

5th German-African Infrastructure Forum

Day 2

Workshop 1: Financing Infrastructural Development in Africa

November 8, 2017
Düsseldorf, Germany

export finance consulting

Structuring and arranging of tailor-made financing solutions for export and project finance transactions in emerging economies. We have a clear focus on Africa with activities in 20+ countries across the continent.



tender agency desk

We serve as tender agents for public tenders conducted by development banks / institutions or public entities as well as for private companies (mostly in connection with arranging a suitable financing solution for the underlying procurement program).

Our Network

- Commercial Banks
- Development Banks
- International Financing Institutions
- Export Credit Agencies
- Private Risk Insurances
- Equity Funds
- Debt Funds

Our Clients

- European Exporters
- African Importers
- Ministries / State-owned entities (SOEs) / Public Authorities
- Development Institutions
- Project Developers

- Export Finance Transaction: German Exporter, Importer based in an African country

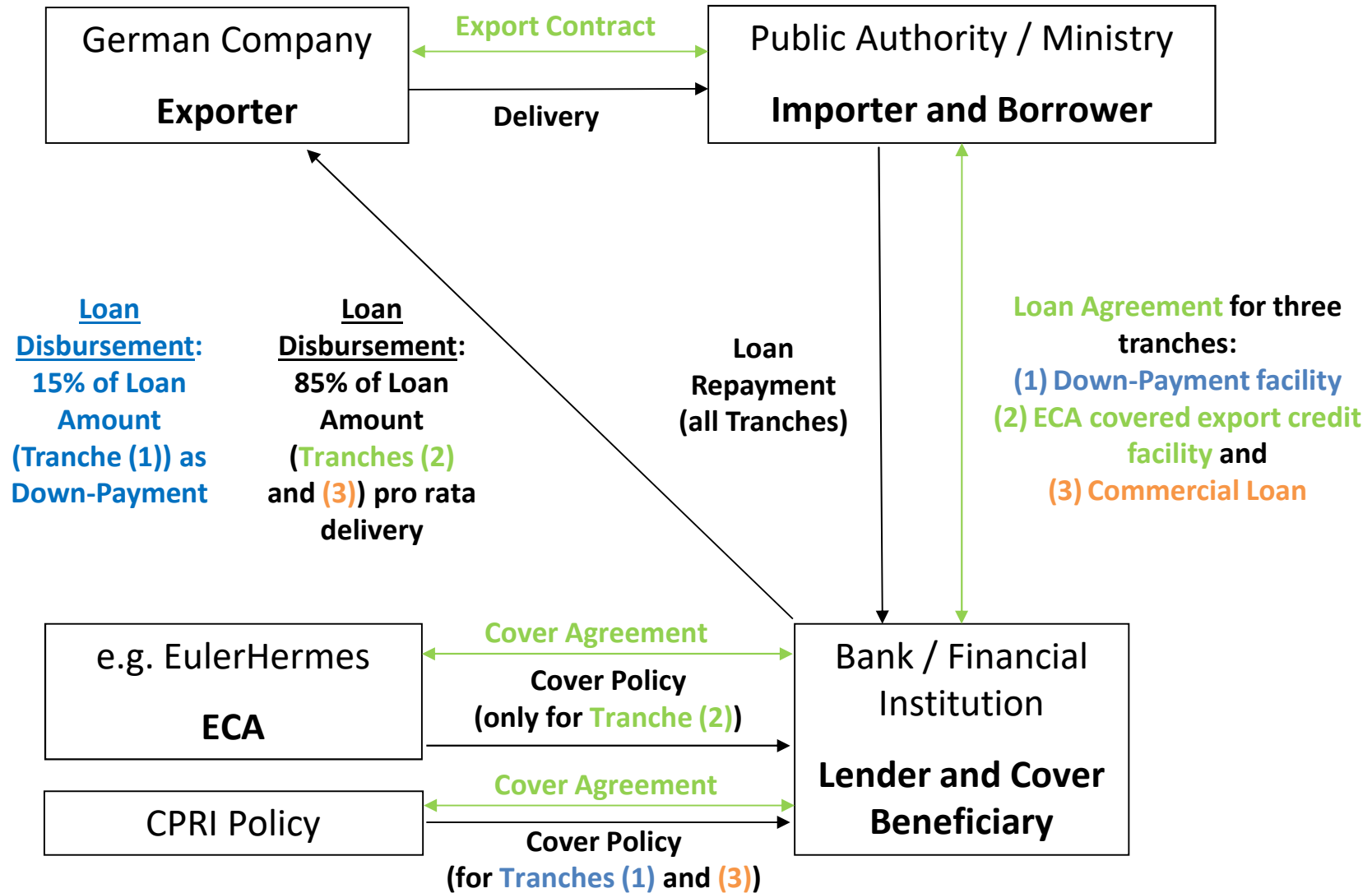
Details:

- Export Contract Volume: EUR 30 million
- Down-Payment: 15% of Contract Volume
 - ➔ To be financed by a Down-Payment Facility
- Financing Amount: 85% of Contract Volume
- German Content of Contract Volume: EUR 10 million
- Local (and other) Content of Contract Volume: EUR 20 million
- Delivery to be made in one batch after about one year
- Grace period: 6 months after delivery

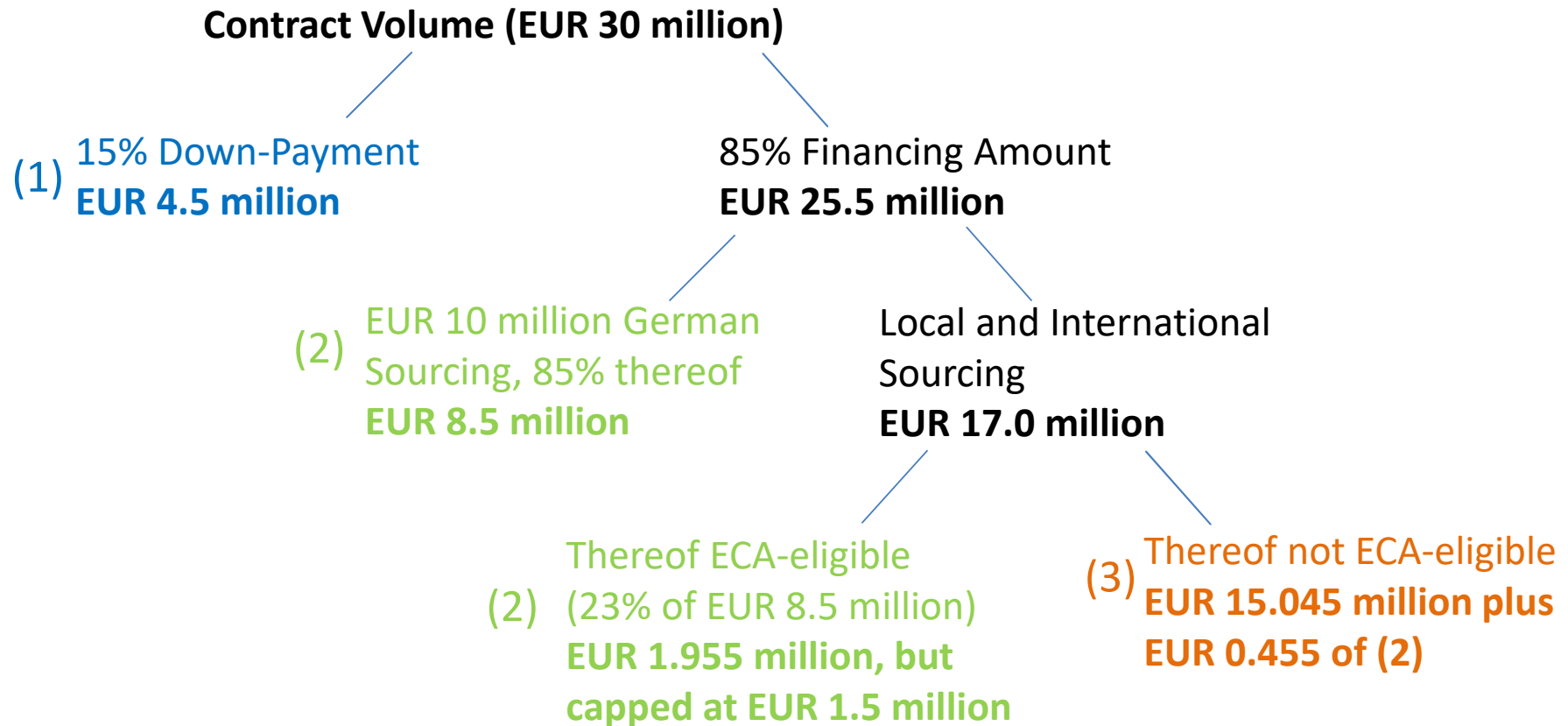
Situation:

- ECA Country Cover Policy does not allow for more than EUR 10 million coverage (plus ECA premium)
- A Down-Payment Facility and a Commercial Loan can be arranged

Exemplary Financing Structure



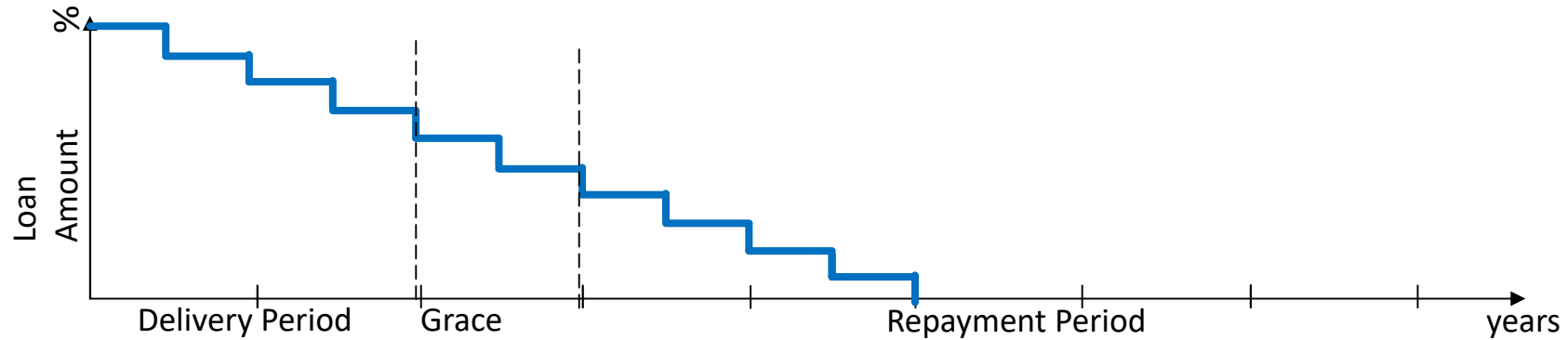
Exemplary Tranche Calculation



(1) Down-Payment Facility	EUR 4.5 million
(2) EulerHermes covered Export Credit Facility	EUR 10.0 million
(3) Commercial Loan Facility	EUR 15.5 million

Tranche (1) – Payment Stream

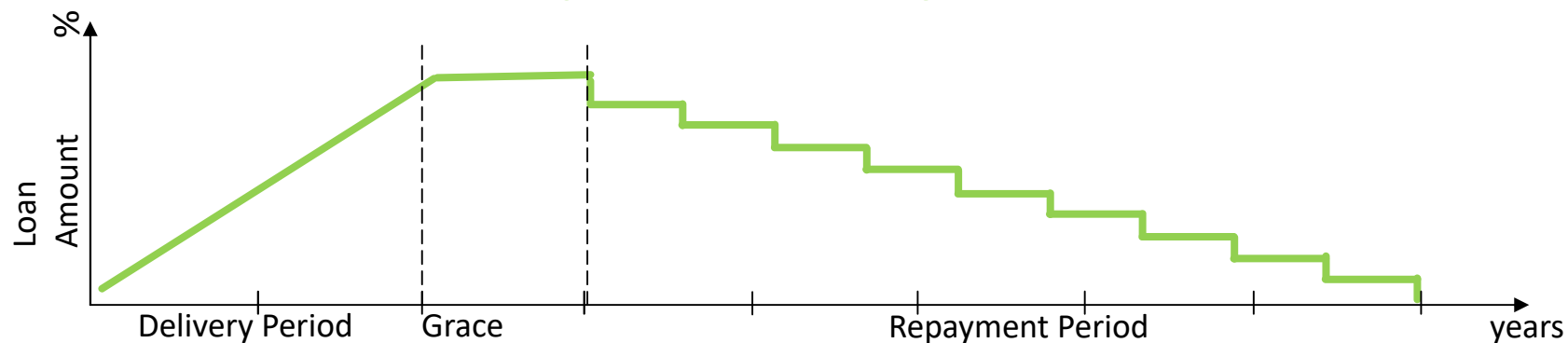
Down-Payment Facility



	During Delivery Period	During Repayment Period
Interest	Payable quarterly or semi-annually (usually calculated and paid with the installments)	
Loan amount	15% of the Contract Volume, to be drawn in full before shipment of first delivery	
Repayment	Over a term of 2.5 years in 10 equal quarterly instalments (classical amortizing loan scheme)	
Upfront Fee	Payable as flat fee after signing of the loan agreement	

Tranche (2) – Payment Stream

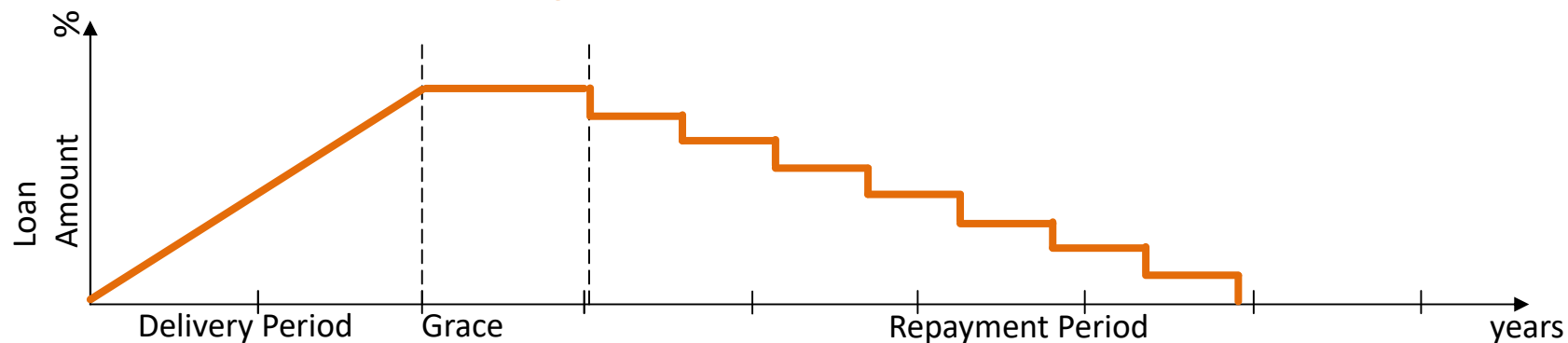
EulerHermes covered Export Credit Facility



	During Delivery Period	During Grace Period	During Repayment Period
ECA Premium	Payable upfront, added to total loan amount	n/a	n/a
Interest	Accrued interest added to total loan amount	Accrued interest added to total loan amount	Payable quarterly or semi-annually
Loan amount	Increasing in accordance with construction progress	Loan stands at 100% drawdown	Classical amortizing loan scheme over 5 years
Repayment	n/a	n/a	10 equal semi-annual instalments
Upfront Fee // Commitment Fee	Payable after signing // Payable quarterly on undrawn loan amount	n/a	n/a

Tranche (3) – Payment Stream

Commercial Loan Facility



	During Delivery Period	During Grace Period	During Repayment Period
Interest	Accrued interest added to total loan amount	Accrued interest added to total loan amount	Payable quarterly or semi-annually
Loan amount	Increasing pro rata in accordance with construction progress	Loan stands at 100% drawdown	Classical amortizing loan scheme over up to 4 years
Repayment	n/a	n/a	Up to 8 equal semi-annual instalments
Upfront Fee // Commitment Fee	Payable after signing // Payable quarterly on undrawn loan amount		

Summary Table

	Tranche (1): Down-Payment Tranche EUR 4.5 million	Tranche (2) EulerHermes Tranche EUR 10 mil. + premium	Tranche (3) Commercial Loan EUR 15.5 million
Full Loan Tenor („door-to-door“)	2.5 years	1+0.5+5 = 6.5 years	1+0.5+4 = 5.5 years
Repayment Period	2.5 years	5 years	4 years
ECA / PRI Premium	Depending on country	Depending on country	Depending on country
Interest rate			
Upfront Fee	t.b.d.	t.b.d.	t.b.d.
Committment Fee			
All-in Rate	t.b.d.	t.b.d.	t.b.d.

Indicative premium pricing examples will be made available by EulerHermes.

Indicative PRI pricings cannot be provided as these are „daily quotes“ and subject to quick changes reflecting the current specific political and economical situation in the project country.

Thank you !

Thank you for your Attention - Questions ?