



APPLICATION

In the financing phase the lender files an application for an Untied Loan Guarantee with the Federal Government for a project that has been assessed as in-principle eligible for cover. Prerequisites for the issue of a guarantee are a justified risk (**ECONOMIC VIABILITY**) as well as the compliance with established local and international environmental and social standards.

We will be pleased to assist you throughout the entire planning and financing phase in all aspects of the Untied Loan Guarantee scheme. A fee only becomes due upon the submission of an application. Take the opportunity to contact us at the preliminary stage of your project.

The application form, basic information on the application process as well as an overview of the cover policy of recent years (raw materials, countries and project structures) are available on the internet at WWW.AGAPORTAL.DE.

Further details:

- ▶ **Application fee** – for loan amounts including interest of up to EUR 5m 1.0‰, for amounts above EUR 5m 0.5‰, total fee capped at EUR 30,000.--
- ▶ **Guarantee premium** – risk adjusted (differentiated by country and project risk), single up-front payment
- ▶ A 10% **retention** applies

www.agaportal.de



Federal Ministry
for Economic Affairs
and Energy

OUR PARTNER



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SECURING THE SUPPLY OF RAW
MATERIALS FOR GERMANY



UNTIED LOAN GUARANTEES

UFK-GUARANTEES OF THE
FEDERAL REPUBLIC OF GERMANY

▶ **Untied Loan Finance**



SECURING THE SUPPLY OF RAW MATERIALS BY MEANS OF UNTIED LOAN GUARANTEES

The Federal Republic of Germany depends on the **IMPORT** of a variety of **RAW MATERIALS**. A stable and reliable supply of raw materials is a matter of crucial importance for the German industry. The supply of raw materials is first and foremost responsibility of the industry itself. Yet, trade distortions, supply shortages or political measures partly limit the supply of certain raw materials for the German industry.

UNTIED LOAN GUARANTEES are an integral part of the Federal Government's Raw Materials Strategy. They provide lenders of raw material projects abroad with cover against commercial and political credit default risks. Conditions for the issue of an Untied Loan Guarantee are the long-term supply of the financed project's raw material to German offtakers (in-principle eligibility for cover) and the positive evaluation of the economic viability of the respective project. German investments (e.g. equity capital) in the raw material project are not a prerequisite.

Mandatory of the German Federal Government

The German Federal Government has appointed Euler Hermes Aktiengesellschaft to manage the Untied Loan Guarantees of the Federal Republic of Germany.

BENEFITS OF AN UNTIED LOAN GUARANTEE FOR THE FINANCING OF A PROJECT

LENDER

Raw material projects are connected with economic risks and may be situated in countries with a challenging political environment. An Untied Loan Guarantee covers the corresponding credit repayment risks. Hence Untied Loan Guarantees often facilitate the financing of a project in the first place.

GERMAN RAW MATERIAL OFFTAKER

The prospect of including an Untied Loan Guarantee in the financing of a raw material project often enables German raw material offtakers to conclude long-term offtake contracts. On this basis the offtaker obtains access to a reliable source of the needed raw material for many years.

SPONSOR OF A RAW MATERIAL PROJECT

Including an Untied Loan Guarantee in the financing of a raw material project provides lenders with cover against credit default risks and can improve financing conditions. The necessary conclusion of a long-term offtake contract for the delivery of raw materials with a German offtaker furthermore has a financial benefit on the project due to continuous revenues.

IS A PROJECT SUITABLE FOR AN UNTIED LOAN GUARANTEE?

ENQUIRY

At the early stage of a raw material project's planning and negotiation phase, the Federal Government gives an indication whether a project is suitable for cover under the Untied Loan Guarantee scheme (**IN-PRINCIPLE ELIGIBILITY FOR COVER**). The enquiry may be informal and is free of charge. It can be made by any project stakeholder such as the lending parties, the sponsor, their advisors as well as German offtakers.

Decisions on the in-principle eligibility for cover are taken on a **CASE BY CASE BASIS** since every raw material project has its own specific fundamentals, conditions and parameters which have to be analysed and assessed individually. Following a positive decision, the Federal Government issues a Letter of Interest.

SIMPLIFIED PROJECT STRUCTURE

