

# Santander – Export & Agency Finance

Speaker:

*Sergio Mendieta, Executive Director Export & Agency Finance*



# Santander Group Overview

*One of the biggest Eurozone banks by market capitalization*

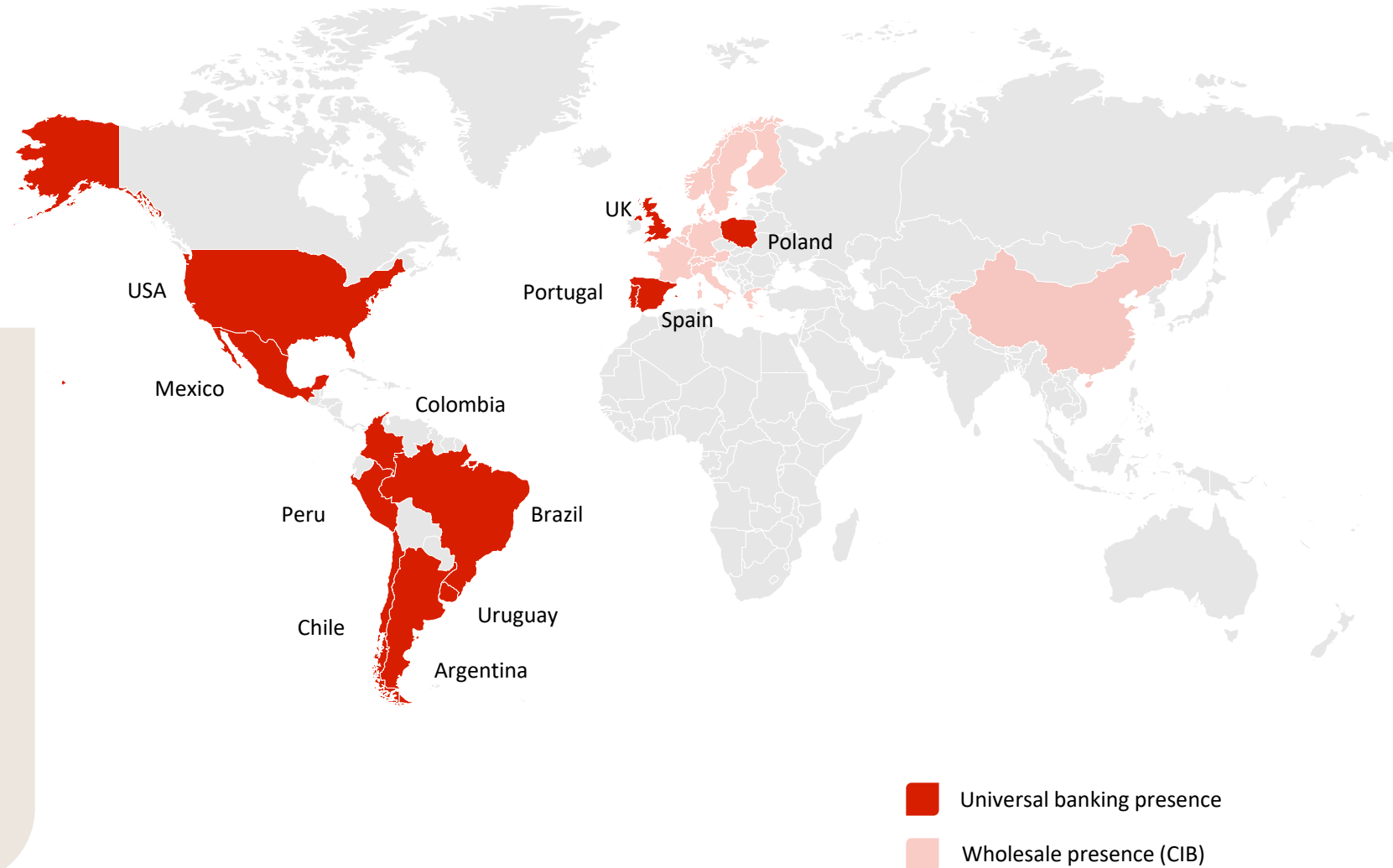
**N°1** Latin America

**N°2** Europe

**N°12** Global

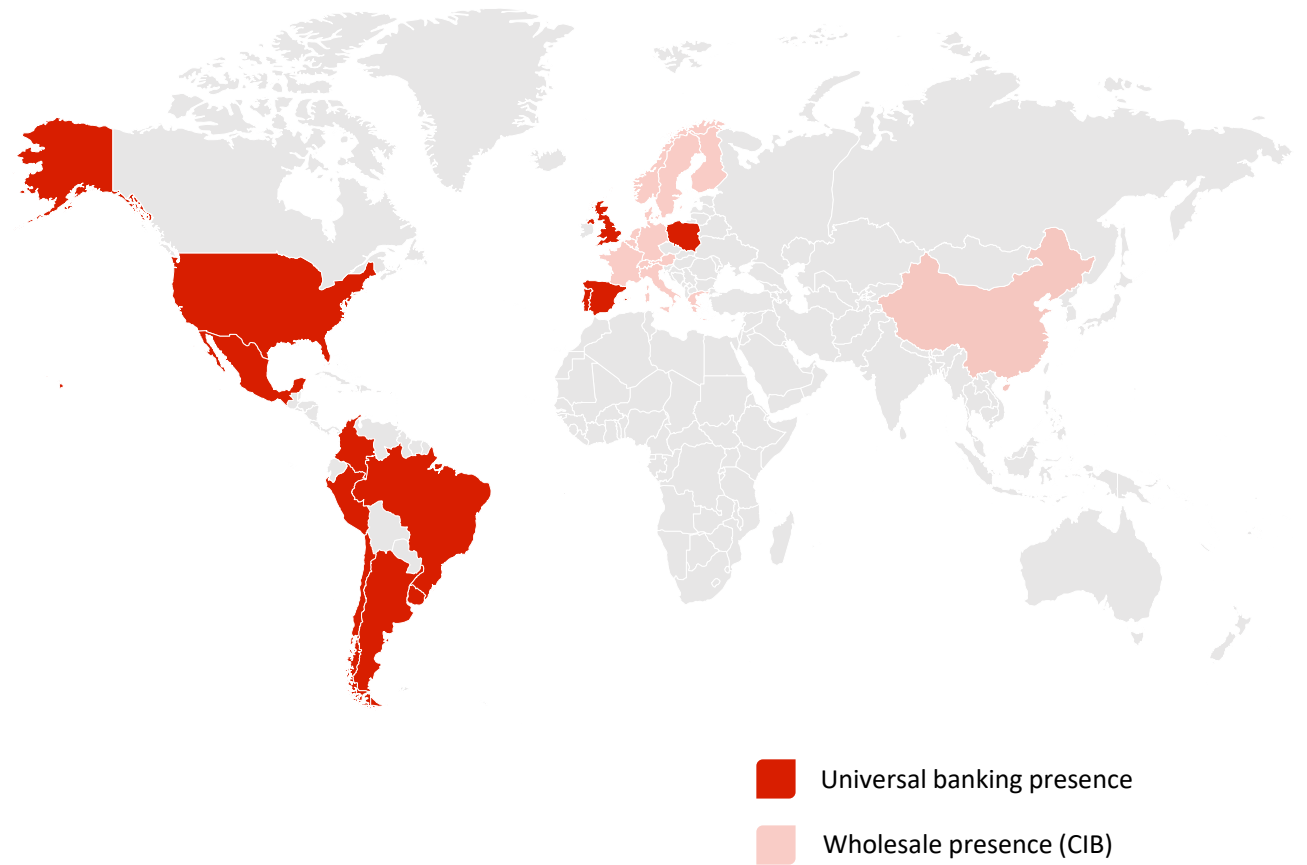
## Key strengths

- Critical mass
- Independent access to markets
- Local regulation and supervision
- Strong operational centralization

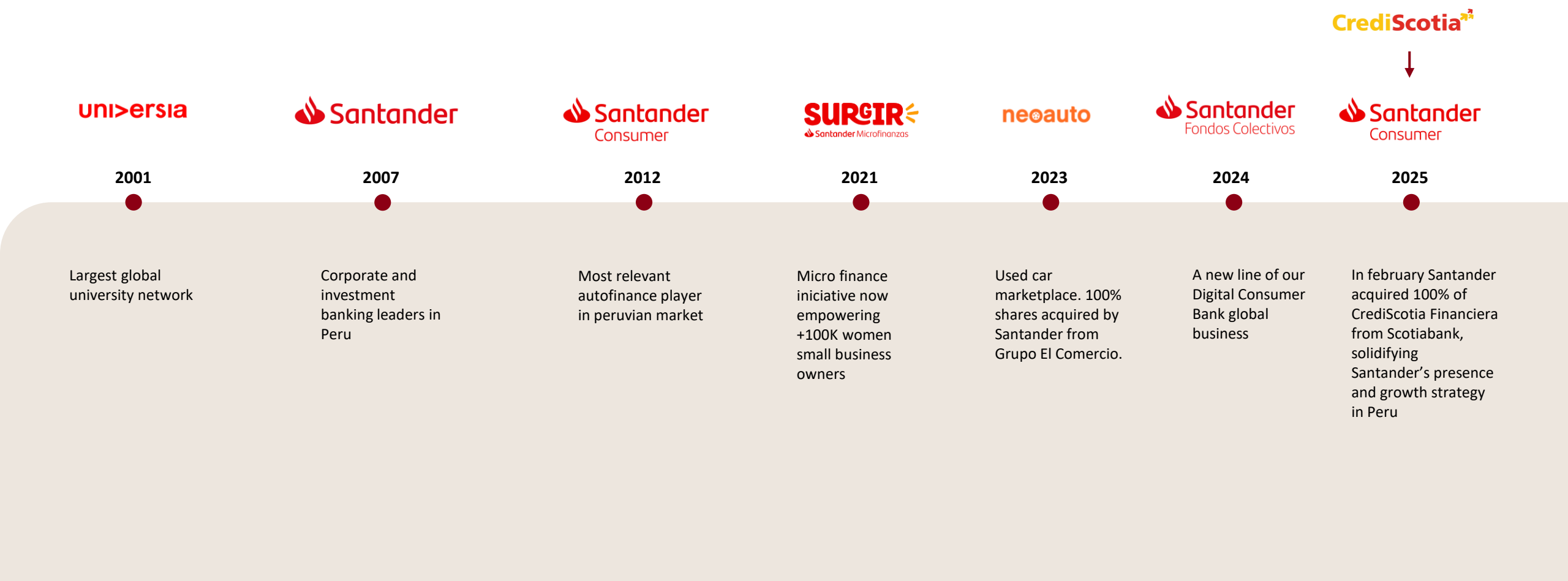


# Santander Group Overview

Total assets	Net operating profit
€ 1,837 Bn	€ 12,574 Mn
Clients	Branches
173, 543 M	8,518
Employees	Ratings
212,764	A+ A2 A-
	S&P Global Ratings MOODY'S Fitch Ratings



# Santander Peru Timeline



# Santander Peru Overview (Data report 2024)

Total assets

\$ 4,150 Mn

Net operating profit

\$ 106 Mn

Clients\*

>700 M

MOB

\$ 291 Mn

Employees\*

>2,700

Profitability

23.5%  
ROTE

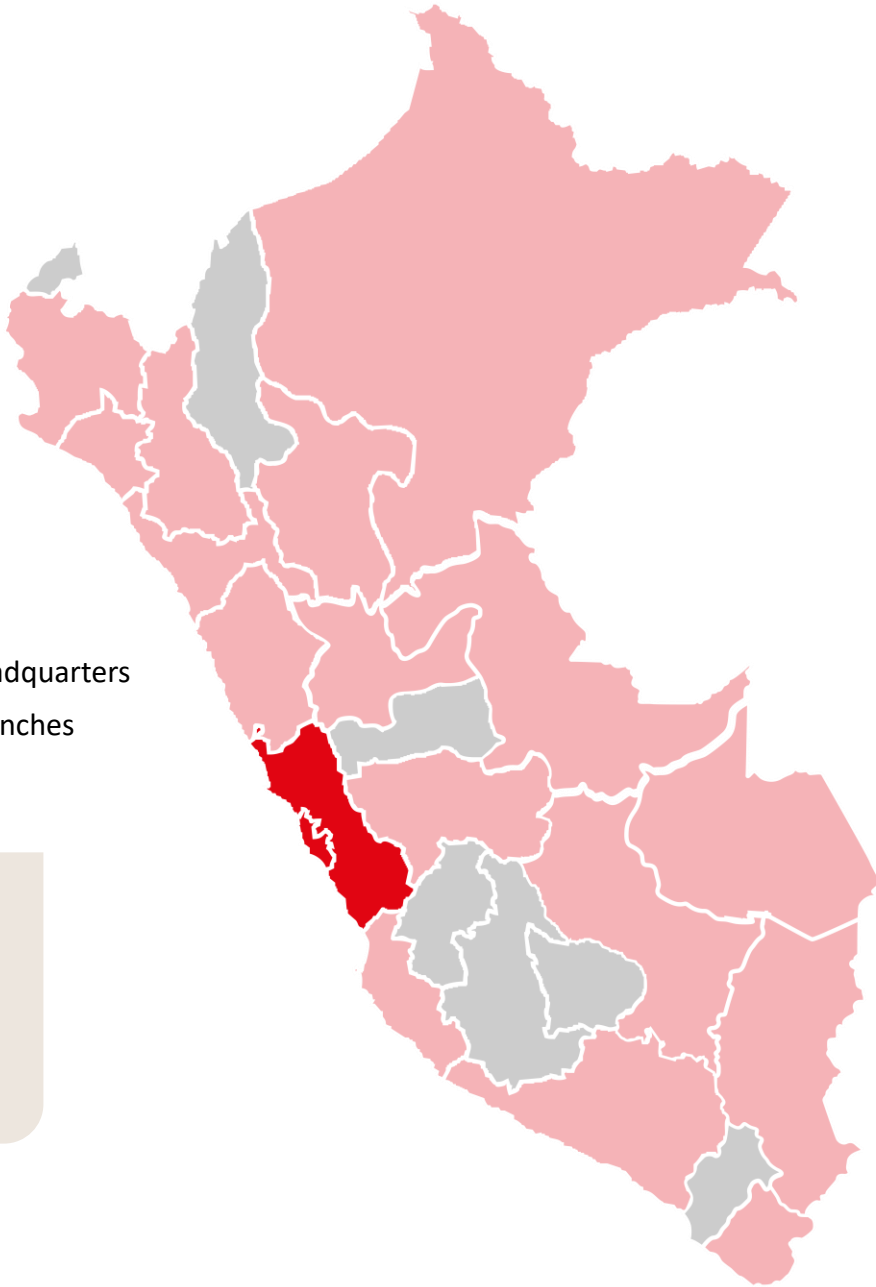
Branches\*

89

Headq

Branch






- Headquarters
- Branches



## Export & Agency Finance in Latin America

### Our activity and presence in Export Finance in Latin America

- Santander is the leading bank in Latin America, with an extensive network, and ranks third in Brazil, Mexico, Chile, Argentina and Uruguay in mergers and acquisitions, ECM and DCM.
- Santander has experts dedicated to Export and Agency Finance in the six ECA desks established in the continent: Mexico, Colombia, Peru, Chile, Argentina and Brazil.
- While local ECA teams allow close interaction with the client and facilitate business relationships, those countries without a team on the ground are actively followed up by our Export & Agency Finance Global team based in Madrid.
- Among the countries in the region with active origination in ECA financing and closely followed by Santander are Honduras, Guatemala, Costa Rica, Panama, the Dominican Republic and Paraguay, among others.

 ✓ Best Debt Bank and Best Payments and Collections Bank in Latin America	 ✓ Best trade finance bank in Latin America	 ✓ Best commercial financier in Latin America
 ✓ Latin America Derivatives House of the Year	 ✓ Best bank for Latin America	



# Export & Agency Finance Main Products and Services – Export & Agency Finance (ECA) Financing

## ECA Features

- What is an ECA?
- Do any special rules apply?
- What does the OECD Arrangement establish?
- Is there any alternative to the OECD Arrangement?
- What is the purpose of Untied Products?

## ECA Benefits




















- Long term financing
- Increased liquidity
- Lower pricing
- Risk Transfer
- Incentive for Banks

# Export & Agency Finance – Santander and Euler Hermes Relationship

## Relationship Overview

- Santander Export Finance has long-standing relationships with decision-makers and access to all seniority levels
- Long-standing relationships in between Santander origination and structuring teams with Hermes' senior management and underwriters
- Long track record of executing high profile transactions and ECA agency roles worldwide
- Thorough understanding of Hermes specifics, as well as CIRR and refinancing schemes
- Collaboration with Hemer specifics, as well as CIRR and refinancing schemes
- High degree of strategic flexibility which allows Santander to offer a wide range of structures, roles as well as transaction volumes

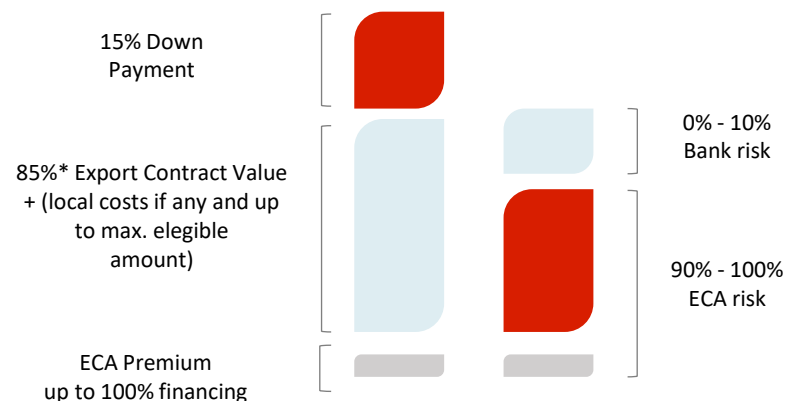
## Credentials – Euler Hermes & Santander

 <b>DIVEMOTOR</b> <hr/> <div>Divemotor</div> <div>USD 30Mn</div> <div>ECA Buyer Credit</div> <div> EULER HERMES</div> <div>MLA, Sole Arranger &amp; Lender</div> <div>2024</div>	  <div>MoF Angola</div> <div>EUR 1,200Mn</div> <div>ECA Buyer Credit</div> <div> EULER HERMES</div> <div>MLA</div> <div>2024</div>	 <b>TRAFIGURA</b> <hr/> <div>Trafigura</div> <div>EUR 3,350Mn</div> <div>ECA-Backed Project Finance</div> <div> EULER HERMES</div> <div>MLA &amp; Original Lender</div> <div>2024</div>
  <div>Baltic Power</div> <div>EUR 1,400Mn</div> <div>ECA Buyer Credit</div> <div> EULER HERMES </div> <div>MLA &amp; Lender</div> <div>2024</div>	 <b>northvolt</b> <hr/> <div>Northvolt</div> <div>EUR 5,070Mn</div> <div>ECA-Backed Project Finance</div> <div> EULER HERMES </div> <div> </div> <div>MLA, Sole Arranger &amp; Lender</div> <div>2023</div>	 <b>H2green steel</b> <hr/> <div>H2 Green Steel</div> <div>EUR 3,350Mn</div> <div>ECA-Backed Project Finance</div> <div> EULER HERMES </div> <div>Senior MLA</div> <div>2023</div>



# Export & Agency Finance Main Products and Services – Buyer Credit

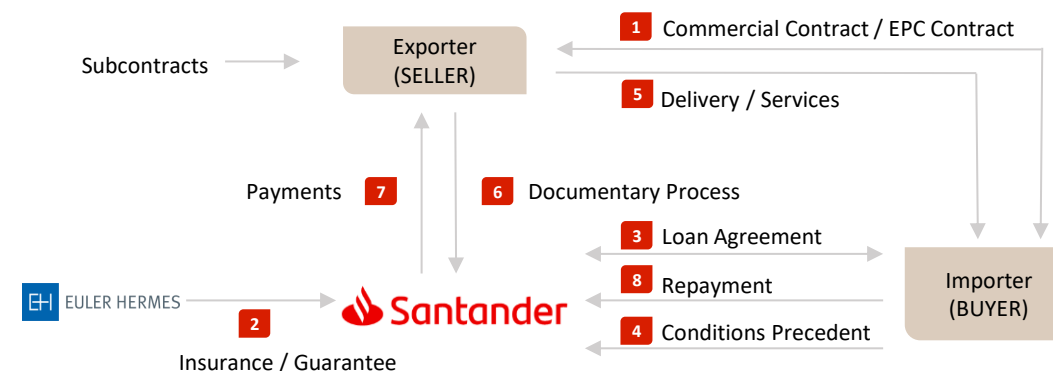
## Cover and finance scheme for ECA financing



## Characteristics

- Subject to OECD Consensus.
- Finance up to 85%(\*) of the project.
- The remaining 15% is paid up-front or with a complementary loan.
- Could be arranged either as a supply or a turn-key project, based on the terms of the contract.
- Flexibility of Fixed or Floating rates and currencies.
- ECAs are diverging from the OECD Consensus in the percentages of covered local costs and foreign content.

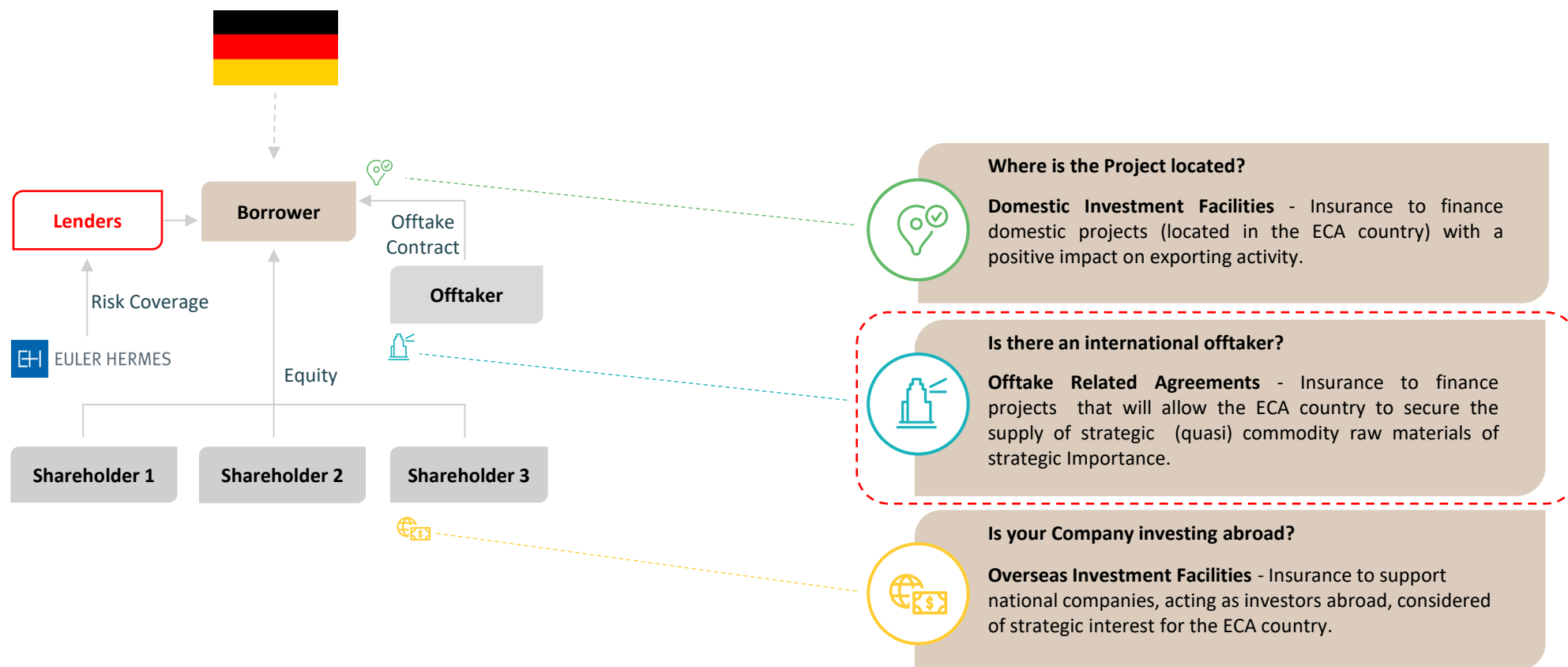
## ECA-backed Buyer Credit Structure



## Repayment Period

Standard	Up to 15 years
Project Finance	Up to 15 years
Renewable Energies	Up to 22 years
Water	Up to 22 years
Rail	Up to 15 years
Ships	Up to 12 years
Aircrafts	Up to 15 years

## Export & Agency Finance Main Products and Services – Untied Solutions



ECAs' offering comprises a wide range of products to support the financing of a project. Identifying the potential ECA eligibility criteria is key to maximize ECA support, by using the best mix of traditional and untied solutions

# Export & Agency Finance Main Products and Services – Untied Solutions

## Untied Solutions related to Raw Materials

It is assumed that there is a contractual relationship ("offtake" character) between a producer/exporter of raw materials and a foreign importer.

The idea of the German government is to secure the supply of raw materials to Germany by covering the risk of loans to raw material producers.

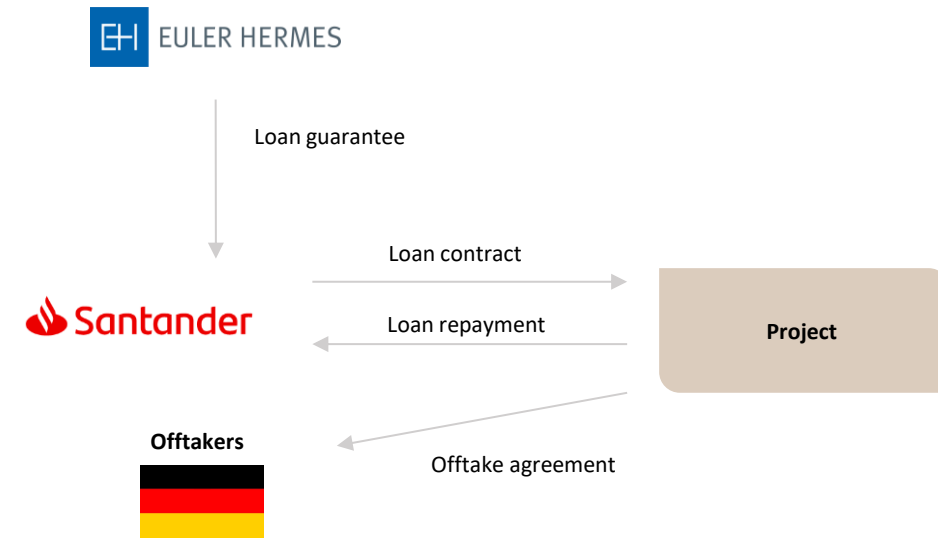
### Main requirements

- New/Renewal of long-term raw material supply contract with a German "offtaker"
- New investment or project\* ("Raw Material Project"), the capacities of which will be used to feed a new long-term supply contract

### Considerations

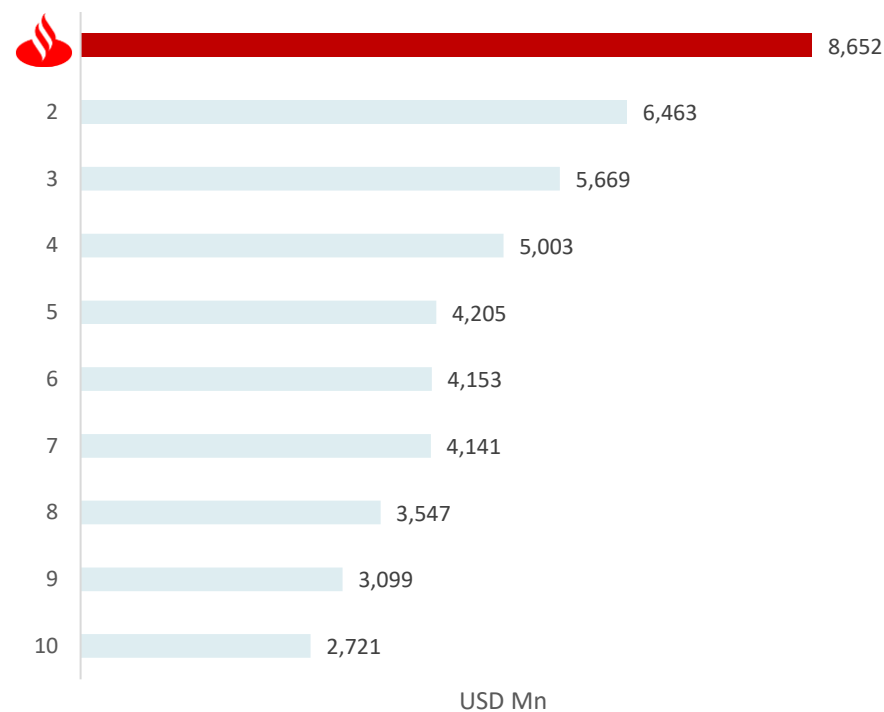
- Oil is intentionally excluded.
- Finally, the import of secondary raw materials (raw materials recovered through recycling) could also be considered eligible, on a case-by-case basis

### Structure



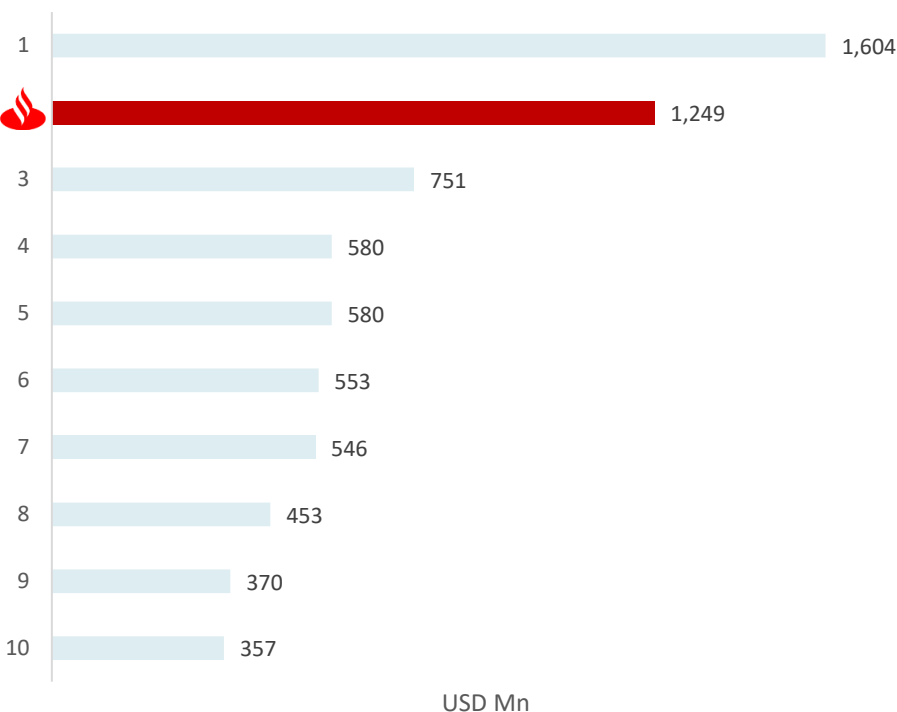
# Santander Export & Agency Finance League Tables

Global ECA Financing Volume by MLA - FY 2024



Source: Dealogic 2024

Latin America and Caribbean ECA Financing Volume by MLA – FY 2024



Source: Dealogic 2024

## Key contacts



# Thank You.

Our purpose is to help people  
and businesses prosper.

Our culture is based on believing  
that everything we do should be:

Simple Personal Fair