



Finance your purchase with a Project Finance Guarantee

Financing of major projects places high demands on financial partners. In most cases, the risk is so high that banks are unwilling to lend money to the project without some form of security. With a Project Finance Guarantee, banks are ensured repayment of the guaranteed portion of the loan. If something goes wrong, EKF will pay compensation.

Backed by a guarantee, banks are more willing to provide larger and longer-term loans for projects in challenging markets. This is essential when projects with double-digit million kroner budgets are involved.

Financing is based on the premise that the future cash flow will service the debt.

What are the advantages of a Project Finance Guarantee?

We add capacity to the market

Few banks in the world have the capacity to participate in projects of this magnitude. Our presence adds capacity to the market.

More willing to accept risks

We typically assume the risk of a larger part of the debt than banks. This means that we ensure the financing will be realised.

The owner is not liable for the debt

As the owner, you are not liable for the debt.

Advice ensures the project is achievable

Our experienced employees will perform an additional "sanity check" of your project before we agree to guarantee it.

What does a Project Finance Guarantee cover?

Application

Credit for a project

Cover

The bank's loss if the project does not pay as agreed

Percentage of cover (of the bank's loss) up to 80 %

Amount

Typically in excess of DKK 50 mio.

Credit term up to

18 years

Equity (minimum)

25 %

What are the steps in the process?

Clarification

Offer

Guarantee

Need

You need financing for your project.

1

Offer

We make an offer and send it to the banks involved.

Acceptance

The bank and EKF negotiate and finalise the loan agreement. This involves attorneys to prepare the specific loan documents.

Yes!

We issue a Project Finance Guarantee to the banks, which then issue the credit.

Contact

You have a bank that is willing to provide credit, but wants additional security. We can provide this security for part of the loan.

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YES!

Credit assessment

The bank, the customer and EKF negotiate the financing proposal. This includes thorough due diligence of legal, insurance, environmental and market issues.

3

Three practical questions

How much?

The project company pays a premium for our guarantee. We charge the market price for issuing the guarantee. In other words, the premium of a Project Finance Guarantee is determined by the banks.

The premium depends on the project risk profile, including

- › industry
- › credit term of the guarantee
- › political conditions in the respective country

In addition, you will pay interest and costs on the loan to the bank. Also expect to pay substantial fees to attorneys and other advisors.

What does it require?

The project will receive deliveries from a Danish supplier.

A major project must be involved.

The project must be creditworthy.

A bank that is willing to share the risk on the same terms as EKF.

Significant resources for loan documentation.

What can you do?

Find a bank that is willing to provide the credit in partnership with EKF.

Contact us for more information about the Project Finance Guarantee.

Make a project description.

Visit our website at www.ekf.dk for information on success stories, requirements and terms.