Early Warning System

IFC-37982

DARP ADM II

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Quick Facts

Countries	China
Specific Location	China, Thailand, Indonesia, Vietnam, India, Mongolia, Sri Lanka and Cambodia
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2016-04-30
Borrower	ADM CAPITAL
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 50.00 million
Project Cost (USD)	$ 200.00 million

Project Description

The proposed project, ADM Capital Somei Lending Platform (the “Facility”), aims to set up a lending facility platform that will invest in medium sized companies in Asia, targeting stressed, turnaround and growth investments. The Facility would extend loans to companies with strong fundamentals but facing difficulty raising new financing due to financial imbalances, inability to access conventional bank financing avenues, or track record challenges. The objective of the Facility would be to provide funding to otherwise sound companies and position them for growth.

Expected Development Impact
- Private sector support: The platform would enable stressed or growth Asian companies to obtain funding with terms that allow them to recover, rehabilitate or grow. Currently, local bank financing is limited to this type of debtors. The inability to access liquidity/growth funding or (re)financing capital could drive stressed companies, mostly medium enterprises (MEs), to become NPAs or, for growth companies, prevent creation of productive enterprises.
- Job creation: Apart from special situations investments that save jobs, Somei will also invest in growth companies, which in their expansion will support and may create jobs that would support economic growth.
- Market setting: The project would lay the foundation for the development of an effective stressed investment and credit solution culture which, in turn, may contribute to the stabilization of Asian financial systems and private sector development in the target countries, i.e., Philippines, Indonesia, Thailand, China, Vietnam, India, Cambodia, Sri Lanka. It would further promote international best practices in terms of stressed and growth investing, servicing and exit.
- Medium enterprises rehabilitation and support: The Facility would contribute to the recovery of MEs that have been unable to honor their debts due to financial difficulties and to the creation of MEs through growth funding.

Investment Description

- International Finance Corporation (IFC)

The Facility will be established by Asia Debt Management Hong Kong Limited (“ADM Capital” or the “Sponsor”). ADM Capital will act as the Facility agent to source, structure, execute, and supervise the investments made under the Facility. Founded in 1996, ADM Capital is a leading credit specialist investment manager focusing on long term capital appreciation by responsibly investing in deep credit opportunities (including distressed, stressed, special situations and growth investments) across Asia and Central and Eastern Europe. ADM has an established track record of over 18 years in providing financing for mid-size companies and those with no access to financing through traditional channels.

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- Asia Debt Management Hong Kong Limited (Financial Intermediary)

Private Actors Description

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ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/