

EXAMPLE:

A SHIP OWNER HAS A FLEET OF 50 VESSELS

Retrofit equipment will be installed by the regular «docking» every 5th year. Assume the retrofit equipment per vessel have a cost of USD 1 mill. => Total investment for the fleet: USD 50m. The ship owner enter into an contract of buying retrofit equipment with a Norwegian exporter(s).

Shortly after the export contract has been signed, the ship owner enters into a Credit Frame Agreement with Export Credit Norway with a total Loan Amount up to USD 42.5m (85 % of USD 50m). Duration: Till last vessel of the fleet has been to «docking» in 2019.

When the last docking each year has been made, Export Credit Norway will consolidate all purchases and installations that year into one tranche/loan.

The Table below is an illustration of this example:

Year	Docking of ship-Schedual												Num-ber	Loan-amount	Disbursement of Loan under the Credit Frame Agreement	
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec				
2015		2	3		6			3						14	11,9 m	2015-Disbursement in Aug.
2016			5			3				4				12	10,2 m	2016-Disbursement in Oct.
2017	2	4					4						1	11	9,35 m	2017-Disbursement in Dec.
2018	4			3				3						10	8,5 m	2018-Disbursement in Sep.
2019		1	1		1									3	2,55 m	2019-Disbursement in May
														50	42,5 m	

INTEREST RATE – EXAMPLES:

CIRR – period 15.06.-14.07.14:

- 8½ year USD: 2.59 %
- 8½ year EUR: 1.59 %

The CIRR-rate will be the lowest of the Contract-CIRR at the date of signing the export contract and any valid Pre-Contract CIRR.

Market Rate – as of 15.06.14:

- 5 year fixed margin over:
- 3 M USD Libor + 62 bps
- 3 M EUR Libor + 58 bps (updated on request)

The borrower will prior to drawdown of the Loan choose between the CIRR-rate (fixed by the date of signing the export contract) or the market based at the date of drawdown.

CONTACT:

Dagny E. Astrup • Maritime Lending • DEA@ekSPORTKREDITT.no • (+47) 92 61 07 25
 Olav Tore Breiliid • Maritime Lending • OTB@ekSPORTKREDITT.no • (+47) 93 25 37 61
 Stig Gjethammer • Maritime Lending • STG@ekSPORTKREDITT.no • (+47) 97 54 34 44
 Tellef K. Tellefsen • Maritime Lending • TKT@ekSPORTKREDITT.no • (+47) 92 06 49 68
 Kaare Haahjem • Maritime Lending • KAH@ekSPORTKREDITT.no • (+47) 41 55 44 31

EXPORT CREDIT NORWAY AS

Hieronymus Heyerdahls gate 1, entrance from Otto Sverdrups gate
P.O. Box 1315 Vika, 0112 Oslo, Norway Tel: (+47) 22 31 35 00 • www.exportcredit.no

GIEK - THE NORWEGIAN EXPORT CREDIT AGENCY

Dronning Mauds gate 15, 0250 Oslo, Norway • Tel: (+47) 22 87 62 00 • www.giek.no

EKSPORTKREDITT
Export Credit Norway



CIRR - RETROFIT
“FINANCING OLD LADIES”



FINANCING RETROFIT EQUIPMENT

EXPORT CREDIT NORWAY

extends loans to large and small companies in Norway and abroad for purchases of capital goods and services from Norwegian exporters.

For exporters, we provide a strong sales argument. For customers of the Norwegian export industry, we offer favourable long-term financing.

Export Credit Norway is wholly owned by the Norwegian Government

GIEK is a public-sector enterprise under the Ministry of Trade, Industry and Fisheries (NFD). The primary purpose of GIEK is to promote Norwegian exports and investments abroad through the issue of guarantees. The guarantees are issued on behalf of the Norwegian government. GIEK's guarantees may be given in connection with the supply of goods or services abroad and in connection with export transactions that promote Norwegian value creation (Norwegian interests).

Retrofit equipment is defined as capital goods (depreciable goods). Retrofit equipment will usually be installed during the regular «docking» every 5th year.

Example of retrofit equipment: «scrubber», ballast water cleaning systems, new coating systems, and other depreciable equipment.

CREDIT FRAME AGREEMENT

The Credit Frame Agreement will cover the total financing giving access to separate single loans on certain conditions, such as duration of the agreement, credit frame and certain conditions that have to be fulfilled before disbursement of the respective single loans under the Credit Frame Agreement.

The separate Loans

will include specific conditions for the loan such as:

- Loan amount
- Interest rates, fees, repayment period etc.
- Guarantor(s), agent for the loan

Loan Amount

Up to 85 % of contract value

Repayment period

5-8½ years per single loans

Interest rate

CIRR-rate or Market based interest rate (IBOR)

FREE OPTION

Please note that the ship owner is free to cancel the offer for financing without cost.

REMEMBER TO APPLY FOR
A LOAN BEFORE A COMMERCIAL
CONTRACT IS SIGNED

GIEK GUARANTEE FRAME AGREEMENT

GIEK will make a credit assessment of the customer.

To be structured as single loans under a guarantee frame agreement. The loans will be disbursed annually, and in arrears, based on the total Norwegian equipment purchased each year (reimbursement structure). The exporter must confirm the Norwegian export and payment through an Exporter's statement document.

GIEK can accept up to 85 % financing of the export contracts' value.

GIEK can cover up to 90 % of the loan, however the most likely coverage would be 70-80 % of the loan.

The residual risk (i.e. 20-30 %) to be covered by a commercial bank.

Maturity: 5-8½ years per single loan, depending on amount and type of investment.

Corporate financing: GIEK may accept unsecured financing, depending on the financial strength of the customer.

