

KfW IPEX-Bank structures financing package for two cruise ships of the Genting Hong Kong Group

- **International consortium led by KfW IPEX-Bank provides multi-ECA financing of over EUR 2.6 billion**
- **A fresh start for the shipyard with three thousand jobs safeguarded and created**
- **Germany's status as a shipbuilding nation to be strengthened**

KfW IPEX-Bank, leading a consortium consisting of six international banks, is structuring the financing of two cruise ships for Genting Hong Kong Ltd. and its brand Dream Cruises. The Global Class I and II ships are currently being built in the three shipyards of MV Werften located on the Baltic Coast in the German federal state of Mecklenburg-Western Pomerania.

The financing package comprises around EUR 2.6 billion with a total investment volume of just under EUR 3.1 billion. The structure will be backed by export credit guarantees of the Federal Republic of Germany and the Finnish export credit agency Finnvera, as well as by a guarantee from the state of Mecklenburg-Western Pomerania. It also benefits from the CIRR (Commercial Interest Reference Rate) for ships in accordance with the OECD consensus.

KfW IPEX-Bank has worked with the Genting Group for about 20 years and developed in close cooperation with Genting the overall financing for the Global Class Ships in the last three years since Genting purchased MV Werften. In addition to KfW IPEX-Bank the banking consortium includes BNP Paribas, Citibank, Crédit Agricole, Credit Suisse and DNB. A substantial portion of the loan amount will be further syndicated to more than 10 other German and international banks.

“Due to unavailability of cruise ship slots in the next 10 years, we made a conscious decision to invest in MV Werften in order to build the ships we needed for our three cruise brands in a timely manner,” says Tan Sri Lim, Chairman and Chief Executive Officer of Genting Hong Kong Ltd. “We had been impressed by the quality of workmanship and MV Werften’s proximity to the cluster of thousands of experienced EU suppliers, subcontractors and workers. KfW IPEX-Bank’s structuring expertise has also proven to be extremely valuable in this transaction. The financing adds an additional momentum for a successful restart of MV Werften and the completion of the ships,” he added.

The Global Class ships are designed for the growing Asian cruise market, which has the fastest increase in the number of middle-income people. The ships are 204,000 gross tonnes each, with 2,500 cabins and 5,000 lower berths. As each cabin can accommodate up to 4 passengers, the ships have capacity of up to 9,500 passengers

and 2,500 crew during peak holiday seasons. The Global Class ships will be the largest cruise ships ever built in Germany and the world's largest cruise ships in terms of passenger capacity. Delivery of the ships is scheduled for early 2021 and early 2022.

Genting Hong Kong is a leading global leisure, entertainment and hospitality enterprise, comprising Genting Cruise Lines which has the three brands Star Cruises, Dream Cruises, and Crystal Cruises as well as other investments in the travel and leisure industry.

MV Werften has 2,900 employees and some of the largest docks as well as covered production facilities in Europe. In its 70year history, the three shipyards have designed, produced and equipped around 2,500 ships.

About KfW IPEX-Bank:

Within KfW Group, KfW IPEX-Bank is responsible for international project and export finance. It offers medium and long-term financing to support key export industries, to develop economic and social infrastructure, to fund environmental and climate protection projects and to secure the supply of raw materials. KfW IPEX-Bank operates as a legally independent group subsidiary and is represented in the most important economic and financial centres across the globe.