



Regional: Equity Investment in Creador III LP

Project Name	Equity Investment in Creador III LP		
Project Number	49274-001		
Borrower/Company	Creador Management III Limited		
Country	Regional		
Location	Regional		
Approval Number	7456		
Type of ADB Assistance / Amount	7456	Ordinary capital resources	USD 45.00 million Approved
Strategic Agendas	Inclusive economic growth Regional integration		
Drivers of Change	Partnerships Private sector development		
Sector / Subsector	Finance - Infrastructure finance and investment funds		
Gender Equity and Mainstreaming	No gender elements		
Responsible ADB Department	Private Sector Operations Department		
Responsible ADB Division	Private Sector Investment Funds & Special Initiatives Div		
Responsible ADB Officer	Mahmud, Farshed		
Project Sponsor(s)			
Description	A \$45 million equity investment in a targeted US\$450 million growth equity fund focused on Southeast Asia (namely, Indonesia, Malaysia, and Philippines), India and Sri Lanka. The fund, Creador III LP, (Creador or the Fund), will invest in about 12 middle market companies primarily in three key verticals: (i) financial services (banks, finance companies); (ii) consumer goods and services (healthcare, education); and (iii) business services (B2B services, outsourcing, payment processing, logistics). The Fund will also primarily seek to take minority stakes with significant influence, with an average investment size of \$10 to \$50 million.		
Objectives and Scope	The fund will make equity and equity-linked investments in middle-market companies that cater primarily to middle-income segments in South and Southeast Asia, including India, Indonesia, Malaysia, the Philippines, and Sri Lanka. Within these segments Creador III will concentrate on three broad investment themes: (i) financial services (e.g., banks and finance companies); (ii) consumer goods and services (e.g., health care and education); and (iii) business services (e.g., business-to-business services, outsourcing, payment processing, and logistics).		
Linkage to Country/Regional Strategy	The fund's investment goals strongly align with ADB strategies for encouraging the development of private sector middle market companies (including SMEs), removing barriers to financing for such companies, and promoting social and inclusive growth. Furthermore, the fund's investments are consistent with ADB's plan for finance sector operations, which prioritizes the need to enhance access to finance for middle market companies as part of the finance sector development agenda, and the need to support the three key pillars of the real economy: households, SMEs, and infrastructure. The fund's exit strategy includes IPOs and trade sales, which are expected to contribute to the development of local capital markets in the investee countries.		

Safeguard Categories

Environment	FI
Involuntary Resettlement	FI
Indigenous Peoples	FI

Summary of Environmental and Social Aspects

Environmental Aspects	The project is an equity investment focusing on three main industries: (i) financial services; (ii) consumer goods and services; and (iii) business services. The existing environment and social management system (ESMS) was enhanced to adopt the ADB's prohibited investment activities list (PIAL) as primary screening tool for new investments. An environment and social screening is also undertaken to assess potential impact of proposed investments. Category A investments on environment are excluded from ADB financing.
Involuntary Resettlement	The Fund adopts an enhanced ESMS which screens and assess potential social impact of a proposed investment prior to approval. The Fund will not engage in any investment categorized as A on involuntary resettlement.
Indigenous Peoples	The Fund adopts an enhanced ESMS which includes screening and assessment of potential impact of a proposed investment on indigenous peoples (IPs) prior to approval. The Fund will not engage in any investment that will impact on IPs.
Stakeholder Communication, Participation, and Consultation	Conduct of stakeholder consultation depends on the potential risk/impact of the proposed investment. Stakeholder engagement in general is limited to implementation of a range of charitable activities through the company's foundation.

Timetable for assistance design, processing and implementation

Concept Clearance	06 Aug 2015
Due Diligence	
Credit Committee Meeting	28 Sep 2015 to 28 Sep 2015
Approval	06 Nov 2015
Last PDS Update	16 Jul 2018

Project Page	https://www.adb.org/projects/49274-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=49274-001
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