THE ROLE OF EXPORT CREDIT AGENCIES

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Export Import Bank of Malaysia Berhad (EXIM) - Profile
# Profile

Export Import Bank of Malaysia Berhad ("EXIM") is Malaysia’s sole development financial institution dedicated to the promotion of external trade (cross-border)

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Minister of Finance Inc., Malaysia (100%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorized Capital</td>
<td>RM3.0 billion (USD911.5 million)*</td>
</tr>
<tr>
<td>Paid-up Capital</td>
<td>RM2.7 billion (USD820.3 million)*</td>
</tr>
<tr>
<td>International Rating</td>
<td>Fitch: A- Moody’s: A3</td>
</tr>
<tr>
<td>Current Staff Strength</td>
<td>298</td>
</tr>
<tr>
<td>Offices</td>
<td>Head Office in Kuala Lumpur and three (3) representative offices in Penang, Johor Bahru and Kuching</td>
</tr>
<tr>
<td>Business Coverage</td>
<td>Banking, Trade Credit Insurance and Advisory</td>
</tr>
<tr>
<td>Global Coverage</td>
<td>Business transactions and facilities for customers in 109 countries across 5 continents</td>
</tr>
</tbody>
</table>

Note * : USD 1 = RM 3.2913 as at 31st Dec 2013
VISION

To be a leading financial institution for Malaysian cross-border ventures. In defining the vision:

• Leading means being a preferred financial institution for Malaysians seeking financing facilities, insurance cover and advisory services when venturing business abroad.

• Malaysian cross-border ventures means all types of business ventures abroad participated by Malaysians that meet the requirement as specified under the Bank’s business rules.
MISSION

- As a development financial institution we strive to facilitate Malaysia’s global businesses by providing banking and credit insurance products and services;

- Provide developmental advisory services in nurturing Malaysian cross-border business ventures.
EXIM Bank
- Business Networking
Strategic Intent: Strategic Fit – Complementary Niche

- Provide support to large corporates and SMEs
- Unable to extend exposure to several countries, given limited overseas operations and lack of international experience

- Support foreign multinationals operating in Malaysia
- Focused on large corporates

- Extensive international experience, backed by government mandate
- Willing and able to provide support where required to take international exposure
  - Direct funding
  - Indirect funding (complement commercial banks)
Interaction with other Agencies of the Government

The Bank interacts closely with other agencies of the Malaysian government, in their programs for promoting exports. Among them:

<table>
<thead>
<tr>
<th>Government Agency</th>
<th>EXIM interaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>MITI</td>
<td>Regularly participates in trade missions organized by MITI</td>
</tr>
<tr>
<td></td>
<td>Participates in the annual SMIDEX exhibition organized by SME Corp., a unit of MITI</td>
</tr>
<tr>
<td></td>
<td>Submit Statement of Corporate Intent and Annual Funding Requirements for their comments</td>
</tr>
<tr>
<td>MATRADE</td>
<td>Regularly participates in trade missions organized by MATRADE</td>
</tr>
<tr>
<td></td>
<td>Regularly participates and jointly organize exhibitions/seminars led by MATRADE</td>
</tr>
<tr>
<td>MIDA</td>
<td>Participation in National Investment Seminar</td>
</tr>
<tr>
<td></td>
<td>Promotion of reverse investment initiatives</td>
</tr>
<tr>
<td></td>
<td>Participation in ongoing economic development in regional economic corridor</td>
</tr>
<tr>
<td></td>
<td>Sharing market information</td>
</tr>
<tr>
<td>CIDB</td>
<td>Organize EXIM Overseas Guarantee Facilities (EOGF) road shows in Malaysia</td>
</tr>
<tr>
<td></td>
<td>Participation in “Going Global” seminar nationwide</td>
</tr>
<tr>
<td></td>
<td>CIDB briefing to all EXIM Bank staff on global construction outlook</td>
</tr>
</tbody>
</table>
Interaction with other Agencies of the Government (Cont’)

The Bank interacts closely with other agencies of the Malaysian government, in their programs for promoting exports. Among them:

<table>
<thead>
<tr>
<th>Government Agency</th>
<th>EXIM interaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>SME Corp Malaysia</td>
<td>Regurlarly participates in SME Corp Malaysia’s seminars and events in order to assist Small and Medium Enterprise companies in Malaysia to penetrate the global market.</td>
</tr>
<tr>
<td></td>
<td>Among the Financial Institution who finance companies with the 1-Innocert Certification.</td>
</tr>
<tr>
<td></td>
<td>Provide assistance to companies referred to by SME Corp Malaysia.</td>
</tr>
<tr>
<td>TERAJU</td>
<td>Actively participate in their seminars especially for the TERAS companies to help Bumiputera companies achieve success in their business.</td>
</tr>
<tr>
<td>Biotech Corp.</td>
<td>Participates in seminars or forums organised by Biotech Corp.</td>
</tr>
<tr>
<td></td>
<td>Provide assistance to BIO-NEXUS certified companies in sourcing for fund in financing their project overseas.</td>
</tr>
<tr>
<td>Green Tech Malaysia</td>
<td>Supports the Green Technology Financing Scheme (GTFS)</td>
</tr>
</tbody>
</table>
## International Strategic Alliances

The Bank has forged strategic alliances with various international organizations, as a means to promote Malaysian exports.

<table>
<thead>
<tr>
<th>Organization</th>
<th>Description</th>
<th>EXIM interaction</th>
</tr>
</thead>
</table>
| **Asian EXIM Banks Forum (“AEBF”)**               | - AEBF was established in 1996, through the initiative of the Export-Import Bank of India  
- Serves as a forum for discussing a wide range of issues, and fostering common understanding and sharing information among EXIM Banks in Asia  
- Members include, among others, Japan International Co-operative Agency (“JICA”) and Asia Development Bank (“ADB”)  | - Member of AEBF since 1996  
- In 2002, the 8th AEBF was held in Kuala Lumpur, Malaysia  
- In 2010, EXIM Bank Malaysia hosted the 13th Training Program on Risk Management  
- Participated in various training programs organized by other members, with the objective of improving knowledge of all ECA officers in all areas related to export credits  
- In 2011, EXIM Bank Malaysia hosted the 17th AEBF Annual Meeting |

| **berneunion**                                    | - Founded in 1934 as an international, non-profit organization  
- Dedicated to facilitating world-wide cross-border trade and investments by fostering international acceptance of sound principles in export credits and investments insurance, and by providing a forum for professional exchanges among its members  | - Member of Berne Union since 1983  
- Promote best practices through exchange of information on our activities, policies and procedures and through the development of relevant agreements and standards  
- Co-operating and partnering with commercial, bilateral and multilateral and other organizations involved in export trade and investment business  
- Training and workshop conducted by subject matter experts across 38 countries |
EXIM Bank
- Facility Outreach
EXIM BANK’S EXPOSURE ALL AROUND THE WORLD
... By Providing Support in Overseas operations

EXIM provides support to Malaysian exporters that Malaysian commercial banks are less able to lend to, on account of the banks' lack of coverage in international operations or lack of appetite for such cross border risk.

Note *: The exposure is as per December 2014 position.
EXIM provides support to Malaysian exporters that Malaysian commercial banks are less able to lend to, on account of the banks’ lack of coverage in international operations or lack of appetite for such cross border risk.

By Providing Support in Overseas operations

Loan Breakdown by Country

- Malaysia: 41%
- Indonesia: 15%
- Australia: 6%
- Singapore: 4%
- United Kingdom: 7%
- Others: 27%

Note *: The exposure is as per December 2014 position
EXIM Bank
- Products and Services Highlights
EXIM Bank Offering

Our offerings of Banking, Trade Credit Insurance and Advisory services via a variety of products and services that, when put together, become an integrated cross-border solutions for our customers and their affiliates.

- Term Loan
- Working Capital
- Guarantee

Trade Credit Insurance
- Short-Term
- Medium/Long-Term
- Political Risk

Advisory
- Country Analysis
- Industry Analysis

The facilities offered by EXIM fall into two categories: banking facilities and trade credit insurance and takaful facilities

EXIM offers a wide range of conventional and Islamic banking facilities classified into term financing, trade finance and guarantees

For trade credit insurance and takaful facilities, EXIM offers short-term and medium-to long-term products
Banking Facilities
Banking Facilities

Short Term Financing
- Supplier Credit Facility (SCF) OR SCF-i
- Buyer Credit Trade Facility (BCTF) OR BCTF-i

Medium & Long Term Financing
- Overseas Contract Facility (OCF) OR OCF-i
- Overseas Project Financing Facility (OPF) OR OPF-i
- Buyer Credit Facility (BCF) OR BCF-i
- Export of Services (ESF) OR ESF-i
Banking Facilities

Government Initiative Scheme

- Export Credit Refinancing (ECR) OR ECR-i
- Malaysia Kitchen Financing Facility (MKFF) OR MKFF-i

Guarantee Facility

- ADB-EXIM Trade Finance Programme OR IDB Co-Financing
- Bank Guarantee Facility (BGF) OR BG-i
- Letter of Credit Facility (LC) OR LC-i
- Forward Foreign Exchange (FFE) OR FFE-i
Insurance against **losses/ non payment** arising from commercial and/or political risks while undertaking project or contract in overseas countries and export activities.
Credit Insurance Products

**Short Term Insurance**
- Comprehensive Policies
- Bank Letter of Credit Policy
- Multi Currency Trade Financing Scheme
- Indirect Exporter’s Financing Scheme
- Comprehensive Takaful Shipment

**Medium & Long Term Insurance**
- Specific Policies
- Buyer Credit Guarantee
- Specific Takaful
Credit Insurance Products

Political Risk Insurance (PRI)

- Overseas Investment Insurance
- Bond Risk Insurance
- Bond Indemnity Support

PRI covers losses from the following risks:

- Currency Inconvertibility
- Transfer Restriction
- Expropriation
- War and Civil Disturbances
- Political Violence
- Breach of Contract
EXIM Bank
-Case Studies : Successful Transactions
ABC Sdn Bhd

- SME coal importer from Indonesia for supply to local cement plant.
- Difficult to obtain financing due to perceived performance risk.
- EXIM assisted with post-delivery financing of USD3 million with 20% security only.
- Now pre & post financing with same security.
<table>
<thead>
<tr>
<th>Facility</th>
<th>Import Financing-i</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>USD3.0 million</td>
</tr>
<tr>
<td>Purpose</td>
<td>To finance sale of coal</td>
</tr>
<tr>
<td>Supplier</td>
<td>Indonesia</td>
</tr>
<tr>
<td>Buyer</td>
<td>Malaysian companies</td>
</tr>
</tbody>
</table>
1. EXIM avails Import Financing-i line to ABC Sdn Bhd.
2. Buyers will place order.
3. ABC place order with Supplier.
4. Supplier issue invoice.
5. EXIM pays supplier and goods are delivered by supplier.
6. Buyer pays EXIM 90 days after invoice by ABC Sdn Bhd
<table>
<thead>
<tr>
<th>Facility</th>
<th>(a) Overseas Contract Financing facility (LC/TR) of USD3.26 million (b) Bank Guarantee of USD2.05 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose</td>
<td>To design, procure, supply install, test, commission and deliver 12,000 Tower Operating Centre and Remote Monitoring System</td>
</tr>
<tr>
<td>Contract Value</td>
<td>USD20.0 million</td>
</tr>
<tr>
<td>Country</td>
<td>Bangladesh : 5,000 towers Malaysia : 3,200 towers Sri Lanka : 2,800 towers Cambodia : 1,000 towers</td>
</tr>
</tbody>
</table>
Received a contract to design, procure, supply install, test, commission and deliver **12,000** Telecommunication Towers in the following countries:

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of Towers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh</td>
<td>5,000</td>
</tr>
<tr>
<td>Malaysia</td>
<td>3,200</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>2,800</td>
</tr>
<tr>
<td>Cambodia</td>
<td>1,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>12,000</strong></td>
</tr>
</tbody>
</table>

EXIM granted a revolving line to finance of USD3.26 million to finance the USD20.0 million contract.
1. XYZ Telco Sdn Bhd signed contract with Telco.
2. Telco issue PO based on number of sites.
3. XYZ Telco Sdn Bhd issue PO to IT Supplier.
4. EXIM pays supplier on behalf of XYZ Telco Sdn Bhd by issuing LC.
5. Telco pays EXIM Bank upon claim by XYZ Telco Sdn Bhd.
6. Balance (if any) released to XYZ Telco Sdn Bhd.
### PT IPP

| Facility               | (a) Overseas Contract Financing facility of USD200.0 million (under syndication of USD730.0 million Term Loan facility)  
|                       | (b) Overseas Investment Insurance of USD100.0 million |
| Purpose               | To develop, own, operate, manage and maintain a 660MW Coal Fired Power Plant |
| Country               | Indonesia |
PT IPP (Con’t)

- EXIM participated in a Syndicated Loan with other bankers to finance a 60MW Coal Fired Power Plant in Indonesia.
- EXIM also provided Overseas Investment Insurance cover of USD100.0 million to cover the Political Risk.
PT IPP (Con’t)
Proton Vendor Financing program

- Without recourse post-delivery financing.
- Discounting up to 100% of invoice value (unlike 80% by many factoring cos).
- NO legal fees, NO security & very minimal assessment.
- Unlock SMEs’ receivables (normally tied upto 60 days).
- Get rebate when Proton pays earlier.
EXIM Bank
-Awards & Recognition
AWARDS & RECOGNITION

EUROMONEY

PROJECT FINANCE (EUROMONEY PUBLICATION) AWARD 2013
ASIA PACIFIC DEAL OF THE YEAR
ASIA PACIFIC POWER DEAL OF THE YEAR
Banten IPP, 660MW Coal Fired Power Plant in Indonesia.

PROJECT FINANCE INTERNATIONAL (PFI) AWARD 2013
ASIA PACIFIC DEAL OF THE YEAR
Banten IPP, 660MW Coal Fired Power Plant in Indonesia.

THE BANKER (FINANCIAL TIMES) AWARDS 2014
INFRASTRUCTURE AND PROJECT FINANCE DEAL OF THE YEAR ASIA PACIFIC
Banten IPP, 660MW Coal Fired Power Plant in Indonesia
Thank You
Contact us

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