



# Indonesia Banking Facility

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## Basic Overview of Structural Components

1. On June 3, 2010 Ex-Im Bank approved a one-year, \$1.075 billion special financing facility of varying amounts to eleven Indonesia financial institutions (FIs) which meet the credit standards of Ex-Im Bank.
2. The authorizations are referred to as the Indonesia Banking Facility (the Facility) whereby Ex-Im Bank will offer direct dollar loans or provide access to guaranteed dollar loans from international commercial banks (Guaranteed Lenders) to the customers of pre-approved Indonesian FIs.
3. These loans may be used for short, medium and long term financing including infrastructure development projects (either greenfield or expansionary projects) where the FIs will ultimately guarantee repayment obligations in the event of an Ex-Im Bank claim payment to the Guaranteed Lender or act as borrowers under Ex-Im Bank's Direct Loans.
4. Per Ex-Im Bank's mandate, the loan values will be tied directly to the purchase of U.S. goods and services. Ex-Im Bank is able to finance the lesser of 85 percent of the eligible goods and services in the U.S. supply contract, or 100 percent of the eligible U.S. content in the U.S. supply contract. An additional 30 percent of the total value of the U.S. exports may be used to support local costs, provided that the local costs relate to the U.S. purchase contract.
5. In the event of a payment default under these authorizations, Ex-Im Bank would have recourse to the FI.
6. For loan values up to \$10 million, Ex-Im Bank approval will be granted on an expedited basis (generally 10-business days) without further due diligence from the Ex-Im Bank. These transactions would require submission of the following:
  - Completed Medium-Term Insurance and Guarantee Application
  - Credit report on U.S. exporter(s)
  - Completed Annex A to the Medium-Term Application
  - Credit report or informational profile on the end-user of the U.S. good and services
  - Sales contract, invoice or purchase order
  - Transaction summary
  - Formal Commitment Letter from the FI
  - Legal documentation as required.
7. For loan values in excess of \$10 million, Ex-Im Bank's approval will also be on an expedited basis (generally 6-weeks). Ex-Im Bank Board approval will require submission of the following:
  - Complete Long-Term Loan or Guarantee Application and supporting documentation
  - Sales contract, invoice or purchase order
  - Formal Commitment Letter from the FI
  - Transaction summary and technical information as required
  - Credit report or informational profile on the end-user of the U.S. goods and services
  - Financial documentation under Ex-Im Banks standard Long-Term Credit Agreement, which may include structuring elements for certain transactions
  - For credit amounts greater than \$20 million and/or repayment tenors greater than seven years, Ex-Im Bank requires the Maritime Administration (MARAD) shipping compliance (U.S. flag vessel policy requirements). For any Direct Loan, MARAD requirements would apply.
  - Bills of lading and shipping documentation at the time of the disbursement request
  - Additional follow-on information as requested by Ex-Im Bank

8. For large project sizes, long-term repayment tenors, or for deals greater than \$10 million, Ex-Im Bank will conduct a review of the information pertaining to the environmental permit obtained in Indonesia. Ex-Im Bank will verify that the environmental aspects of the project meet the World Bank and Ex-Im Bank Environmental Procedures and Guidelines. Additional environment information may be requested, as required.

9. Generally, Ex-Im Bank financing may be used to extend tenors of up to 10 years on balance sheet transactions, 12-years for power project financing, 14-years for greenfield project finance opportunities and 18 years for environmentally beneficial projects including drinking water, waste treatments and renewable energy (solar, wind, geothermal, nuclear, hydro) projects under Ex-Im Bank's Environmental Exports Program.

10. All use under the Facility must comply with the Organization for Economic Cooperation and Development (OECD) Guidelines and Ex-Im Bank policy.

11. For guaranteed loans, Ex-Im Bank will guarantee the interest rate and margin negotiated between the Guaranteed Lender, the FI and the end purchaser. On direct loans, the Commercial Interest Reference Rate (CIRR) will be used.

12. Ex-Im Bank charges a one-time exposure fee based on the amount of financing that it guarantees. The fee is determined by using the Exposure Fee Calculator at [http://www.exim.gov/tools/fee\\_calc.cfm](http://www.exim.gov/tools/fee_calc.cfm).

13. Ex-Im Bank will also charge a commitment fee on the remaining undisbursed funds. The fee (1/8 of one percent for a guarantee transaction and 1/2 of one percent for direct loan transactions ) begins accruing 60 days from Ex-Im Bank's final approval date.

14. Principal payments begin six months after the end of the shipment period or after construction completion, and must generally be made in equal and regular installments not less frequently than every six months. Principal and interest repayments to be made on terms other than this frequency must comply with the following:

- No single repayment or series of repayments within a six month period shall exceed 25 percent of the principal sum repayable during the repayment term.
- Ex-Im Bank must notify the OECD community if repayments are to be made on any term other than the standard equal and regular installment basis.

15. Interest may be capitalized during the construction period, for limited recourse, project finance applications and environmental exports.

#### **Participating Indonesian Financial Institutions (as of July 7, 2010)**

Indonesia Eximbank.  
Bank Nagara Indonesia  
PT Bank Central Asia  
Panin Bank  
OCBC NISP  
Bank UOB Buana

Bank Mandiri  
Bank Rakyat Indonesia  
Bank Danamon  
Bank CIMB-Niaga  
Bank Internasional Indonesia

For more information, please contact the Global Business Development Division at 202.565.3713, or Brian San Angelo at 202.565.3484, or visit the Indonesia section on Ex-Im Bank's web site at [www.exim.gov](http://www.exim.gov).

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