



# ING Wholesale Banking

*Structured Export Finance*

*8th Annual Meeting AMAN UNION, Istanbul, Turkey*

**Alternative Financing Solutions from  
Structured Export Finance**

November 2017

# Current Environment


- Stagnant Global Trade
  - Liquidity in the Market
  - Increasing Risk Appetite by a variety of Market Players
- ↳ Experience a reduction of ECA Cover volumes

## ***Question:***

*What can we do to maintain a meaningful product in today's markets and support global trade?*

# Case Study: Multilateral Financing supporting Trade

## ICIEC together with TÜRK EXIMBANK

Turkey	12/16
Türkiye İhracat Kredi Bankası A.S.	
EUR 107.4m	
ICIEC Covered Credit Facility	
	
Mandated Lead Arranger	
<small>Financial Services</small>	

### Background of the company

- Türk Eximbank is a **state-owned bank** acting as the Turkish government's major export incentive instrument in Turkey's sustainable export strategy.
- TurkExim's main business is to provide financing **support Turkish exporters competing for overseas sales** through various forms of export credits, as well as issuing insurance cover for exporters and commercial banks.
- TurkExim has a **total client base of approx. 6000 Turkish corporates**, mostly SMEs.

### Transaction highlights

- ING's Structured Export Finance ("SEF") Team has recently supported Türk Eximbank with a **financing package to support Turkexim's provision of medium- and long-term funds to Turkish exporters with a particular emphasis on SMEs**.
- A bilateral credit facility to TurkExim which is 95% covered by the Islamic Corporation for the Insurance of Investment and Export Credit ("ICIEC").



### Benefits to the client and Turkey

- Diversify the funding bases of TurkExim.
- Supporting the Turkish governments goal to reach USD 500bln of exports by 2023 and with a special emphasis on SME sector.

### ING Bank's role

- ING acted as **Sole Mandated Arranger and Lender**.

# Case Study: Combining Project, Export and Trade Finance Elements

## Star Refinery A.Ş.

Turkey	05/14
Star Rafineri A.Ş.	
USD 3.2bn	
Multi ECA Package (K-SURE, CESCE, SACE, JBIC, NEXI, EDC & USExIm) + Commercial Term Loan Project Finance	
 STAR	
Joint MLA, K-Sure Agent	
Oil & Gas	

### Background of the company

- The **Socar Turkey Aegean Refinery** project is a **unique and ground-breaking transaction**. It is the largest foreign investment in a single location in Turkey in 2014, but also the largest long-term limited resource multi-source financing in Turkey to date.
- Socar is the vertically **integrated national oil company** of the Republic of Azerbaijan.
- The Star project is being undertaken through project company **Star Rafineri AŞ**, which is indirectly owned by Socar and the Azerbaijan government.

### Transaction highlights

- ING's Structured Export Finance ("SEF") Team has supported Star with **financing the construction of a greenfield refinery**.
- Total project costs are about USD 5.65bn with in total **14 international commercial banks** acting as mandated lead arrangers under the ECA covered facilities. ECAs involved include CESCE, SACE, NEXI, KSURE and USExIm as well as EDC as direct lender.
- Financing structure entails long term ECA covered facilities, ECA direct lending as well as commercial financings, besides short term instruments like a SBLC structures for ensure sponsor support.

### Benefits to the client and Turkey

- The **largest oil and gas project finance transaction** in the EMEA region in 2014 and sets a **new benchmark for project financings in Turkey** in terms of amounts, tenor of the facilities and the diverse composition of international financial institutions involved.
- Offsets current **local shortage** of certain refined products as well as **exporting** to various regions strongly benefiting from the strategic position of Turkey and close proximity to main trading partners.

### ING Bank's role

- ING acted as **Mandated Lead Arranger (MLA)**.

# Case Study: Untied Financing for Securing Commodity Imports

## Compagnie des Bauxites de Guinée ("CBG")

Guinea	11/16
Compagnie des Bauxites de Guinée	
USD 293m	
UFK Covered Credit Facility	
	
Lead Arranger	
Natural Resources	

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Guinea	11/16
Compagnie des Bauxites de Guinée	
USD 165m	
Revolving Credit Facility	
	
Lead Arranger	
Natural Resources	

### Background of the company

- CBG owns and operates the **largest bauxite mining operation in Guinea** and includes a processing plant and associated infrastructure located in the Boke region, northwest Guinea.
- CBG is the single largest contributor of revenues in the country, accounts for approximately 80% of the country's exports and has a substantial development impact on the Guinean economy.
- CBG is partially owned by the government of Guinea.
- A German trading group with an aluminum division, has attracted untied cover ("UFK") from the German ECA, based on its increased bauxite offtake in connection to the mine expansion.

### Transaction highlights

- The USD 823m funding envelope was structured with various loan tranches funded by the International Finance Corporation (IFC), Overseas Private Investment Corporation (OPIC) and commercial banks **under UFK cover** as well as uncovered.
- The financing will be part of **the largest foreign investment in Guinea** in recent years, with the debt tranches committed for the mine expansion.

### Benefits to the client and Guinea

- The project is expected to **account for approx. 20% of the GDP** of Guinea and generates jobs for **1,300 employees during construction** and over **230 permanent employees** during operations.
- **Generating substantial foreign exchange earnings** for Guinea through the export of bauxite to global markets.

### ING Bank's role

- **Lead Arranger for USD 293m UFK (ECA) Covered Credit Facility.**
- **Lead Arranger for USD 165m Revolving Credit Facility.**



# Thank you



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