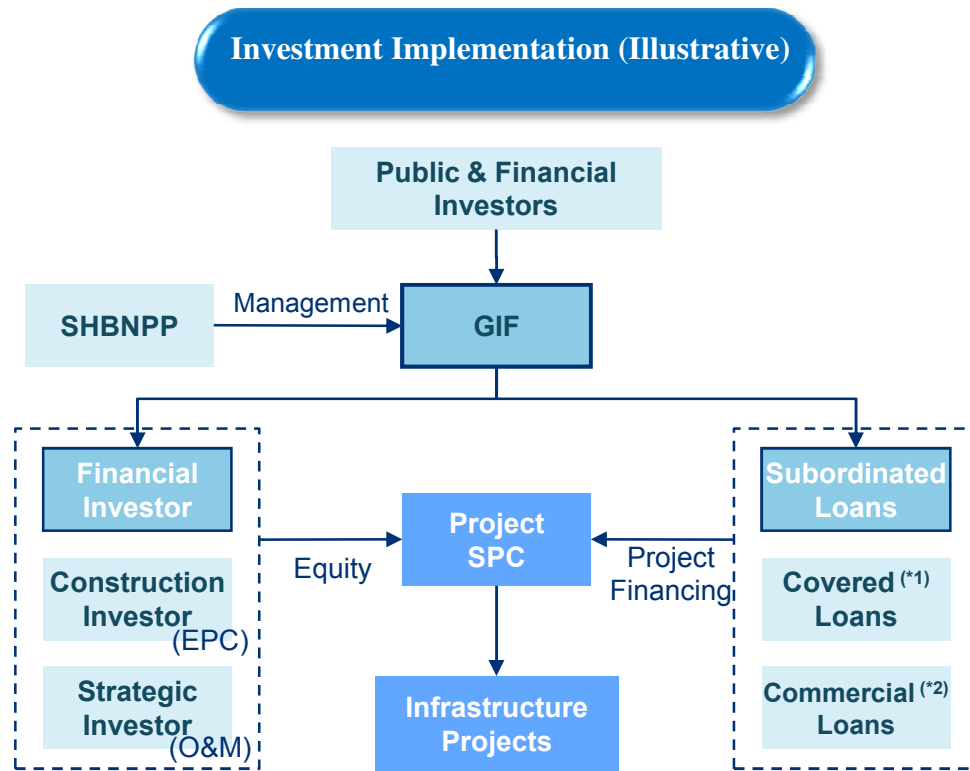
2. GIF Overview

Fund Characteristics

Categories	Details
Name	<ul style="list-style-type: none"> Global Infrastructure Private Special Asset Investment Trust (“GIF”)
Legal structure	<ul style="list-style-type: none"> Investment Trust
Size	<ul style="list-style-type: none"> KRW 400 Bil. (Approx. USD 400 Mil.)
Type of Investment	<ul style="list-style-type: none"> Mainly greenfield infrastructure assets Equity & quasi-equity
Asset Manager	<ul style="list-style-type: none"> Shinhan BNP Paribas Asset Management Korea Investment Management
Investors	<ul style="list-style-type: none"> 50%: Infrastructure related state-owned companies 50%: private financial institutions
Target IRR	<ul style="list-style-type: none"> Over 12%
Investment Horizon	<ul style="list-style-type: none"> 15 years
Invested Projects	<ul style="list-style-type: none"> Hydro power plant in Pakistan Solar PV in Portugal

3. Investment Structure

GIF has been able to have the benefit of strategic alliance with Korean industrial sectors, when making investment to the large scale infrastructure projects in developing nations around the world.

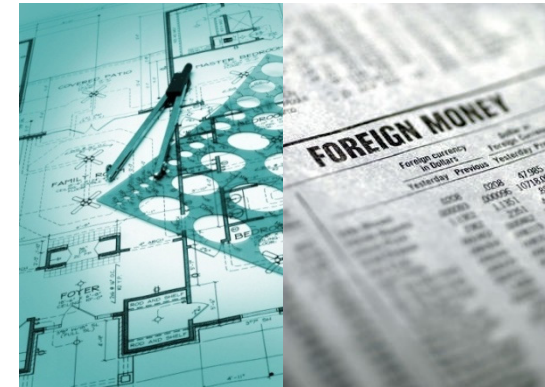


(*1) Export Credit Agency such as Korea EXIM Bank, KEIC and other Multilaterals such as ADB, IFC, EIB, EBRD, etc.

(*2) Uncovered Commercial Loans

4. Key Investment Guideline

Global Infra Fund is set to make selective investments in overseas projects with significant Korean involvement that have safety measures against extensive business and political risk.



Significant Korean Interests

- A win-win game: (1) domestic constructors will be able to strengthen their competitiveness in winning contracts and (2) domestic financial institutions will be able to lay the foundation to penetrate overseas markets
- Sponsor, EPC Contractor, O&M Service Provider, Equipment Supplier, etc.

Safety Measures

- Invest in overseas infrastructure projects that have safety measures
- Invest in other projects that are considered to be stable investment assets
- PPA, MRG provided by the government (or state-owned organizations)

Other Risks to be Covered

- Invest in overseas infrastructure projects that are made safer by political risk insurance
- Construction risk and local currency risk must be mitigated
- Otherwise credit enhancement from sponsors will be required



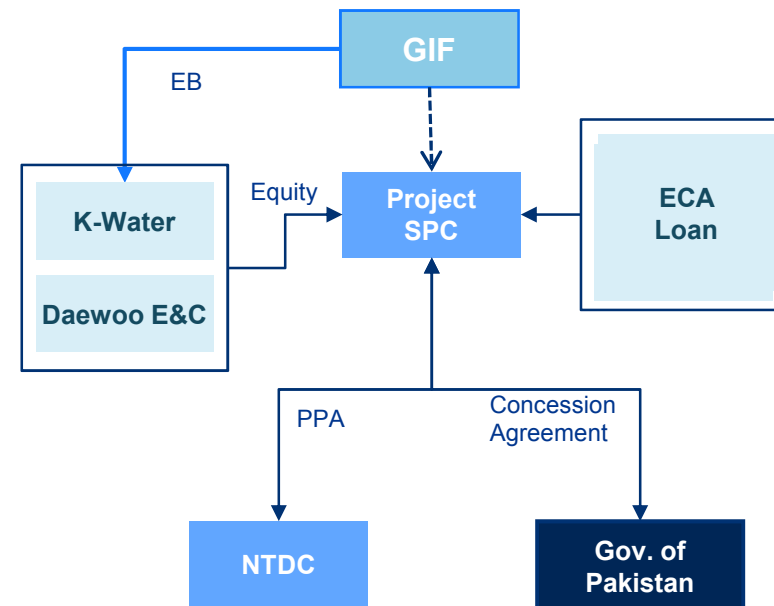
5. The Portfolio – ① Hydro Power Plant in Pakistan

The BOT Type Hydro Power Plant in Pakistan. The revenue source of the investment will be the Long-term Power Purchase Agreement with the NTDC (State-owned Power Company).

Project at Glance

Project	Patrind Hydro Power Project (147 MW)
Site	Muzafarad about 150km from Islamabad
Project Host	Gov. of Pakistan
Project Type	BOT
Total Investment	USD 400 Mil.
Concession Period	Construction: 4 yrs Operation: 30 yrs
Sponsors	K-Water, Daewoo E&C
Financial Investor	SHBNPP Global Infrastructure Fund
GIF Investment	Approx. USD 40 Mil.
GIF Invested Asset	Exchangeable Bond

Investment Structure of GIF





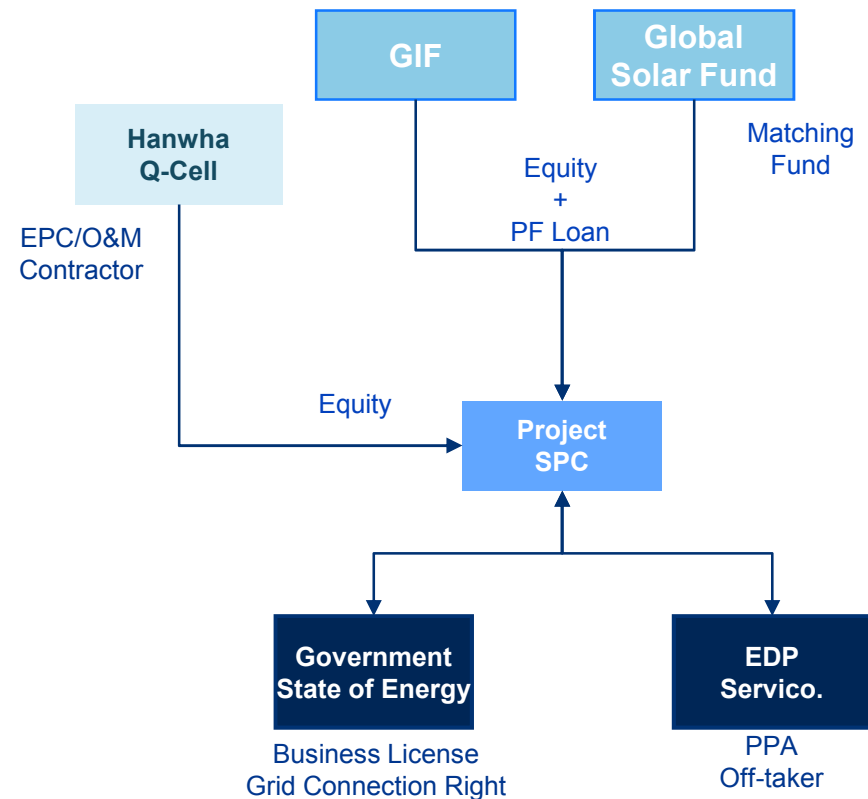
5. The Portfolio – ② Solar PV Plant in Portugal

The BOT Type Solar PV Plant in Portugal. The revenue source of the investment will be the Power Purchase Agreement with the EDP (Former State-owned power company).

Project at Glance

Project	Portugal Solar PV Power Project (17.6 MW)
Site	Lisbon, Portugal
Project Host	Gov. of Portugal
Project Type	BOO
Total Investment	EUR 65 Mil.
Concession Period	Construction: 1 yr Operation: 20 yrs
Local Developer	Martifer Solar
Strategic Investor	Hanwha Q-Cell Korea
Financial Investor	SHBNPP Global Infrastructure Fund
GIF Investment	EUR 30 Mil.
GIF Invested Asset	PF Loan + Equity

Investment Structure of GIF



6. Considered Assets

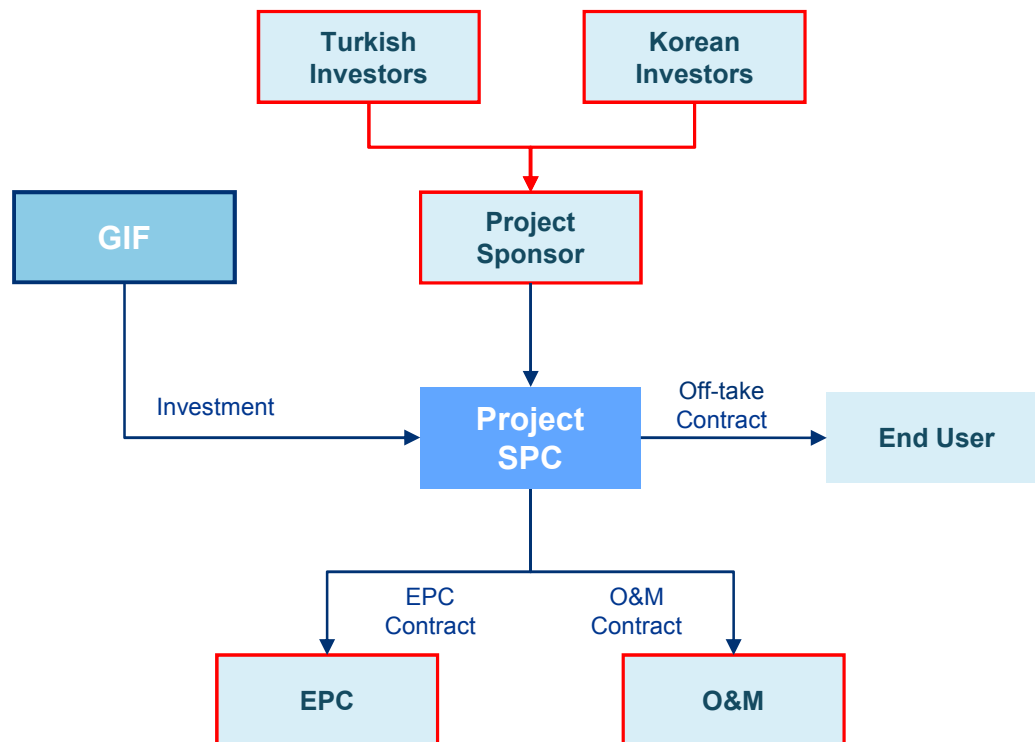
Followings are the sample assets which were considered for the GIF Investment, but failed to achieve the deal closing.

Sector	Country	Investment Challenges
Wind Farm	Kazakhstan	▪ Low Credit of the Off-taker
Combined Power	Ukraine	▪ Heat Off-take Risk
Refinery Plant	Gabon	▪ Country Risk
Wastewater Facility	Egypt	▪ Local Currency Risk
Housing Project	Mongol	▪ Unfavorable Cash Flow
Toll-Road	Pakistan	▪ Sponsor Risk, Local Currency Risk
Toll-Road	India	▪ Lack of Traffic Study

7. Co-investment Suggestion

Following is the brief co-investment structure for the illustrative purpose. Various investment structures can be considered, reflecting the specific requirements of the investors.

Co-Investment Structure (Illustrative)



- ✓ Turkish & Korean Investors can form Consortium for the Project.
- ✓ Turkish Investors can benefit from Korean Investors' EPC Expertise & Financial Capabilities.
- ✓ Korea Investors can benefit from Turkish Investors' Local Expertise on Central Asia.
- ✓ Role Division on EPC or O&M Sector among Turkish & Korean Investors are Negotiable.
- ✓ GIF can make its Investment Either in the Equity Side or the Debt Side, or Both.