Supporting the green export transition - Competitive long-term financing solutions from Export Finance Norway

Presentation to GCE NODE’s webinar: “EU and Norwegian Soft Funding of R&D Activities and Financing of Projects”

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Norwegian state backed financing through Export Finance Norway

GIEK and Export Credit Norway have merged to form Export Finance Norway, or Eksfin in short

Facilitate value-creating exports

- Promote **Norwegian exports**
- Support **sustainable value creation** in Norway
- Provide **competitive financing** on behalf of the Norwegian State
- Issuing of guarantees to complement **commercial financings**, on equal terms

Eksfin core focus areas

- **Active participant in the transitioning** of the Norwegian economy towards:
  - Renewable energy
  - Low carbon solutions
- Stronger focus on **SMEs**
- Opening of two **regional offices**
- Further develop **domestic ship financing** solutions
Eksfin is a public agency

Offers loans, guarantees and advisory services to corporate and banking clients in Norway and internationally

Expands and complements the commercial lending market in compliance with Norwegian law and international agreements (OECD, EEA, WTO)
The new Eksfin organisation

CEO

Corporate Governance
Finance and IT
Human Relations
Communication

Large Corporates
- Maritime / Yards
- Renewable Energy and Industry Large Corporates
- Sustainability

SMEs
- Fisheries and Aquaculture
- Renewable Energy and Industry SMEs
- Regional Offices
- New Solutions / Developments / Digitalisation

Risk Management and Analysis
- Analysis
- Loan / Guarantee Administration
- Special Situations
- Portfolio Management
- Chief Credit Officer

Legal
- Maritime, Industry and Aquaculture
- Special Situations and Renewables
Our mission
A catalyst and facilitator for value creating Norwegian export

- Guarantees Norwegian capital investments
- Guarantees working capital needs related to export projects
- Bond guarantees related to export contracts

- Long-term financing for international buyers of Norwegian goods and services
- Long-term financing shipbuilding domestic shipping
- Other guarantees
Eksfin is focused on driving green change through its financings

Across sectors and technologies

- Eksfin helps Norwegian exporters secure contracts in offshore wind
- NOK 10 billion in green ship financings
- Financing of "Color Hybrid" world's largest plug-in hybrid vessel
- Financing of Greentech's ballast water treatment systems

- NOK 6 billion in guarantees to solar energy since 2010
- Financing of the world's first hydrogen ferry "Hydra"
- Innovative financing of service purchases of Jotun's hull-cleaning robot
- Financed 15 hybrid live fish carriers over the last 3 years
Financing requirements in the energy sector – how Eksfin can assist

**Offshore wind-, solar- and hydropower**
- International financing of renewable power projects
- Financing of SPVs developing renewable power plants
- Loans with long tenors of up to 18 years from commissioning

**Oil and gas**
- Corporate financings and credit lines to oil and gas companies procuring Norwegian
- Project financing of production systems and field developments
- Up to 8.5 to 10 years tenors

**Ship financing**
- New builds at Norwegian yards
- New builds at non-Norwegian yards based on Norwegian equipment and services export
- Norwegian equipment to retrofit including installation costs
Eksfin is also active in aquaculture and fisheries

Aquaculture and fisheries span a broad sector

**Fishing vessels**
- Financing of newbuilds
- Financing of ship equipment and services
- Refund guarantees and guarantees to shipyards

**Aquaculture installations**
- Sea based facilities
- Land based facilities
- Offshore/more exposed aquaculture installations

**Live fish carriers and service vessels**
- Financing of newbuilds
- Financing of ship equipment and services
- Refund guarantees and guarantees to shipyards
Main requirements for Norwegian ECA participation

**Qualifying export**
- Equipment and capital goods
- Services
  (engineering and design, technology, R&D, charter parties (E&A) and leases)
- Shipbuilding

**Qualifying Norwegian content**
- Up to 85% of the **full contract** can be financed when at least 30% **Norwegian content** where:
  - Export contract with a company registered in Norway (Norwegian/non-Norwegian ownership)
  - Export contract with a Norwegian company located abroad (majority Norwegian ownership/head office)
- Up to 85% of the **actual Norwegian content** can be financed for Norwegian sub-contractors’ share of an export contract with foreign exporters
Corporate loans and corporate credit lines

Includes more flexible credit facilities to promote «procuring Norwegian»

- When buying a specific equipment or service (corporate loan) and/or repeated purchases over time (credit line) from Norwegian suppliers

- Norwegian suppliers are represented across the main maritime, renewables and energy equipment and services space

- Both equipment and services procurements from Norwegian entities will qualify

- Both Norwegian direct supplies and sub-contracting through main EPCs could qualify

- Norwegian procurements determine size and structure of loan facilities

- On credit lines opportunity for 12 months of historic (“reach-back”) and 24 months of future (“forward looking”) procurements

- Loan tenors can reach up to between 8,5 and 10 years of length depending on borrower
International project finance

Financing of a Single Purpose Vehicle ("SPV") for the development of a specific project

- One or several export contracts from Norwegian suppliers across a broad equipment and services space as basis for Eksfin’s participation

- Typical multi-ECA participation supporting respective countries exports in combination with commercial banks

- Both equipment and services procurements from Norwegian entities will qualify

- In addition, direct supplies and sub-contracting through main EPCs could qualify

- Total amount of Norwegian contracts determines Eksfin’s participation

- Eksfin’s participation includes up to 85% of total amount of Norwegian contracts

- Repayment period can reach up to between 14 to 18 years depending on industry
Offshore wind financings backed by growing Norwegian exports

Eksfin’s offshore wind SPV project financings

**Project:** CHANGFANG & YIDAO OFFSHORE WIND FARMS

**Developer:** CIP

**Norwegian exporter:** Fred. Olsen Windcarrier

**ECAs:** EKF, Eksfin, NEXI, Atradius, KSure, UK Export Finance

**Financial Advisor:** MUFG

**Eksfin participation:** MUSD 30

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**Project:** DOGGER BANK WIND FARM

**Developer:** SSE Renewables, Equinor

**Norwegian exporters:** ABB, Aibel, OHT

**ECAs:** Eksfin, UK Export Finance, BNP Paribas

**Financial Advisor:** MUFG

**Eksfin participation:** MGBP 430

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**Project:** Sea Green

**Developer:** SSE Renewables

**Norwegian exporter:** Nexans

**ECAs:** Eksfin

**Financial Advisor:** MUFG

**Eksfin participation:** MGBP 150
Eksfin’s sales support to Norwegian exporters

Qualifying documentation for financing of Norwegian export contracts

**Eksfin letter of support**

- A letter issued to the Norwegian exporter upon the exporter’s request
- States that the potential export contract qualifies for a possible financing from Eksfin (to the buyer and/or the project, and under certain conditions)
- Provides the exporter with support in the tendering and commercial negotiation process
- **Buyer’s decision** whether to seek a possible Eksfin financing and/or guarantee coverage
- Can be presented to the buyer as evidence of qualification (at exporter’s choice)

**Eksfin financing outline**

- A letter issued to the Norwegian exporter upon receipt of an application from the exporter
- States that the export qualifies for financing from Eksfin (under certain conditions)
- Gives a preliminary **quotation of Eksfin’s fixed interest rates** (CIRR*), a free-of-charge fixed interest rate option to the buyer as indication of long-term financing cost
- Can be shared with the buyer as evidence of qualification, as well as an early indication of terms and process (at exporter’s choice)

*) CIRR - Commercial Interest Reference Rates, OECD based, quoted before contract award, the lowest available rate from the last 120 days is fixed on the date of the contract award (+20 bps for pre contract rates).
Contact us

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