



>>> Your Partner for Port Financing
ASEAN PORTS AND SHIPPING 2022

25-27 October 2022, Ho Chi Minh City

Bank aus Verantwortung

KFW IPEX-Bank

»»» KfW IPEX-Bank – International project and export finance

KfW's specialist financier with tailored products

A bank with ...	
a top rating	<ul style="list-style-type: none"> – KfW IPEX-Bank GmbH, head office: Frankfurt am Main – Rating: AA+ (S&P) / Aa2 (Moody's)
a strong shareholder	<ul style="list-style-type: none"> – 100% subsidiary of the state-owned promotional bank KfW – Rating: AAA (S&P) / Aaa (Moody's) / AAA (Scope)
a committed team and a stable business volume	<ul style="list-style-type: none"> – 876 employees* – approx. EUR 68.5 billion* in business
years of experience and a clear mission	<ul style="list-style-type: none"> – In the market for over 70 years – Supporting the internationalisation and competitiveness of German and European exporters – Focused on export industry, infrastructure, environmental / climate protection and securing the supply of raw materials



* As of 31 December 2021

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 9th 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

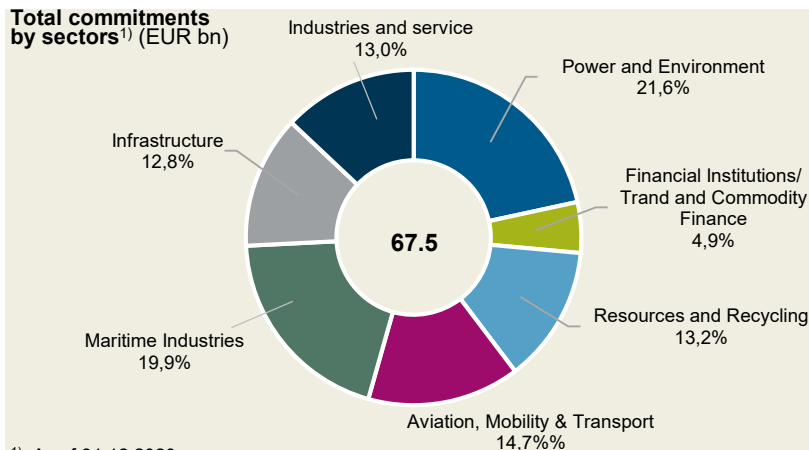


- › In an independent survey with **around 260 feedbacks from the export (finance) community** worldwide KfW IPEX-Bank was chosen as best bank in export finance in 2021
- › KfW IPEX-Bank was a **top scorer** in nearly all 10 key categories and achieved very good to excellent results in:
 - › **Overall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

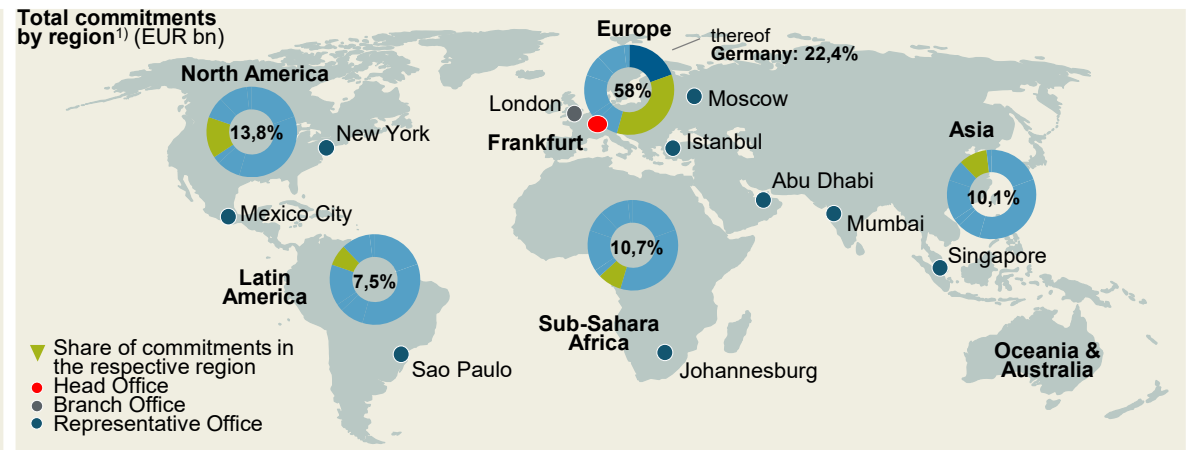
Our value proposition

- › **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



»»» Our financings support major contemporary themes

Exports – infrastructure – environmental & climate protection – raw materials supplies

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



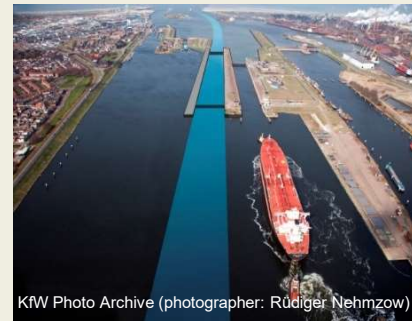
Social Infrastructure



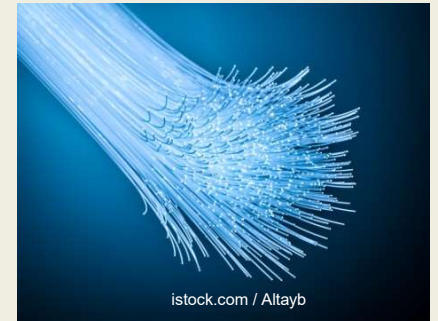
Rail



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**



»»» Credentials/Case Studies

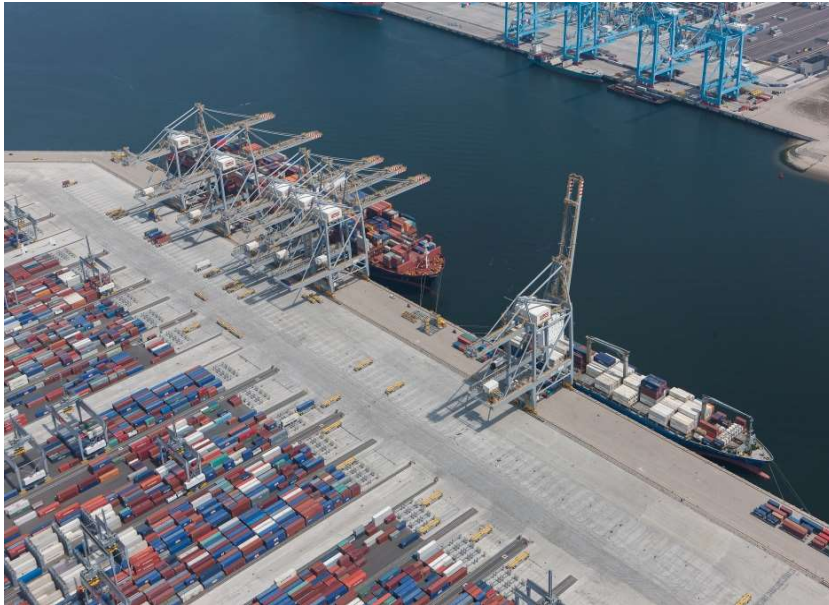
>>> KfW IPEX-Bank combines industry expertise and global presence

Recent port financings supported or arranged by KfW IPEX-Bank

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

»»» 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

»»» Successful port projects speak for themselves

Contecon Manzanillo S.A. (CMSA) – IFC / IADB A/B-Loan (Mexico)



Contecon Manzanillo, Mexico

- › Total project volume: approx. USD 567m.
- › Total financing volume: USD 260m.
- › KfW IPEX-Bank contribution: USD 52.5m. (12 year tenor)

The challenge

- › Market and construction risk
- › Phased investment needs
- › New development on formerly mangrove covered area

The solution

- › Tailor-made project financing structure incl. appropriate hedging instruments, focus on environmental standards incl. reforestation measures
- › Mitigation of country and tax issues by IFC and IADB
- › Cooperation with another commercial bank as B-Lenders

The contribution of KfW IPEX-Bank

- › IFC / IADB B-Loan Participant
- › Supporting European exports (crane machinery by Cargotec)

»»» Successful port projects speak for themselves

Brasil Terminal Portuário (BTP) Greenfield Container Terminal in Port of Santos – IFC A/B-Loan (Brazil)



The challenge

- › Market and construction risk
- › Location on former dump site (challenging remediation component)
- › Commitment of banks requested at short notice

The solution

- › Strong involvement of the sponsors APMT/Maersk and TIL/MSK (50/50 JV) in form of long term (10y) Terminal Services Agreements with 2 largest shipping lines
- › Mitigation of country risk by IFC
- › Well reputed turn key contractors (Andrade Gutierrez, DEME)
- › Cooperation with 5 commercial banks as B-Lenders

Brasil Terminal Portuário, Santos, Brazil

- › Total project volume: approx. USD 795 million
- › Total financing volume: USD 679 million
- › KfW IPEX-Bank contribution: USD 97 million (10y tenor)

The contribution of KfW IPEX-Bank

- › IFC B-Loan Participant
- › Supporting German and European exports amounting to USD 120m

»»» Successful port projects speak for themselves

Long Beach Container Terminal, OOIL (USA)



Long Beach Container Terminal, USA/ OOIL

- › Borrower: Long Beach Container Terminal LLC, USA
- › Guarantor: Orient Overseas (International) Limited, Hong Kong
- › Exporter: Gottwald / Terex, Deutschland

The challenge

- › German Delivery approach: financing export shares for Port Equipment of the German manufacturer Gottwald
- › Collateralization of financing through a Parent Company Guarantee of OOIL and the pledge of most of the port equipment delivered

The solution

- › Total investment volume port modernization: approx. USD 1.2 billion. IPEX share: USD 81 million

The contribution of KfW IPEX-Bank

- › Structuring financing for the globally operating, renowned shipping line OOIL / OOCL (one of the world's largest integrated international container transportation and logistics companies)
- › Assisting a German port equipment producer in the key US growth market for the first time

»»» Successful port projects speak for themselves

DP World Callao, New Container Terminal (Peru)



DP World Callao, Lima, Peru

- › Total project volume: approx. USD 400 million
- › Total financing volume: USD 260 million
- › KfW IPEX-share: USD 44,6 million (5y tenor)

The challenge

- › Market risk
- › Operations involve committed facilities for Post-Panamex ships, productivity obligations, and competitive tariffs
- › Competitive environment in the port

The solution

- › Payment guarantee on first demand provided by sponsor DP World Ltd. mitigates political and economical risks
- › Concession agreement (Peruvian state) provides for minimum turnover for first 10 years of operation
- › Focus on less volatile origin & destination business, transshipment has only a secondary role

The contribution of KfW IPEX-Bank

- › Support of European-Brazilian construction consortium
- › Extensive experience in financing of infrastructure projects in the private and/or public sector worldwide

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

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)

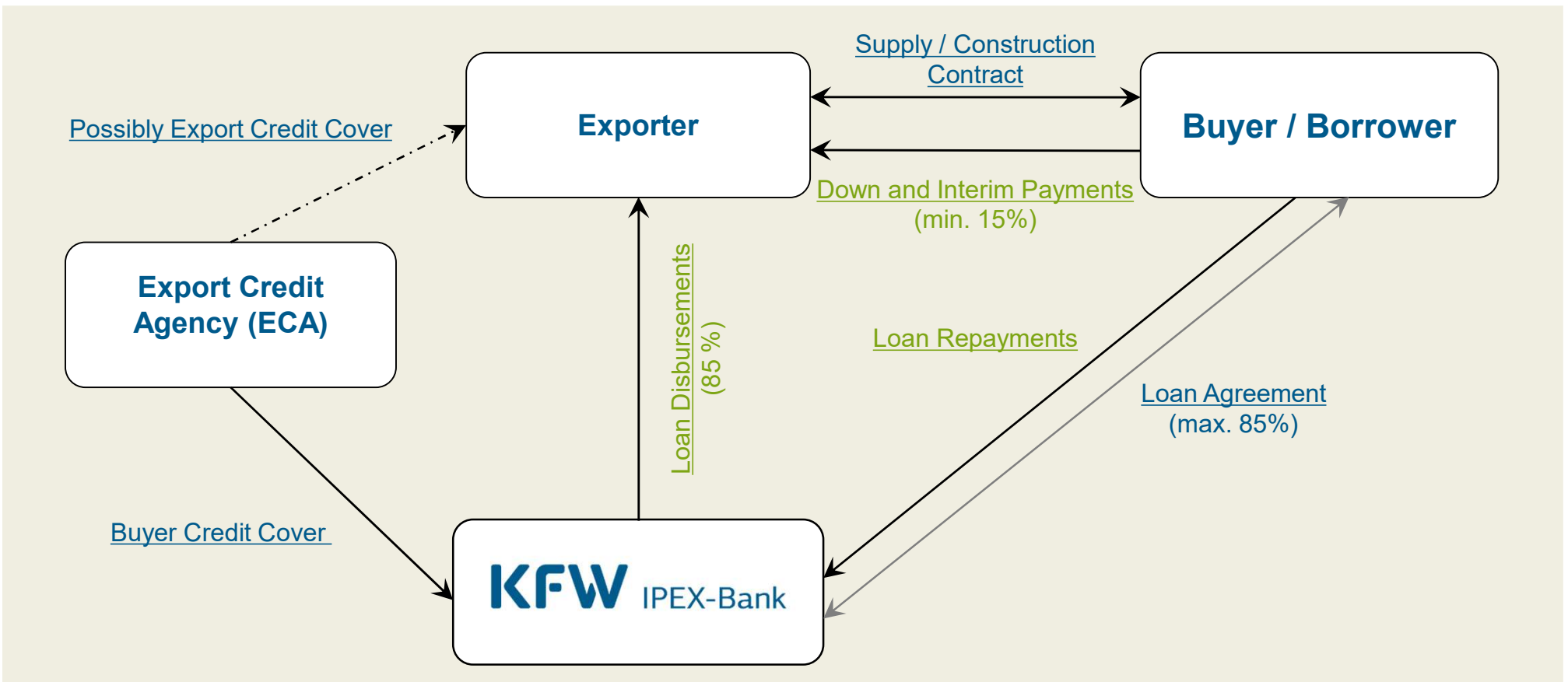
Minimum Pricing Benchmarks / no negative carry

ECA insurance for both political and commercial risks

No impact on your credit lines with your existing lenders

Structure of Export Financing

Contractual Arrangements and Payment Streams



















blue: contractual arrangements

green: payment streams

Export Credit Agencies (ECAs)

A selection of ECAs and their country ratings

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

As per 01.10.2021

OECD-Framework as “Regular” for Export Financings

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

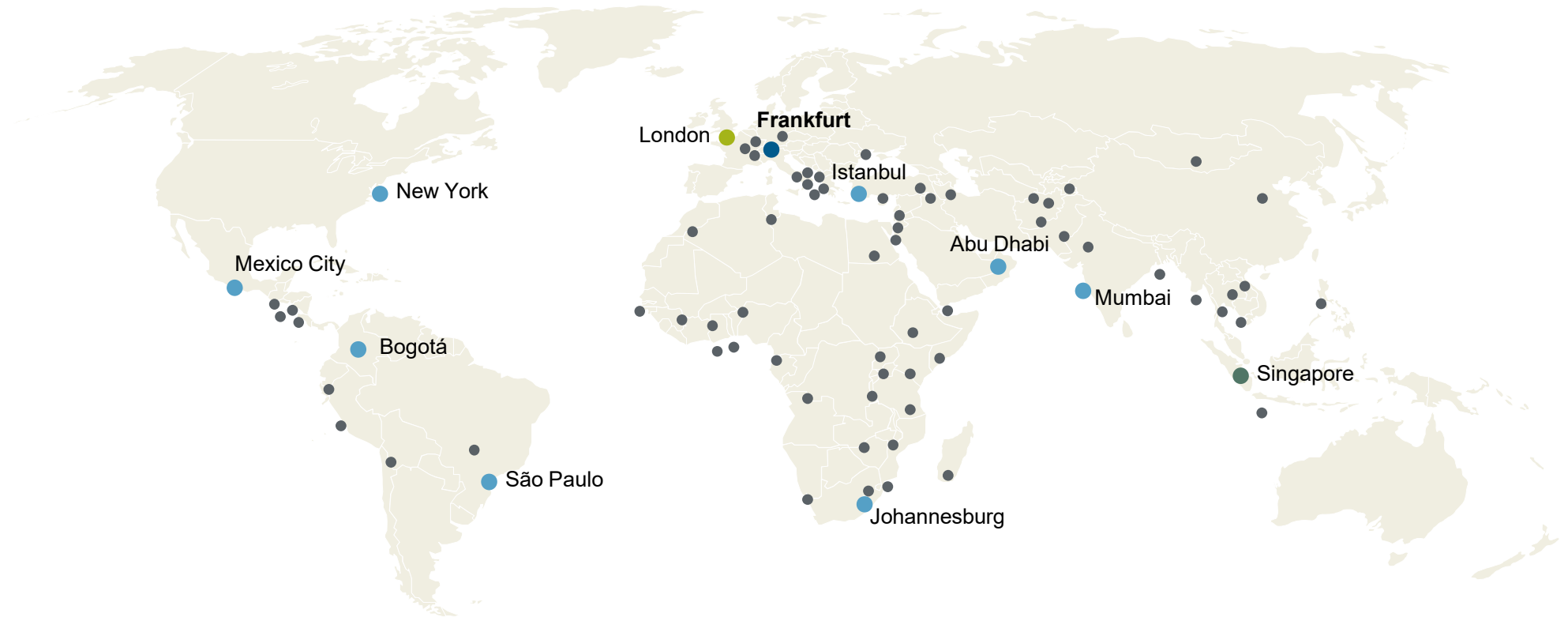
- Capitalization of interest permitted up to “Starting Point of Credit”
- Following SPOC (during the repayment period): consecutive payment of interest no less frequently than every six months, starting no later than six months after SPOC

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

Our worldwide presence helps you stay competitive

Around 80 offices and representations with many years of regional experience



- Headquarters of KfW and KfW IPEX-Bank
- Branch of KfW IPEX-Bank
- Representative office of KfW IPEX-Bank
- Other foreign locations of KfW Group
- Subsidiary of KfW IPEX-Bank



»»» We will be happy to assist you.

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