
LOAN NUMBER 8330-INO (AIF)

LOAN AGREEMENT
(Sustainable and Inclusive Energy Program – Subprogram 2)

between

REPUBLIC OF INDONESIA

and

ASIAN DEVELOPMENT BANK

DATED 28 SEPTEMBER 2017

INO 49043

LOAN AGREEMENT

LOAN AGREEMENT dated 28 September 2017 between REPUBLIC OF INDONESIA ("Borrower") and ASIAN DEVELOPMENT BANK ("ADB").

WHEREAS

(A) ADB has received from the Borrower a development policy letter dated 14 June 2017 ("Policy Letter"), setting forth certain objectives, policies and actions, described in Schedule 1 to the A Loan Agreement (as defined below), designed to establish a sustainable and inclusive energy sector within the territory of the Borrower ("Program"). The Program comprises the second subprogram of a programmatic approach, as described in Schedule 1 to the A Loan Agreement ("Programmatic Approach"), and the Borrower has applied to ADB for a loan for the purposes of the Program;

(B) by a loan agreement of even date herewith between the Borrower and ADB ("A Loan Agreement"), ADB has agreed to make a loan to the Borrower from ADB's ordinary capital resources in an amount of four hundred million Dollars (\$400,000,000) ("A Loan") for the purposes of the Program ("Program");

(C) the Borrower has also applied to ADB for a loan ("Loan") for the purposes of the Program to be funded by ADB entirely from a participation in the Loan by ASEAN Infrastructure Fund Limited ("AIF");

(D) by a participation agreement [of even date herewith] between ADB and AIF ("Participation Agreement"), ADB has agreed to grant to AIF a participation in the Loan ("Participation") on the terms and conditions set forth therein; and

(E) ADB has agreed to make a Loan to the Borrower upon the terms and conditions set forth herein;

NOW THEREFORE the parties hereto agree as follows:

ARTICLE I

General Conditions; Definitions

Section 1.01. All the provisions of the General Conditions Applicable to Loans made by ADB Funded Through Participations of ASEAN Infrastructure Fund Limited, dated 9 May 2017 ("General Conditions"), are hereby made applicable to this Loan Agreement with the same force and effect as if they were fully set forth herein.

Section 1.02. Wherever used in this Loan Agreement, the several terms defined in the General Conditions and in the A Loan Agreement have the respective meanings therein set forth unless modified herein or the context otherwise requires.

ARTICLE II

The Loan

Section 2.01. (a) ADB agrees to make to the Borrower the Loan in an amount of one hundred million Dollars (\$100,000,000) with funds to be obtained entirely through the Participation in the Loan by AIF.

(b) The Loan has a principal repayment period of 12 years, and a grace period as defined in subsection (c) hereinafter.

(c) The term "grace period" as used in subsection (b) hereinabove means the period prior to the first Principal Payment Date in accordance with the amortization schedule set forth in Schedule 1 to this Loan Agreement.

Section 2.02. The Borrower shall pay to ADB interest on the principal amount of the Loan withdrawn and outstanding from time to time at a rate for each Interest Period equal to the sum of:

- (a) LIBOR; and
- (b) 1.40% as provided by Section 3.02 of the General Conditions.

Section 2.03. The Borrower shall pay a commitment charge of 0.15% per annum. Such charge shall accrue on the full amount of the Loan (less amounts withdrawn from time to time), commencing 60 days after the date of this Loan Agreement.

Section 2.04. Interest and other charges on the Loan shall be payable semiannually on 15 February and 15 August in each year.

Section 2.05. The Borrower shall repay the principal amount of the Loan withdrawn from the Loan Account in accordance with the provisions of Schedule 1 to this Loan Agreement.

ARTICLE III

Use of Proceeds of the Loan

Section 3.01. The Borrower shall cause the proceeds of the Loan to be applied exclusively to the financing of expenditures for the Program in accordance with the provisions of this Loan Agreement.

Section 3.02. The proceeds of the Loan shall be withdrawn in accordance with the provisions of Schedule 3 to the A Loan Agreement, as such Schedule may be amended from time to time by agreement between the Borrower and ADB.

Section 3.03. The Loan Closing Date for the purposes of Section 9.02 of the Loan Regulations shall be 31 March 2018 or such other date as may from time to time be agreed between the Borrower and ADB.

ARTICLE IV

Particular Covenants

Section 4.01 In the carrying out of the Program, the Borrower shall perform, or cause to be performed, all obligations set forth in Schedule 4 to the A Loan Agreement.

Section 4.02 As part of the reports and information referred to in Section 7.04 of the Loan Regulations, the Borrower shall furnish, or cause to be furnished, to ADB all such reports and information as ADB shall reasonably request concerning (i) the Counterpart Funds and the use thereof; and (ii) the implementation of the Program, including the accomplishment of the targets and carrying out of the actions set out in the Policy Letter.

Section 4.03 ADB's obligation to disburse any amount from the Loan Account shall be subject to ADB's receipt of a corresponding amount from AIF in accordance with the terms of the Participation Agreement. In the event AIF does not pay any amount of the Participation in the Loan to ADB, ADB, by notice to the Borrower, shall cancel the corresponding amount of the Loan.

Section 4.04 (a) Except as ADB may otherwise agree, any cancellation by the Borrower of any unwithdrawn amount of the Loan under Section 8.03 of the General Conditions shall be made pro-rata with the cancellation of the A Loan: at 80% in respect of the A Loan and 20% in respect of the Loan.

(b) Except as ADB may otherwise agree, any prepayment by the Borrower of the Loan under Section 3.05(b) of the General Conditions shall be made pro-rata with the prepayment of the A Loan: at 20% in respect of the Loan and 80% in respect of the A Loan.

ARTICLE V

Suspension; Cancellation; Acceleration of Maturity

Section 5.01. The following is specified as an additional event for suspension of the right of the Borrower to make withdrawals from the Loan Account for the purposes of Section 8.01(l) of the General Conditions: the A Loan shall have become liable for suspension or cancellation or shall have become repayable prior to its agreed maturity date.

Section 5.02. The following is specified as an additional event for cancellation of the right of the Borrower to make withdrawals from the Loan Account for the purposes of Section 8.02(vi) of the General Conditions: the event specified in Section 5.01 of this Loan Agreement shall have occurred.

ARTICLE VI

Effectiveness

Section 6.01 The following is specified as an additional condition to the effectiveness of this Loan Agreement for the purposes of Section 9.01(f) of the General Conditions: the A Loan Agreement shall have been duly executed and delivered and all conditions precedent to its effectiveness, other than a condition requiring the effectiveness of this Loan Agreement, shall have been fulfilled.

Section 6.02. The following is specified as an additional matter, for the purposes of Section 9.02(d) of the General Conditions, to be included in the opinion or opinions to be furnished to ADB: the A Loan Agreement has been duly authorized or approved by, and executed and delivered on behalf of, the Borrower and is legally binding upon the Borrower in accordance with its terms.

Section 6.03. A date 90 days after the date of this Loan Agreement is specified for the effectiveness of this Loan Agreement for the purposes of Section 9.04 of the General Conditions.

ARTICLE VII

Miscellaneous

Section 7.01. The Minister of Finance of the Borrower is designated as representative of the Borrower for the purposes of Section 11.02 of the General Conditions.

Section 7.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Borrower

Ministry of Finance
Directorate General of Budget Financing and
Risk Management
Frans Seda Building
Jln. Dr. Wahidin Raya No. 1
Jakarta 10710, Indonesia

For Correspondence

Attn: Directorate of Loans and Grants

Facsimile Number:

+62 21 381 2859

For Disbursements and Payments

Attn: Directorate of Evaluation, Accounting and Settlement

Facsimile Number:

+62 21 384 3712

For ADB


Asian Development Bank
6 ADB Avenue
Mandaluyong City
1550 Metro Manila
Philippines

Facsimile Numbers:

(632) 636-2444
(632) 636-2336

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused this Loan Agreement to be signed in their respective names as of the day and year first above written and to be delivered at the principal office of ADB.

REPUBLIC OF INDONESIA

By 
ROBERT PAKPAHAN
Authorized Representative

ASIAN DEVELOPMENT BANK

By 
WINFRIED F. WICKLEIN
Country Director
Indonesia Resident Mission

SCHEDULE 1

Amortization Schedule

(Sustainable and Inclusive Energy Program Subprogram 2)

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (Installment Share). If the proceeds of the Loan shall have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by ADB by multiplying: (a) the total principal amount of the Loan withdrawn and outstanding as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date.

<u>Payment Due</u>	<u>Installment Share</u> (Expressed as a %)
15 February 2021	4.166667
15 August 2021	4.166667
15 February 2022	4.166667
15 August 2022	4.166667
15 February 2023	4.166667
15 August 2023	4.166667
15 February 2024	4.166667
15 August 2024	4.166667
15 February 2025	4.166667
15 August 2025	4.166667
15 February 2026	4.166667
15 August 2026	4.166667
15 February 2027	4.166667
15 August 2027	4.166667
15 February 2028	4.166667
15 August 2028	4.166667
15 February 2029	4.166667
15 August 2029	4.166667
15 February 2030	4.166667
15 August 2030	4.166667
15 February 2031	4.166667
15 August 2031	4.166667
15 February 2032	4.166667
15 August 2032	4.166659
Total	100.000000

2. If the proceeds of the Loan shall not have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:

(a) To the extent that any proceeds of the Loan shall have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the amount withdrawn and outstanding as of such date in accordance with paragraph 1 of this Schedule.

(b) Any withdrawal made after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by ADB by multiplying the amount of each such withdrawal by a fraction, the numerator of which shall be the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date (the Original Installment Share) and the denominator of which shall be the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date.

3. Withdrawals made within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the withdrawn principal amount of the Loan to an Approved Currency, the amount so converted in said Approved Currency that shall be repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by ADB by multiplying such amount in its currency of denomination immediately prior to said Conversion by either: (i) the exchange rate that reflects the amounts of principal in said Approved Currency payable by ADB under the Currency Hedge Transaction relating to said Conversion; or (ii) if ADB so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.

5. If the principal amount of the Loan withdrawn and outstanding from time to time shall be denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.