

Press Release

Signing of Loan Agreement for "Renewable Energy and Indonesia Infrastructure Project" between PT Indonesia Infrastructure Finance (IIF) and Japan International Cooperation Agency (JICA)

- Promoting the mobilization of private funds and contributing improvements of business and investment in Indonesia -

December 11, 2017

PT Indonesia Infrastructure Finance ("IIF") has entered into a loan agreement for the amount of JPY 8 Billion with Japan International Cooperation Agency (JICA) in Jakarta. The above mentioned agreement has an objective to provide the mobilization of private funds and contributing improvements of business and investment in Indonesia.

IIF, a private non-bank financial institution under the Ministry of Finance focusing on financing infrastructure development, which was established in 2010 as part of the strategy of the Indonesian government and multilateral institutions to facilitate the commercial capital needed to fund the infrastructure sector in Indonesia. IIF has invested in highways, seaports, airports, telecommunications, Hydro and gas-fired power plant, and renewable energy. Year to date, IIF has expected to book a total of infrastructure loan commitments by more than Rp.13Trillion by the end of 2017.

Arisudono Soerono, President Director of IIF said, "This facility is another evidence on how the international market has given trust to IIF. IIF constantly demonstrates its ability to manage and utilize the proceeds to boost the infrastructure projects in Indonesia as part of its function for being a catalyst of infrastructure development in Indonesia." This facility also shows IIF's commitment to develop infrastructure projects which comply on the social and environment standard especially related to the renewable energy.

The economic growth has become stable in recent years in Indonesia. However, there are still a lot of needs for infrastructure development in Indonesia which the most essential for achieving sustainable economic growth. The National Development Planning Agency of the Republic of Indonesia (BAPPENAS) estimates that Rp.5.519 Trillion funds will be needed over the five-year period commencing from 2015 to 2019, and under the assumption that 30

percent of that amount will come from the mobilization of private funds.

JICA has continuously provided its assistance through technical cooperation and grant to support infrastructure development in Indonesia. This financing will generally promote the mobilization of private funds for infrastructure development, including renewable energy in Indonesia. This support is expected to improve business and investment to accelerate the economic growth through the participation of the private sector and further, expected to support the Japanese companies and other international players to participate in infrastructure projects in Indonesia.

About Indonesia Infrastructure Finance

IIF is a private non-bank financial institution which was established under the Regulation of the Minister of Finance of the Republic of Indonesia No. 100 / PMK.010 / 2009 professionally managed with a focus on investing in infrastructure projects commercially viable. IIF establishment is one important element in the strategic development by the Government of Indonesia, together with partners from the international financial institutions to overcome barriers to the flow of private investment in the infrastructure sector. As a commercially oriented business entities, IIF providing fund-based products such as long-term loans, non-fund based products such as underwriting and other services related to infrastructure projects. IIF is expected to develop into a national repository in mobilizing experience and expertise related to the development and financing of infrastructure projects viable, including projects based on Public Private Partnership (PPP).

IIF supported by the Government and Institutions multilateral world which is reflected in share ownership IIF, the Government of Indonesia through PT Sarana Multi Infrastruktur (Persero) (SMI) together with the Asian Development Bank (ADB), International Finance Corporation (IFC), Deutsche Investitions- und Entwicklungsgesellschaft mbH (DEG) and Sumitomo Mitsui Banking Corporation (SMBC). Besides, the IIF also received support loans from the World Bank (World Bank) and ADB

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