This is GIEK

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Maritime/Offshore
What is GIEK?

- The Norwegian Guarantee Institute for Export-Credits
- Fully owned by the Norwegian state, but politically independent Board of Directors
- Main guarantee limit of NOK 135 billion (abt. USD 24 billion)
What is GIEK?

• GIEK offers financial guarantees in order to promote Norwegian exports
• Guarantees are subject OECD export credit rules
• GIEK guarantees the funding bank, taking the commercial, and/or the political risk on the project
• The funding bank may be Eksportkreditt Norway AS, but GIEK also guarantees commercial banks
GIEK’s objectives

Promote Norwegian exports and investments abroad by:

- offering guarantees related to Norwegian exports, Norwegian interests or investments abroad
- offering coverage of commercial and political risks
- providing competitive conditions for Norwegian companies
GIEKs Credit policy – cooperation with banks

• No subsidy element in GIEK’s pricing.

• The guarantee covers both commercial and political risk.

• Equity requirement minimum 15% (vessels 20%).
  Requirement normally higher, however dependent on employment,
  corporate guarantees, type of project etc.

• Normally GIEK requires commercial bank to participate with minimum
  25 to 30% of total financing.

• No element of competition between commercial lenders and GIEK,
  Therefore:

  • Securities/covenants shared between GIEK and commercial banks on
    pari passu basis, as well as pricing.
Portfolio pr 30th. June 2012

Total outstanding guarantee all sectors 82.2 billion NOK, of which
Oil/Gas and Maritime: 74.4 bill NOK (abt USD 13 bill) (91% of the portfolio)

166 vessels

- Offshore construction vessels: 35%
- Drillships and Semisubmersibles: 22%
- AHTS: 11%
- PSV: 9%
- Other sectors: 9%
- Petrobras: 7%
- Other: 4%
- FPSO, Well intervention: 5%
- Seismic: 7%

05/11/2012
What we offer guarantees for:

• Vessels built in Norway
• Vessels built abroad with Norwegian equipment
  ("Norwegian content")
• Guarantee for ship-owners’ long-term debt
• Other export guarantees (for owners’ advances, performance guarantees, long term to direct users etc.)
• Deliveries to Shipyards, clean energy, all types of other exports
How we finance
GIEK takes the commercial risk

GIEK

Funding bank: Eksportkreditt or commercial bank

Commercial risk

Commercial bank

Documentary/funding risk
How we finance II

typically for vessel built abroad - say: Japan
(a vessel built in Norway would be 100% Norwegian)

Total cost 100

Norwegian content

Commercial bank 30, 47% of the loan

GIEK may guarantee 40 (80% of 50)

Total 50

Equity 30

Loan 70

GIEK policy 40
Abt 57% of loan

05/11/2012
GIEK’s “normal” practical requirements (for long-term financing):

- GIEK’s formal application form filled in
- Bank assessment of the project
- Bank term sheet
- Reasonable risk
- Much the same requirements as commercial banks

however,

Independent assessment of project
Why GIEK

• Possibility of fixed interest for whole period (up to 12 years)
• Knowledgeable in shipping/offshore/energy
• An integrated and important part of the shipping/offshore cluster in Norway – reflected in this sector’s size in GIEK’s portfolio.
• With limited risk appetite among commercial banks, GIEK makes a difference – GIEK often the largest lender.
Contact information

• [www.giek.no](http://www.giek.no)

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Thank you for your attention!

More info:
www.giek.no