

MUFG arranged a term loan for DFCCIL guaranteed by MIGA

MUFG Bank, Ltd. (MUFG Bank) has arranged a term loan for the Dedicated Freight Corridor Corporation of India Ltd. (DFCCIL), a Government of India enterprise under Ministry of Railways, guaranteed by the Multilateral Investment Guarantee Agency (MIGA), an international financial institution affiliated with the World Bank.

This loan is a type of Blended Financing that is a financing method that combines public and private funds. It is expected to effectively support developing countries' efforts to solve issues they are confronting. In particular, Asia, which has a large number of developing countries, needs an investment and financial framework to diversify infrastructure developments and MUFG Bank is also focusing on Blended Financing.

This is the first time MIGA has offered a credit enhancement guarantee for a Public Sector Undertaking in India. This loan is intended to complete the construction of the Eastern Dedicated Freight Corridor — a 794-kilometer-long railway — and the construction of the connectivity between the freight corridor and logistics terminals. In pivotal countries in the Global South, such as India, the balance of conventional loans from the World Bank often reaches the Country Limit ^[1] and it is expected that Blended Financing such as this loan will be utilized as an alternative method. The MIGA-guaranteed term loan is not tied to specific imports, exports, or foreign investments, and this broadens the scope of our bank's support for the Indian government.

MUFG Bank will further contribute to the sustainable development of Asia by utilizing its financial schemes and risk management techniques such as Blended Financing that contribute to the resolution of environmental and social issues.

[Overview of the Term Loan]

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| Signing date of Loan Agreement | January 17th, 2024 |
| Financing Amount | USD 100 Million |
| Tenor | 8 years |
| Use of Funds | Construction of freight railways in India |

[Overview of MIGA]

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| Name | Multilateral Investment Guarantee Agency |
| Representative | Hiroshi Matano |
| Address | 1818 H Street, NW Washington, DC 20433 USA |
| Website | https://www.miga.org/ |

[Overview of DFCCIL]

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| Name | Dedicated Freight Corridor Corporation of India Ltd. |
| Representative | Director Finance Hira Ballabh |
| Address | 5th Floor, Supreme Court Metro Station Building Complex, New Delhi – 110001 |
| Website | https://dfccil.com/ |

[1] Credit limits established by country

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