



**>>> Export Financing for Port  
Projects**

19<sup>th</sup> ASEAN PORTS AND SHIPPING 2022


1 March 2022, Kuala Lumpur


Bank aus Verantwortung

**KfW** IPEX-Bank

# »»» KfW IPEX-Bank

The commercial export project financier of KfW Group

 Established in 1948 <b>Domestic Loan Programmes &amp; Development Aid</b>	
› <b>Shareholder</b>	Federal Republic: 80% Federal States: 20%
› <b>Rating</b>	AAA (S&P) Aaa (Moody's) AAA (Scope)
› <b>Headquarter</b>	Frankfurt am Main
› <b>Offices</b>	80 in different countries all over the globe
› <b>Employees</b>	7.382*

 Spin-off in 2008 <b>Corporate, Project &amp; Export Finance</b>	
› <b>Shareholder</b>	100% KfW
› <b>Rating</b>	AA+ (S&P) Aa2 (Moody's)
› <b>Headquarter</b>	Frankfurt am Main
› <b>Offices</b>	10 representations in Europe, Asia, Africa, Americas, Near East
› <b>Employees</b>	837*



KfW Bankengruppe Rüdiger Nehmzow

\* As of 31-12-2020



# Setting the Stage

Ports as a capex-intensive industry requiring long-term financing solutions

Ship-to-Shore Cranes



RTGs



Mobile Harbour Cranes



Dredging/Land Reclamation



## Reliable partners for your project

**KFW**

World's top 50 safest banks



- › KfW tops the 2020 Ranking of the **World's 50 Safest Banks** for the 9<sup>th</sup> consecutive year.
- › Award issued by the US magazine Global Finance.
- › Winners were selected through a survey of 500 banks, with a specific focus on:
  - › Long-term credit **rating**
  - › Total **assets**

**KFW** IPEX-Bank

Best performing export finance bank

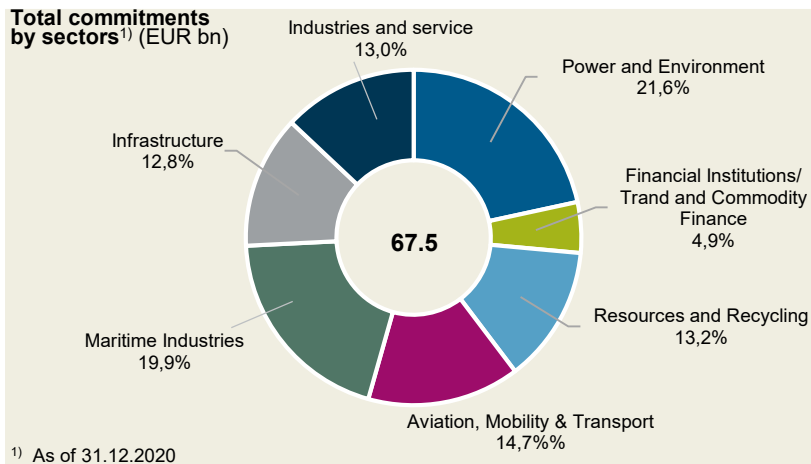


- › In an independent survey with **around 260 feedbacks from the export (finance) community** worldwide KfW IPEX-Bank was chosen as best bank in export finance in 2021
- › KfW IPEX-Bank was a **top scorer** in nearly all 10 key categories and achieved very good to excellent results in:
  - › **Overall Satisfaction and Industry Expertise**
  - › **Flexibility and Risk Appetite**
  - › **Product Offering and Capacity**
- › Ranked among the top 5 banks three years in a row

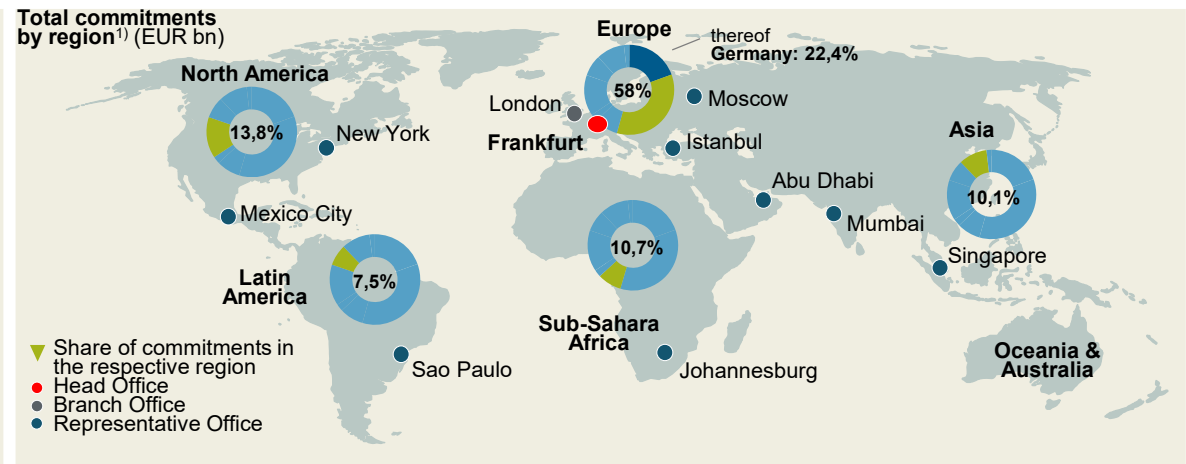
## Our value proposition

- › **Leading specialist financier** for structured export, project and asset based financing
- › **Long-standing and stable business model** – active through the cycles
- › **Focus on medium to long-term structured loan products** with outstanding commitments of ~ EUR 67.5 bn
- › **High level of expertise in export finance transactions** with a portfolio of ~ EUR 24bn of ECA-covered loans

## Sectoral approach



## Global orientation



# »»» KfW IPEX-Bank

Our financings support major contemporary themes

## Export industry



Our financings enhance the success and boost the competitiveness of the German and European export industry.

## Infrastructure and means of transport



Economic success needs modern means of transport and stable building, data and social infrastructure. Our financings support the global trade of goods.

## Environmental and climate protection



Our tailored financings help make innovative energy projects and environmental protection projects possible.

## Securing raw materials supplies



Production needs raw materials. We apply our sector know-how in basic industries to secure the supply of raw materials for manufacturing in Germany and Europe.

# »»» KfW IPEX-Bank Infrastructure

Diverse financing competence in our team

Airports



Seaports



Roads



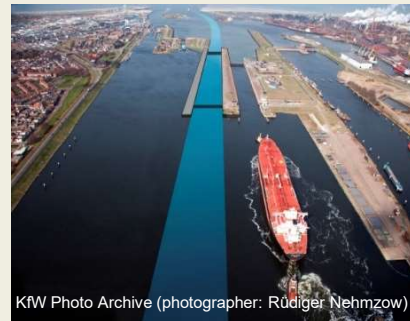
Social Infrastructure



Rail



Water



Digital Infrastructure





# Introducing KfW IPEX-Bank Infrastructure

Our industry expertise in infrastructure and port financing

## Sector expertise









- › KfW IPEX-Bank is a **specialist infrastructure financier** with over **20 years of experience in port financing**
- › Successful execution of more than **35 port financings** on 5 continents
- › Providing **lending and structuring expertise worldwide** to projects with European content
- › Currently managing an **infrastructure portfolio of ~ EUR 8.64bn**
- › Offering various **debt structuring solutions** – e.g. PPP Project Finance as loan and bond, Project Finance with market risk in the port sector, ECA-covered transactions, Corporate Financing, Infrastructure LBOs, Letter of Credit Lines
- › Our client base consists of **leading infrastructure companies** located across 5 continents
- › Excellent relationship with leading **European EPCs and equipment suppliers**





# >>> KfW IPEX-Bank combines industry expertise and global presence

Recent port financings supported or arranged by KfW IPEX-Bank

<p>United Kingdom 2020</p>  <p><b>Hutchison Ports UK Refi 2020</b></p> <p>Corporate Financing</p> <p><b>GBP 325.000.000</b></p> <p>Lender</p>	<p>India 2020</p>  <p><b>DP World Nava Sheva</b></p> <p>Corporate Financing</p> <p><b>USD 40.000.000</b></p> <p>Lender</p>	<p>India 2018</p>  <p><b>DP World Cochin</b></p> <p>Corporate Financing</p> <p><b>USD 50.000.000</b></p> <p>Sole Lender</p>	<p>India 2017</p>  <p><b>DP World Nava Sheva</b></p> <p>Corporate Financing</p> <p><b>USD 155.000.000</b></p> <p>Bookrunner, MLA</p>
<p>Australia 2016</p>  <p><b>Port of Melbourne</b></p> <p>Project Financing</p> <p>Undisclosed</p> <p>MLA</p>	<p>Mexico 2015</p>  <p><b>CMSA Manzanillo</b></p> <p>Project Financing</p> <p>Undisclosed</p> <p>B-Loan Lender, Hedge Bank</p>	<p>Belgium 2015</p>  <p><b>DP World Antwerp Gateway</b></p> <p>Project Financing</p> <p><b>EUR 125.000.000</b></p> <p>Arranger, Hedge Bank</p>	<p>Peru 2013</p>  <p><b>APM Terminals Callao S.A. Multi Purpose Terminal</b></p> <p>Project Financing</p> <p>Undisclosed</p> <p>B-Loan Lender</p>

# Export Financing with KfW IPEX-Bank - rationale

# »»» Pros & Cons of Various Financing Options

## Bond Market

*“Large market-driven pool of liquidity”*

- ✓ Can provide significant volumes of debt
- ✓ Ability to provide long tenor debt
- ✓ Good pricing for strong credits
- ✗ Inflexible structures
- ✗ Timing sensitivity
- ✗ Negative carry
- ✗ Only for operational terminals

## Export Financing

*“Motivated to support exports of goods and services of their host nations.”*

- ✓ Can provide significant commitment levels
- ✓ Attractive pricing, often better than commercial loan terms
- ✓ Ability to provide long tenor debt
- ✗ Less flexible structures
- ✗ Strict eligibility requirements
- ✗ New capex required

## Commercial Banks

*“Relationship and commercially driven.”*

- ✓ Typically more flexible with respect to the financing structure
- ✓ Quick approval process
- ✗ Reduced liquidity for longer tenor deals
- ✗ Only moderate pricing and commitment levels achievable
- ✗ More difficult for greenfield projects

## Multilateral / Development Banks

*“Promoting economic development and social progress in its respective member regions.”*

- ✓ More appetite regarding certain developing countries
- ✓ Very long tenors
- ✗ Internal approvals/ due diligence tends to take longer
- ✗ Strict eligibility requirements

# Export Financing as the right financing solution for your imports

ECA-covered loans based on OECD consensus

## You want...

... to finance your imports of capital goods (e.g. STS, RTG cranes) and/or related services with extended tenors

... to minimize your financing costs

... to seek additional security

... to diversify your funding/liquidity pool

## We offer Export Financing with...

Maximum tenors according to the risk categorization of the borrower (up to 10-12 years)

Minimum Pricing Benchmarks / no negative carry

ECA insurance for both political and commercial risks

No impact on your credit lines with your existing lenders



# »»» KfW IPEX-Bank as the right financing partner

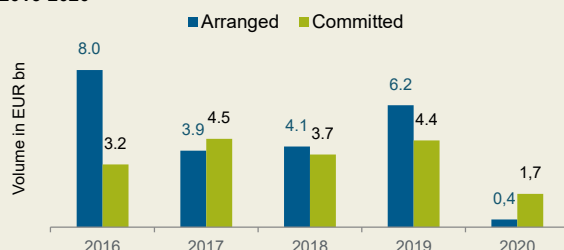
## Our special area of expertise: large-scale ECA-covered financings

### Our experience with ECA-covered financings

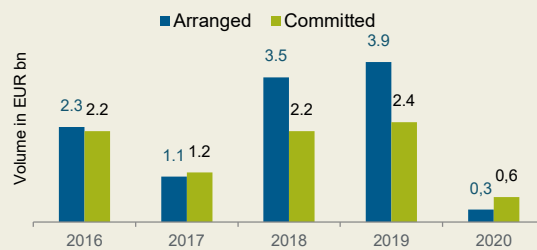
- KfW IPEX-Bank is making intensive use of covers from approx. 20 export credit agencies (ECAs) worldwide and committed over 160 ECA-covered transactions over the last 5 years
- Building on a trustful and long-standing relationship with the ECAs, buyers and major European exporters, KfW IPEX-Bank was mandated to arrange over 55 ECA-covered export finance loans over the last 5 years, with an overall arranged volume of nearly EUR 23bn
- KfW IPEX-Bank manages a portfolio of ECA-covered loans of ~ EUR 24bn as per Dec 2020

### Our position as arranger and lender

ECA-covered financing amounts arranged and committed (under arranged, bilateral & consortial structure) by KfW IPEX-Bank in 2016-2020

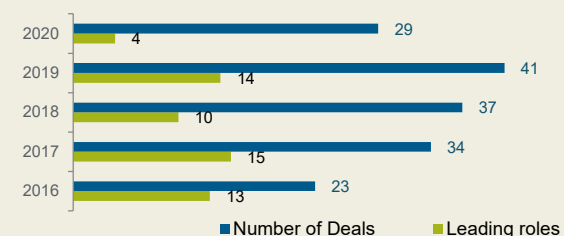


Thereof, Hermes-covered financing amounts as arranged and committed by KfW IPEX-Bank in 2016-2020



### Our transaction history

ECA-covered financings arranged and committed by KfW IPEX-Bank in 2016-2020



### Recent landmark transactions structured and arranged by us

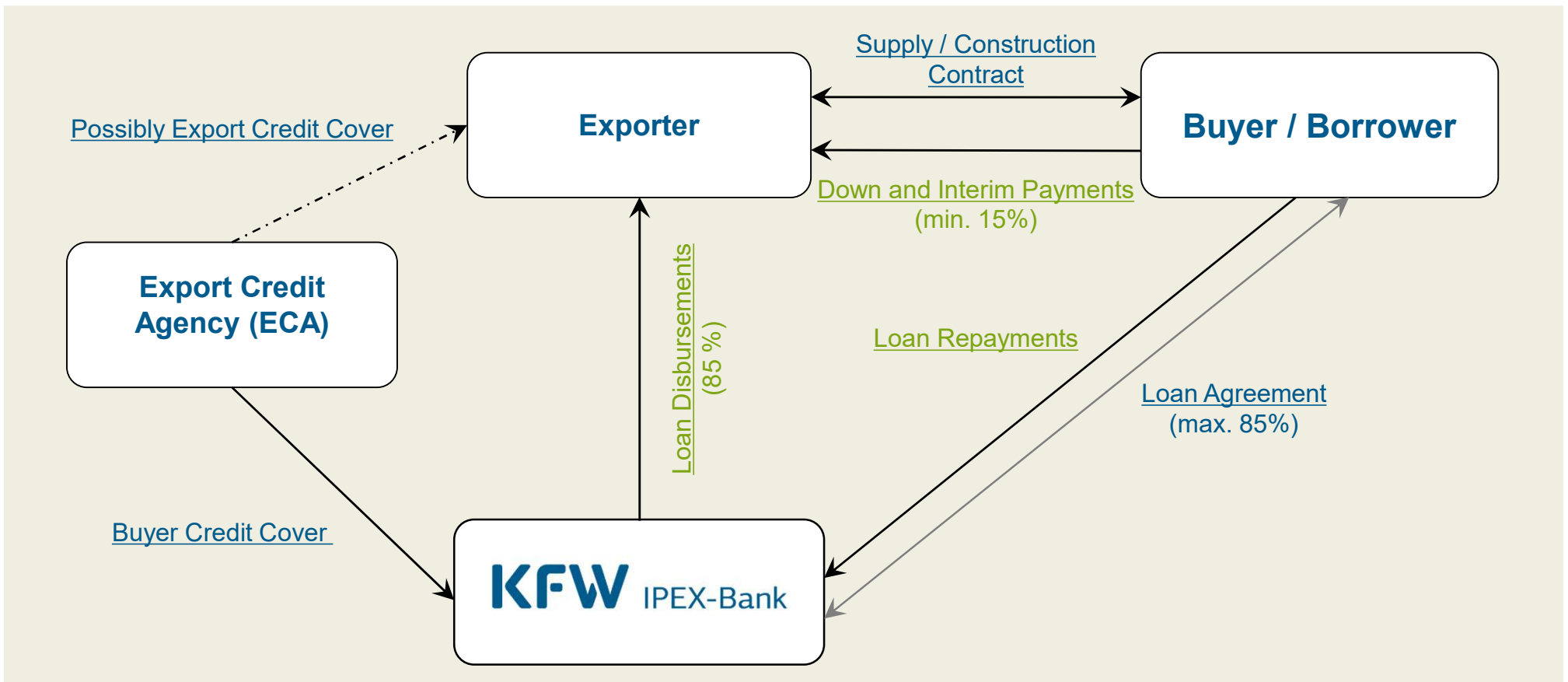
KfW IPEX-Bank acted as Bookrunner, ECA-Coordinator and Facility Agent on numerous landmark ECA-covered transactions, including

- the first **K-Sure** covered European PPP-project: the twin-bored Silvertown Tunnel in East London;
- the complex **Finnvera**-covered project finance structure for Energía del Pacífico (EdP) in El Salvador and
- the **Hermes**-covered financing for the establishment of a vocational school system enabling a qualified dual education in maintaining and constructing roads in the Ivory Coast

<p>United Kingdom 2019</p> <p><b>Silvertown Tunnel PPP</b> 1.4km twin-bore road tunnel</p> <p>Project Financing KSure-covered Term Loan &amp; DSRF</p> <p>GBP 1.200.000.000 IPEX: GBP 184.000.000</p> <p>MLA, Hedge Bank ECA &amp; Facility-Agent</p>	<p>El Salvador 2019</p> <p>Energía del Pacífico</p> <p><b>Energía del Pacífico (EdP)</b> 378 MW LNG-to-Power</p> <p>Project Financing Finnvera-covered (CIRR) Term Loan</p> <p>USD 657.000.000 IPEX: USD 142.000.000</p> <p>MLA ECA &amp; Facility-Agent</p>	<p>Ivory Coast 2020</p> <p><b>Vocational School and Road Maintenance</b></p> <p>Sovereign Financing ECA-covered Term Loan</p> <p>EUR 149.250.000</p> <p>MLA EulerHermes Arranger &amp; Facility-Agent</p>
---	--	---

# Export/ECA-Covered Financing

## Generic structure



















blue: contractual arrangements

green: payment streams

# Export Credit Agencies (ECAs)

A selection of ECAs and their country ratings

	<b>Germany (AAA)</b> Hermes	<b>S&amp;P Rating Levels</b>  AAA AA+ AA AA- A+ A A- BBB+ BBB BBB- BB+ BB BB- B+		<b>Finland (AA+)</b> Finnvera
	<b>Denmark (AAA)</b> EKF			<b>Austria (AA+)</b> OEBK
	<b>United Kingdom (AA)</b> UKEF			<b>Sweden (AAA)</b> EKN
	<b>Italia (BBB)</b> SACE			<b>Netherlands (AAA)</b> Atradius
	<b>Republic of China (A+)</b> Sinosure			<b>Poland (A-)</b> KUKE
	<b>Norway (AAA)</b> Giek			<b>Luxembourg (AAA)</b> ODL
	<b>South Korea (AA)</b> K-Sure			<b>France (AA)</b> Bpifrance
	<b>Spain (A-)</b> CESCE			<b>Switzerland (AAA)</b> SERV

As per 01.10.2021

# OECD-Framework as “Regulator” for ECA-Covered Financings

## Permitted structures

### Down payment

- Of at least 15 % of the total export value
- Due prior to disbursement under the ECA covered loan, at latest before the Starting Point of Credit (SPOC)

### Maximum repayment tenors

- According to OECD Country Categories:
- Category I (High Income Countries): up to 8.5 years
  - Category II (all other countries): up to 10 years
  - Other tenors permissible according to sector understandings or project finance

### Repayment profile

- Repayment of principal in equal consecutive instalments at least every six months
- First repayment to be made no later than six months after SPOC

### Start of repayment period

To be fixed by the SPOC (cash generation ability by the buyer):

“depending on the character of export transaction: e.g. last essential delivery, mean weighted delivery, readiness for operation”

(Latest date to be additionally included)

### Interest

- Capitalization of interest permitted up to “Starting Point of Credit”
- Following SPOC (during the repayment period): consecutive payment of interest no less frequently than every six months, starting no later than six months after SPOC

### Local costs

- Max. 50% of the (ECA eligible) export contract value for Category II countries
- Foreign Content can be included in ECA Cover; each ECA has its own policy in place how to deal with foreign content



# »»» Case Studies

# »»» Successful port projects speak for themselves

## Rotterdam World Gateway, Rotterdam, Netherlands



### Rotterdam World Gateway, Netherlands

- › Total investment volume of EUR 720 million.
- › Total capacity of 2.35 million TEU, possible expansion to a capacity of 4.25 million TEU.
- › Infrastructure financing of a European port with European interest (TEN-Project)

### The challenge

- › Provisioning, construction and financing the superstructure of the first sector of fully automated deep sea container terminal Rotterdam World Gateway
- › Number of equivalent sized port projects in Europe is rather decreasing

### The solution

- › 155 hectare deep water container terminal development on the Maasvlakte 2 site in Rotterdam
- › Long term project finance with a strong alliance of a world class port operator and four major shipping lines
- › A consistent business plan – economically viable and environmentally sound

### The contribution of KfW IPEX-Bank

- › Improvement and development of European port infrastructure
- › Supporting of Europe's economic interests

# Successful port projects speak for themselves

## Victoria International Container Terminal, Melbourne, Australia



### The challenge

- › Concession regime not anticipating a project financing structure
- › Likelihood of a privatization of the Grantor within the lifetime of the loan
- › Traffic risk at a brownfield location

### The solution

- › Suitable Direct Agreement with the Grantor
- › Stable, long-term financing structure including an export-linked, Finnvera-covered tranche
- › Well-balanced risk sharing among lenders and the sponsor ICTSI - a globally renowned international port operator

### Construction and operation of new Webb Dock Container Terminal / Port of Melbourne, Australia

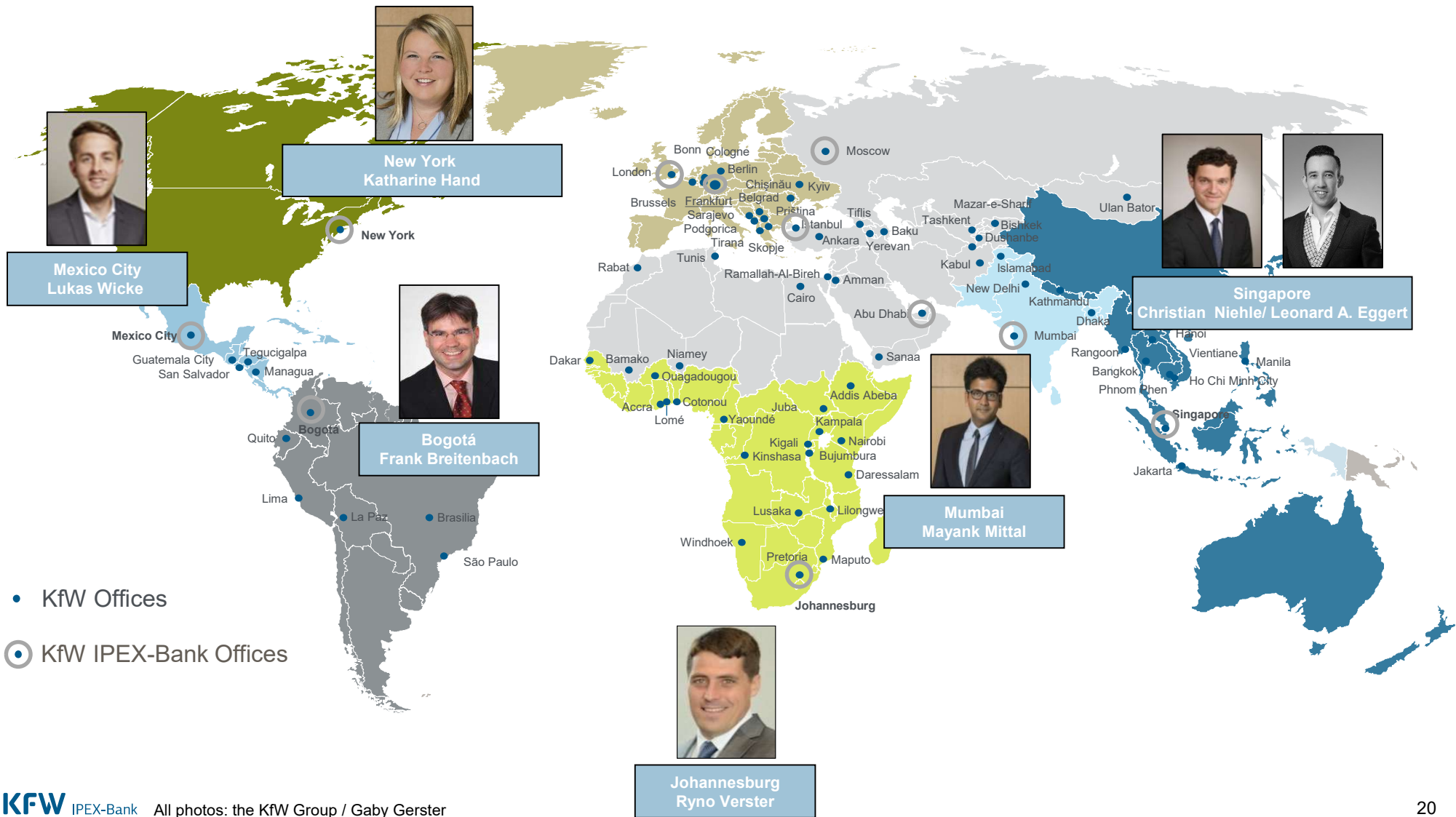
- › Total financing volume: AUD 398 million
- › Bank club: Citibank, Standard Chartered, Bank of China, DBS, Investec, Cathay United Bank, KfW IPEX-Bank
- › Exporters/ sponsor: Cargotec, ZPMC / ICTSI

### The contribution of KfW IPEX-Bank

- › Support of European port crane manufacturer Cargotec
- › Mandated Lead Arranger providing both sector and structuring know-how
- › KfW IPEX-share: AUD 81 million

# »»» Get in touch with the infrastructure team

## Locally



- KfW Offices
- ⊙ KfW IPEX-Bank Offices



# »»» Get in touch with the infrastructure team

## In Frankfurt and London

### Ports & Airports



Uwe Müller  
Uwe.Mueller@kfw.de



Thomas Ankele  
Thomas.Ankele@kfw.de



Zoran Djuric  
Zoran.Djuric@kfw.de



Karin Mulder  
Karin.Mulder@kfw.de



Jens-Oliver Schuenzel  
Jens-Oliver.Schuenzel@kfw.de



Marc Zipper  
Marc.Zipper@kfw.de



Kristin Kotkowski  
Kristin.Kotkowski@kfw.de

### Office Singapore



Leonard A. Eggert  
Leonard.Eggert@kfw.de

### Infrastructure



Thomas Alberghina  
Thomas.Alberghina@kfw.de



Nicolas Briem  
Nicolas.Briem@kfw.de



Denise Cappel  
Denise.Cappel@kfw.de



Peter Diedrichsen  
Peter.Diedrichsen@kfw.de



Stefan Glink  
Stefan.Glink@kfw.de



Alexandra Kurth  
Alexandra.Kurth@kfw.de



Thomas Martin  
Thomas.Martin@kfw.de



Pavlena Rangelova-Werner  
Pavlena.Rangelova-Werner@kfw.de

### Office Singapore



Christian Niehle  
Christian.Niehle@kfw.de

### Infrastructure (London)



Jan Weismueller  
Jan.Weismueller@kfw.de



Timo Hellwig  
Timo.Hellwig@kfw.de



Pierre Alexandre Hughes-Daly  
Pierre.Alexandre.Hughes-Daly@kfw.de



Nargis Maiwand  
Nargis.Maiwand@kfw.de



Linda Zahri  
Linda.Zahri@kfw.de

### Portfoliomanagement

### Infrastructure Ports & Airports



Jens Marschall  
Jens.Marschall@kfw.de



Irene Casanova Abon  
Irene.Casanova-Abon@kfw.de



Albrecht Fehr  
Albrecht.Fehr@kfw.de



Alexander Henschel  
Alexander.Henschel@kfw.de



Felix Patte  
Felix.Patte@kfw.de



Maria Ana Quimper  
Maria\_Ana.Quimper@kfw.de



Moritz Tinapp  
Moritz.Tinapp@kfw.de



Jasmin Wolf  
Jasmin.Wolf@kfw.de



Vilma Zilinskaite-Cordel  
Vilma.Zilinskaite-Cordel@kfw.de

### Origination & Structuring



Alexander Jacobs  
Managing Director  
Alexander.Jacobs@kfw.de



Simone Schmid  
Team Assistant  
Simone.Schmid@kfw.de



»»» We will be happy to assist you.

**KfW IPEX-Bank GmbH**

Palmengartenstrasse 5-9

60325 Frankfurt am Main

Tel: +49 69 7431-3300

Fax: +49 69 7431-8536

E-mail: [info@kfw-ipex-bank.de](mailto:info@kfw-ipex-bank.de)

Bank aus Verantwortung

**KfW** IPEX-Bank