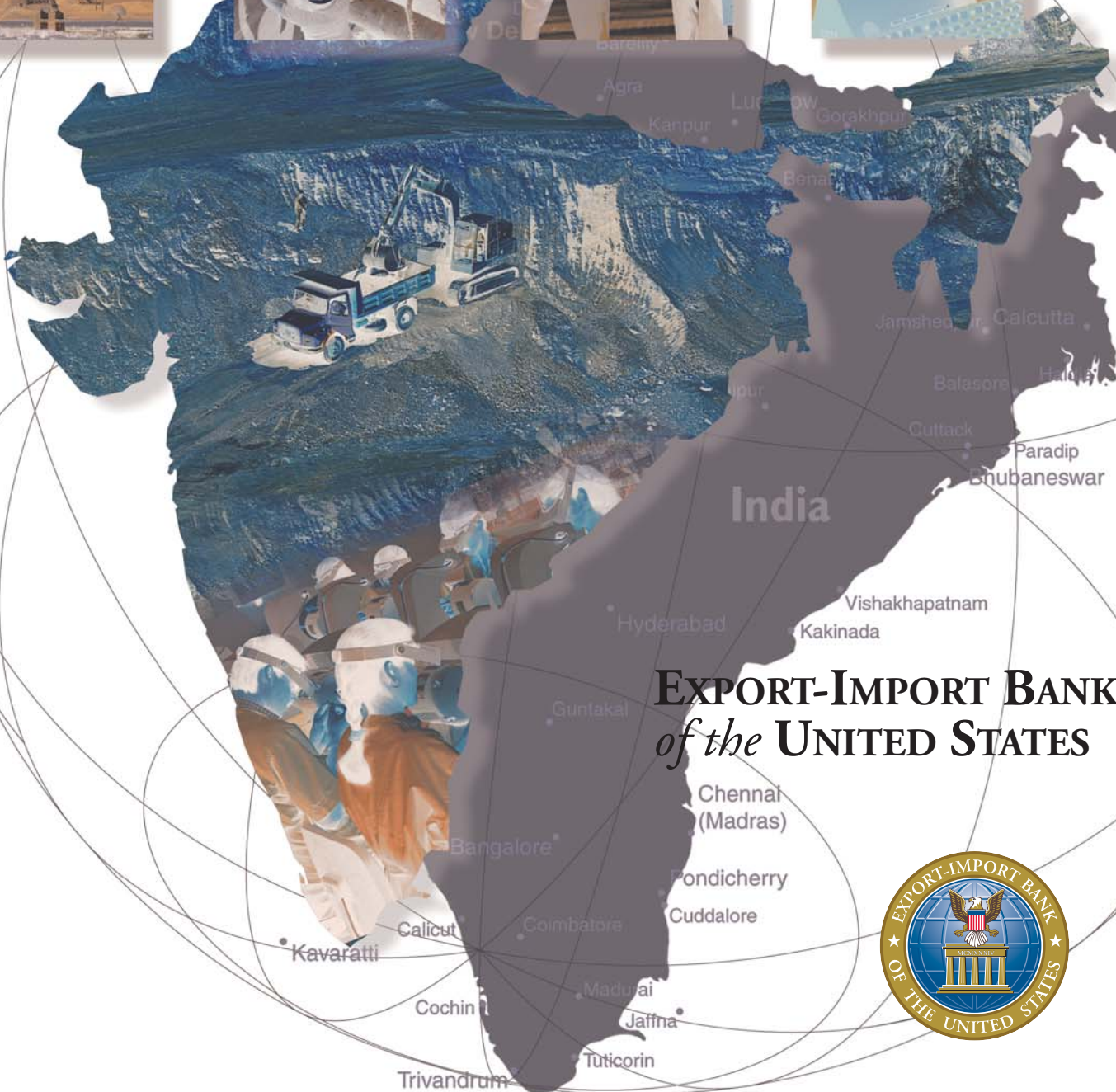


# INDIA



**EXPORT-IMPORT BANK**  
*of the UNITED STATES*



# EX-IM BANK ACTIVELY SUPPORTS U.S. EXPORTS TO INDIA



*When the Indian economy opens up new business opportunities, trade-finance solutions from Export-Import Bank of the United States (Ex-Im Bank) turn them into real transactions.*

Ex-Im Bank is the official export credit agency of the United States and supports the purchase of U.S. goods and services by creditworthy Indian buyers that may have had some difficulty obtaining credit through traditional financing sources. For more than 70-years, Ex-Im Bank has been taking risks the private sector is unable or unwilling to accept. In 2007, the agency approved more than \$1.4 billion in financing exports to India.

The support is derived by the agency guaranteeing or insuring lender loans made to Indian buyers. By mitigating the risks in the

transaction, Indian buyers often receive funds at lower rates and for longer terms. The borrower can be sovereign and sub-sovereign governments, public sector entities and private buyers. A 15 percent down payment is required by the buyer and the guarantee covers the remaining U.S. content. The Ex-Im Bank guarantee to the lender is unconditional and transferable and can cover up to 30 percent of local costs. It is available for medium- (typically up to 5-years) and long- (up to 15-years) term repayment, subject to transaction size.



## **Loan Guarantee for Air INDIA**

In October 2007, Ex-Im Bank and National Aviation Company of India (NACIL) reached final agreement on a \$1.23 billion financing package in support of the sale by The Boeing Co. of 17 aircraft and four spare engines to NACIL to meet growing passenger demand. NACIL does business as Air India (international routes) and Air India Express (domestic and regional routes). The documents were signed at a ceremony at Ex-Im Bank headquarters in Washington, D.C., by Ex-Im Bank Chairman and President James H. Lambright, NACIL Chairman and Managing Director V. Thulasidas, and John Neblo, executive director of ABN AMRO, the Ex-Im Bank-guaranteed lender. The completion of the financing documentation for the 17 aircraft and spare engines represents the first phase of Air India's 68-aircraft fleet renewal plan.

Ex-Im Bank signed an \$862.6 million guarantee of an ABN AMRO long-term loan to back the sale of Boeing 777-200LR aircraft, Boeing 777-300 ER aircraft, and GE90 spare engines from General Electric Co., Cincinnati, Ohio, for Air India. The Bank also signed a \$363.5 million guarantee of an ABN AMRO long-term loan to support the sale of Boeing 737-800 aircraft and CFM-56 spare engines from CFM International Inc., Cincinnati, Ohio, for Air India Express.



## Aircraft Finance

Ex-Im Bank supports Indian buyers of U.S. new and used commercial and general aviation aircraft through loan guarantees and insurance for both large and small commercial aircraft. Ex-Im Bank may also finance spare parts, ground equipment, training costs, and transaction expenses.

## Project and Structured Finance

Ex-Im Bank offers a range of financing solutions for Indian customers. Limited recourse (project) and structured financing are two options that offer maximum flexibility for project sponsors in natural resource and infrastructure sectors. For major projects with significant equity,



## Support for an Environmental Transaction

Ex-Im Bank authorized a medium-term multiple-shipment insurance policy of \$1,823,095 through the East-West Bank of San Marino, Calif. to support the sale of four saltwater desalination plants to Tamilnadu Petroproducts Ltd. of Teynampet, Chennai, India. The exporter was Global EnviroScience Technologies of Long Beach, Calif. and Penn International is the insurance broker related to this transaction. Because the desalination plant currently draws on the municipal supply for its process water needs, the transaction will have a tangible impact by removing a 4,000 cubic meter per day demand on existing potable resources. As an existing facility, the purchase of the equipment will help keep the facility in compliance with new environmental regulations and warrants the transaction for eligibility as part of Ex-Im Bank's Environmental Exports Program.

project financing allows Ex-Im Bank to lend to newly created companies with the project's future cash flows as our source of repayment. Through "structured finance," Ex-Im Bank can consider existing Indian company borrowers based on their creditworthiness as reflected on their balance sheet and additional sources of collateral or security enhancements.

## Medical, Environmental, and Transportation Security Initiatives

Ex-Im Bank has special programs that provide enhanced support for medical equipment exports,

exports that benefit the environment, and exports related to international transportation security. The benefits include extended repayment terms (15-years for some environment sales) and coverage of local costs for up to 30 percent of the U.S. contract value.

## Backing for Rupee-Denominated Loans

The rupee has been added to the list of major pre-approved currencies for inclusion in Ex-Im Bank's Foreign Currency Guarantee Program. Indian companies can now arrange rupee-denominated loans guaranteed by Ex-Im Bank, which means Indian buyers and U.S. exporters should find it easier to arrange transactions in India.



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BRO-IND-16  
October 16, 2008



## **MEDIUM-TERM**

*(up to five years repayment and less than \$10 million)*

### **Export Credit Insurance and Guarantees of Commercial Loans**

Ex-Im Bank medium-term insurance and loan guarantees support the purchase by Indian buyers of U.S. goods and services. The buyer is required to make a down payment of at least 15 percent. Ex-Im Bank then covers 100 percent of nonpayment due to commercial or political risk.

#### **Benefits:**

- Quick turnaround
- Covers both capital goods and services
- Lower financing costs with negotiated interest rates
- Coverage on both principal and interest

## **LONG-TERM**

*(up to 15-years repayment or more than \$10 million)*

### **Guarantees of Commercial Loans**

With Ex-Im Bank's cover, Indian buyers of U.S. goods and services are able to obtain attractive financing terms. This is critical for U.S. exporters to achieve export success in the Indian marketplace.

#### **Benefits:**

- Extended repayment terms with up to 12-years repayment for electric power projects, 14-years for greenfield project finance and 15-years for Ex-Im Bank's Environmental Exports Program
- Available in U.S. dollar and foreign currencies, to include the Indian rupee
- Negotiable interest rates with fixed interest rate options
- Tailored principal repayment profiles available

### **Ex-Im Bank Supports Reliance Petroleum Ltd. (RPL)**

with a \$500 million guarantee on a Citibank loan for the construction of a \$6 billion export-oriented refinery and polypropylene production facility in Jamnagar, India. The primary exporter on the transaction is Bechtel Corporation, who is also acting as the procurement agent for the project.

The design-basis for the RPL refinery mirrors the existing Reliance Industries Ltd. (RIL) refinery, though with enhancements to increase production and maximize economic efficiencies. The refinery will process approximately 580,000 barrels per stream day of crude and manufacture 900,000 tons per annum of polypropylene. RPL expects to complete construction of the refinery by December 2008. The current RIL refinery is the third-largest refinery in the world, and together with the RPL refinery, the site will be the largest refining zone in the world.



### **NEW FACILITY SIGNALS GROWING IMPORTANCE OF INDIAN MARKET!**

On April 16, 2008, Ex-Im Bank approved a \$2.45 billion Indian Infrastructure Facility that will support U.S. exports to Indian projects in sectors such as power and renewable energy generation, oil and gas development, small aircraft, airport development and health care. Under this facility, eight Indian financial institutions provide their guarantees to expedite processing of Ex-Im Bank-backed medium- and long-term financing for Indian buyers of U.S. exports.

### **Ex-Im Bank's First Success Under the Facility**

Ex-Im Bank approved a \$29.4 million long-term loan guarantee on April 16, 2008, to support multiple exports of U.S. medical, building and office equipment and services for the construction of Bhopal Medical College in Bhopal, India. The transaction was structured under Ex-Im Bank's Medical Equipment Initiative and is the first to be authorized under the Bank's \$2.2 billion India Infrastructure Facility.