

PRESS RELEASE

Pakistan's First-of-its-kind Infrastructure Finance Guarantee InfraZamin Commences Operations

Government dignitaries, finance and corporate leaders attend the launch event

Karachi - 26 June 2021: InfraZamin Pakistan Limited, first-of-its-kind facility providing local currency guarantee solutions for infrastructure finance in Pakistan, marked commencement of its operations in Pakistan at an event yesterday. The event was hosted by Mr Allard Nooy, Chairman InfraZamin and CEO InfraCo Asia; Dr Shamshad Akhtar, Chairperson Karandaaz Pakistan; and Ms. Maheen Rahman, CEO InfraZamin.

The event was attended by key stakeholders in Pakistan's infrastructure financing sector including government dignitaries, finance, and corporate leaders. The event was graced by Chief Guest Mr Shaukat Tarin, Federal Minister for Finance and Revenue, who addressed the gathering virtually. Included in the Guests of Honour were Mr Aamir Khan, Chairman Securities and Exchange Commission of Pakistan; Mr Mike Nithavrianakis, British Deputy High Commissioner Karachi and Trade Director Pakistan; Mr Farrukh Sabzwari and Ms Sadia Khan, SECP Commissioners; and Ms Sima Kamil, Deputy Governor State Bank of Pakistan.

Speaking at the event, Honourable Federal Minister for Finance and Revenue Mr. Shaukat Tarin said, *"I'm thankful to the Private infrastructure Group and Karandaaz for sponsoring InfraZamin, which is first of its kind credit enhancement facility for infrastructure related instruments in Pakistan. Pakistan debt market is improving in terms of depth, breadth and liquidity. The innovation that InfraZamin is bringing will play a crucial role in facilitating the credit markets in Pakistan."*

Mr. Aamir Khan, Chairman SECP, congratulated InfraZamin Pakistan on formal launch of its operations and stated that *"SECP expects to address 3 specific objectives i.e. increasing the contribution of local players towards funding infrastructure projects and deepening of institutional investor base; developing local debt capital market; and supporting infrastructure developments through PPP structures."*

Ms. Maheen Rahman, CEO InfraZamin said *"We are convinced of Pakistan's viability as an infrastructure development destination. InfraZamin is not a magic pill which aims to fix infrastructure related issues. It is founded on the firm principles that market failures need to be addressed via market-based solutions that make commercial and economic sense for all stakeholders."*

Mr Philippe Valahu, CEO Private Infrastructure Development Group (PIDG), *"GuarantCo, and InfraCo Asia are delighted to be on this journey with Karandaaz and InfraZamin. We firmly believe in InfraZamin's catalytic potential and see the positive influence it is set to create on long-term local currency financing in Pakistan."*

Ms Emily Bushby, CEO GuarantCo said, *"The GuarantCo team is very proud to support InfraZamin Pakistan, working closely with Karandaaz, PIDG and InfraCo Asia. The contingent capital that we will be providing increases the volume of guarantees that InfraZamin will be able to provide and, with a strong management team now in place, we*

are confident that the company will be a complete game-changer for Pakistan's project finance and debt capital market development."

Speaking at the event, Mr Allard Nooy, Chairman InfraZamin and CEO InfraCo Asia said, *"PIDG companies including InfraCo Asia and GuarantCo have witnessed first-hand the catalytic impact of funds that are applied in ways that encourage market growth and private sector participation. As a first-of-its kind credit enhancement facility in Pakistan, InfraZamin will create a long-lasting impact on the way in which sustainable infrastructure is financed and implemented in Pakistan."*

Mr Mike Nithavrianakis, UK's Deputy High Commissioner Karachi & Director for Trade said, *"The UK is proud to support the establishment of InfraZamin, the first specialised credit enhancement facility for infrastructure finance in Pakistan. InfraZamin will enable financing in sectors with chronic underinvestment including renewable energy, digital/social infrastructure, water and sanitation. I am excited about the impact InfraZamin is set to have and confident that this investment in infrastructure financing will create jobs, reduce poverty, enhance innovation and boost long-term economic growth in Pakistan."*

Speaking at the occasion, Dr Shamshad Akhtar, Chairperson Karandaaz Pakistan said, *"As lead sponsors, we are delighted to partner with InfraCo Asia and GuarantCo in setting up this, first of its kind, innovative structure and look forward InfraZamin leveraging its capital and competence for the development of sustainable infrastructure to enhance country's competitiveness and national connectivity. Pakistan's unmet need for long-term local currency financing for infrastructure whose shortages and weaknesses has for years impeded economic growth and productivity. The banking sector, while controlling over 75% of all financial assets, has low risk appetite to make investments in private ventures for infrastructure development. We are confident that InfraZamin will help the private sector play its due role in this regard and add to the sophistication of Pakistan's financial architecture; all leading towards economic growth, jobs creation, and poverty reduction. We count on fostering public-private partnership in infrastructure development."*

InfraZamin's initial sectors of focus will include renewable energy, water and sanitation, digital infrastructure, and social infrastructure such as low income housing, education and healthcare, where there is still chronic underinvestment. The company has been on a swift path to success starting with its license granted on February 19 this year, getting a AAA credit rating from PACRA and gaining registration of its Contingent Capital Facility from GuarantCo in June 2021. With a strong management team in place, InfraZamin is looking forward to building a healthy business pipeline of infrastructure deals, and serving as a catalyst for sustainable development in Pakistan.

InfraZamin officials including Dr Shamshad Akhtar Chairperson Karandaaz were very appreciative of the Finance Minister's comments of support for InfraZamin and for him taking the time out from his busy schedule to address the audience live virtually from Islamabad. InfraZamin also expressed its gratitude for the support received from the regulatory authorities especially the Securities and Exchange Commission of Pakistan for establishment of a framework for an infrastructure guarantee company in a short span of time. The company officials also expressed deep gratitude to the State Bank of Pakistan for approval of its contingent capital facility and inclusion of InfraZamin as an acceptable credit guarantor under SBP Prudential Regulations.

InfraZamin Pakistan is a commercial credit enhancement facility, developed by GuarantCo, which seeks to crowd-in funding from the local market for sustainable and socially responsible infrastructure projects in Pakistan. Development impact, trust and additionality form the core of InfraZamin's business values. The facility is an initiative of the Private Infrastructure Development Group (PIDG). InfraZamin's sponsors include PIDG group companies InfraCo Asia Investments and GuarantCo, in partnership with Karandaaz Pakistan.

About Partners of InfraZamin Pakistan

InfraCo Asia: InfraCo Asia Investments Pte Ltd (InfraCo Asia) is a commercially managed infrastructure investment company of the PIDG, funded by the UK's Foreign, Commonwealth & Development Office (FCDO), a member of the PIDG. Headquartered in Singapore, InfraCo Asia provides funding and development expertise for early-stage infrastructure projects in South and Southeast Asia, to realise socially responsible and commercially viable infrastructure that contributes to sustainable and inclusive economic growth. For more information, visit www.infracoasia.com.

Karandaaz Pakistan: Karandaaz Pakistan is a not-for-profit special purpose vehicle set up under Section 42 in August 2014. Karandaaz is the implementation partner of the Enterprise and Asset Growth Programme (EAGR) of UK's Foreign, Commonwealth & Development Office (FCDO). Karandaaz promotes access to finance for micro, small and medium-sized businesses through a double bottom line investment platform and financial inclusion for individuals by employing technology enabled solutions. For more information, visit <https://karandaaz.com.pk/>

GuarantCo: GuarantCo mobilises private sector local currency investment for infrastructure projects and supports the development of financial markets in lower income countries across Africa and Asia. GuarantCo executed its first deal in Pakistan in 2013. It is part of PIDG and is funded by the governments of the United Kingdom, Switzerland, Australia and Sweden, through the PIDG Trust, and the Netherlands, through FMO and the PIDG Trust, France through a stand-by facility and Global Affairs Canada through a repayable facility. GuarantCo is rated AA- by Fitch, A1 by Moody's, and AAA by PACRA. GuarantCo's activities are managed by GuarantCo Management Company which is part of Cardano Development. For more information, visit www.guarantco.com

The Private Infrastructure Development Group (PIDG): PIDG is an innovative infrastructure development and finance organisation which encourages and mobilises private investment in pioneering infrastructure in the frontier markets of sub-Saharan Africa and south and south-east Asia to promote economic development and combat poverty. PIDG delivers its ambition in line with its values of opportunity, accountability, safety, integrity and impact. Since 2002, PIDG has supported 171 infrastructure projects to financial close which provided an estimated 223 million people with access to new or improved infrastructure. PIDG is funded by six governments (the United Kingdom, the Netherlands, Switzerland, Australia, Sweden, and Germany) and the IFC. For more information, visit www.pidg.org

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Photos with Captions:



InfraZamin Launch Event - Front Row: (L to R) Waqas ul Hasan (CEO Karandaaz), Shahid Ghaffar (Board Member Karandaaz), Sadia Khan (Commissioner SECP), Sima Kamil (Deputy Governor SBP), Dr Shamshad Akhtar (Chairperson Karandaaz), Maheen Rahman (CEO InfraZamin), Badiuddin Akbar (CEO CDC). Back row (L to R) Mike Nithavrianakis (British Deputy High Commissioner), Arooj Asghar (Prism Energy), Farrukh Sabzwari (Commissioner SECP), Zafar Masood (President BoP), Adnan Afridi (MD NIT), Asad Ali Shah (Member SECP Policy Board), Muneer Kamal (Director InfraZamin), Tayyab Afzal (Director InfraZamin), Farrukh Khan (CEO PSX)



Honourable Federal Minister for Finance and Revenue Mr. Shaukat Tarin addressed at the launch of InfraZamin operationalization, virtually.



Mr. Aamir Khan, Chairman Securities and Exchange Commission of Pakistan also addressed at the launch of InfraZamin operationalization, virtually.

