

»» DEG: We finance opportunities.

DEG in Mexico

Webinar

6 September 2017

KfW DEG

»» DEG Facts and Figures 2016

DEG

› Established	1962
› Employees	526
› Company seat	Cologne
› Shareholder	KfW Frankfurt
› Equity	EUR 2.3 billion
› Balance sheet	EUR 5.8 billion
› New business (2016)	EUR 1.6 billion
› Portfolio (2016)	EUR 7.7 billion



KfW

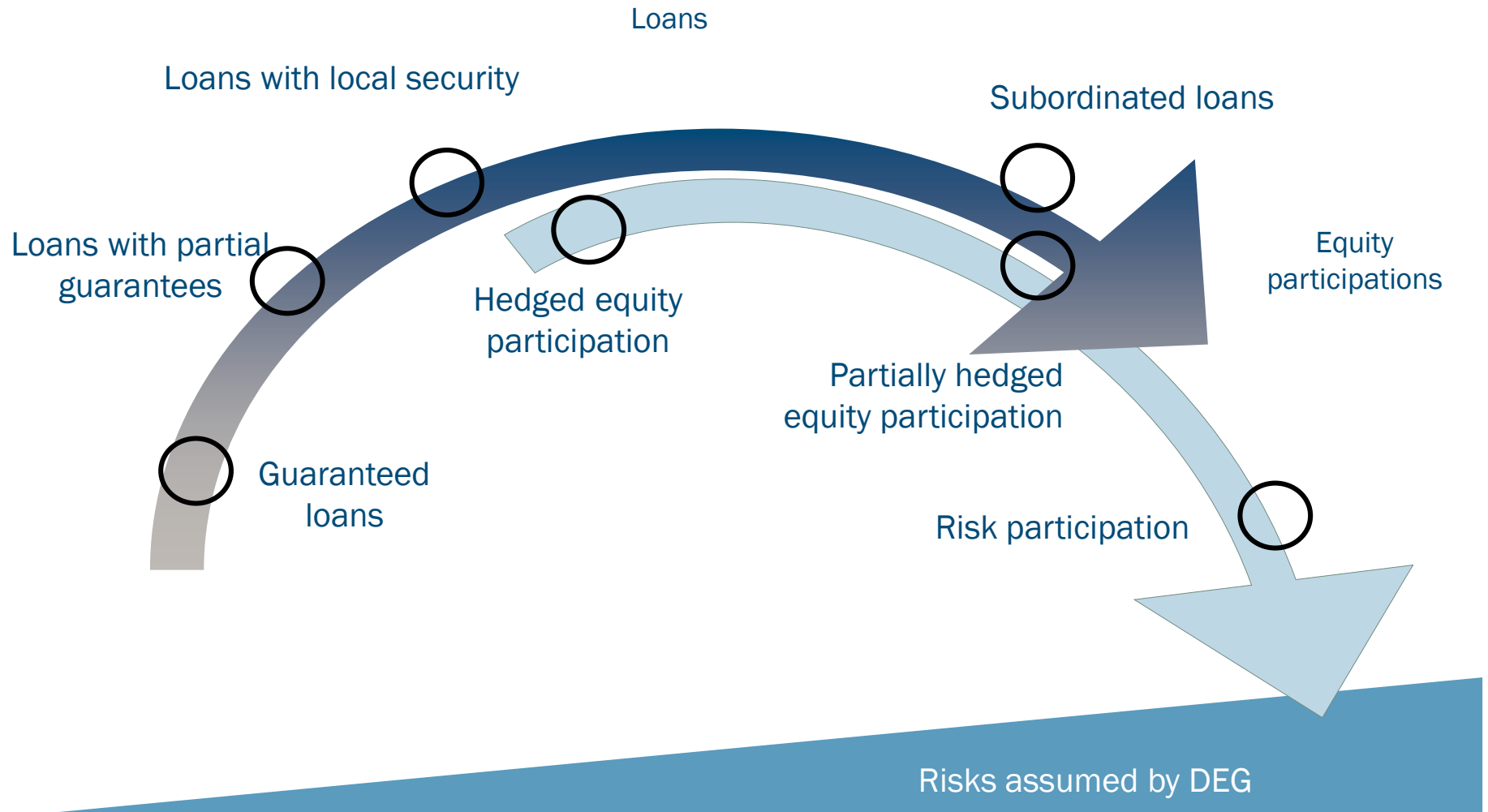
› Ownership	Federal Republic of Germany (80%) and the federal states (20%)
› Rating	AAA/Aaa, 3rd largest bank in Germany
› Balance sheet	EUR 503 billion
› “World's Safest Bank” for 7 consecutive years according to Global Finance Magazine’s Global Ranking	

»» Activities of KfW Group in Mexico

	KFW	KFW _{DEG}	KFW _{IPEX-Bank}
Objectives	Providing finance, advice and support for development and climate protection programs and projects, in cooperation with governments and state institutions in developing and emerging countries	Providing tailor-made long term finance to support the development of the Private Sector in Emerging Markets	Providing commercial long-term finance to Mexican borrowers in the interest of German and European companies to promote their exports, and foreign direct investments to Mexico, as well as strategic imports from Mexico to Germany
Economic Sectors	Energy, Water, Urban mobilization, Biodiversity and climate	Manufacturing & Services, Infrastructure, Agribusiness, Financial Services	Manufacturing Industries, Basic Industries, Maritime Industries, (Offshore Oil & Gas), Energy
Products	<ul style="list-style-type: none"> Promotional loans Development loans Grants and accompanying measures 	<ul style="list-style-type: none"> Commercial long term loans Structured Finance Equity 	<ul style="list-style-type: none"> Export Finance (with/without ECA) Corporate lending Project Finance
Example clients			
Portfolio	<ul style="list-style-type: none"> EUR 850 million 9 projects 	<ul style="list-style-type: none"> EUR 360 million 35 projects 	<ul style="list-style-type: none"> EUR 754 million 13 projects

Total KfW commitment in Mexico: EUR 2 billion

»» DEG products (1/2)



»» DEG products (2/2)

Long-term loans

- › USD 10–50m (or MXN equivalent)
- › Higher amounts through club deals or syndication desk in Germany
- › Tenors 4 – 20 years
- › Fixed or variable interest rates, in Mexico exempt from withholding tax
- › Security in project assets; completion guarantees in green-field projects

Mezzanine finance











- › USD 10–30m (or MXN equivalent)
- › Flexible structures combining elements of equity participation and senior loan
- › IRR according to market standards, no fixed return threshold

Equity Capital

- › USD 10–30m (or MXN equivalent)
- › Only minority stakes; often take voting rights and seat on board of directors
- › A priori looking for exit after 4-10 years
- › IRR according to market standards, no fixed return threshold

DEG provides long-term, tailor-made financing products

»» Selected projects Mexico (1/2)

<p>2016</p>  <p>CHG-Meridian Mexico SAPI de CV</p> <p>Leasing</p> <p>Senior Loan USD 20 million</p>	<p>2016</p>  <p>Thermion</p> <p>Infrastructure</p> <p>Equity USD 20 million</p>	<p>2016 2012 2006 2004 2001</p>  <p>Beta San Miguel</p> <p>Co-generation etc.</p> <p>Senior Loans USD 54 million</p>	<p>2016</p>  <p>Eseasa</p> <p>Liebherr Crane</p> <p>Senior Loan USD 30 million</p>	<p>2016 2011 2006</p>  <p>Grupo Finterra, SOFOM</p> <p>Agri-Finance</p> <p>Equity MXN 171 million</p>
<p>2015</p>  <p>Hugo Kern und Liebers GmbH & Co. KG</p> <p>Automotive</p> <p>Senior Loan USD 10 million</p>	<p>2014</p>  <p>Negocio Agrícola San Enrique S.A. de C.V.</p> <p>Co-Generation</p> <p>Senior Loan USD 20 million</p>	<p>2014</p>  <p>KUA Mex Foods,</p> <p>Food & Beverage</p> <p>Equity USD 15.5 million</p>	<p>2014</p>  <p>Waldo's Dólar Mart de México</p> <p>Retail</p> <p>Equity USD 25.2 million</p>	<p>2014</p>  <p>Asofarma de México,</p> <p>Farmacéutica</p> <p>Senior Loan USD 15 million</p>

»» Selected projects Mexico (2/2)

<p>2014</p>  <p>Duraplay de Parral</p> <p>MDF Wood</p> <p>Mezzanine USD 12.7 million</p>	<p>2014 2012</p>  <p>Promotora de Viviendas Integrales</p> <p>Social Housing</p> <p>Senior Loan MXN 250 million</p>	<p>2013 2011</p>  <p>TPP Bulk Terminal Port In Lazaro Cardenas</p> <p>Lead Arranger</p> <p>Senior Loan USD 34 million</p>	<p>2013</p>  <p>BODESA Co-Invest. Wamex</p> <p>Retail</p> <p>Equity MXN 204 million</p>	<p>2012</p>  <p>Sowimex</p> <p>4 Wind Parks</p> <p>Equity USD 12.5 million</p>
<p>2011</p>  <p>EMX Capital Partners LP</p> <p>Private Equity Fund</p> <p>Equity USD 13 million</p>	<p>2010</p>  <p>EURUS S.A.P.I</p> <p>250 MW Wind Power Plant</p> <p>Senior Loan USD 32 million</p>	<p>2010</p>  <p>Grupo Maxasem</p> <p>Insurance Holding</p> <p>Mezzanine Loan EUR 15 million</p>	<p>2010</p>  <p>Cafesca</p> <p>Production of soluble coffee in Chiapas</p> <p>Senior Loan USD 8.4 million</p>	<p>2008 2007</p>  <p>Vesta Desarrollo Inmobiliario Industrial</p> <p>Ind. Real Estate</p> <p>Equity EUR 23.5 million</p>

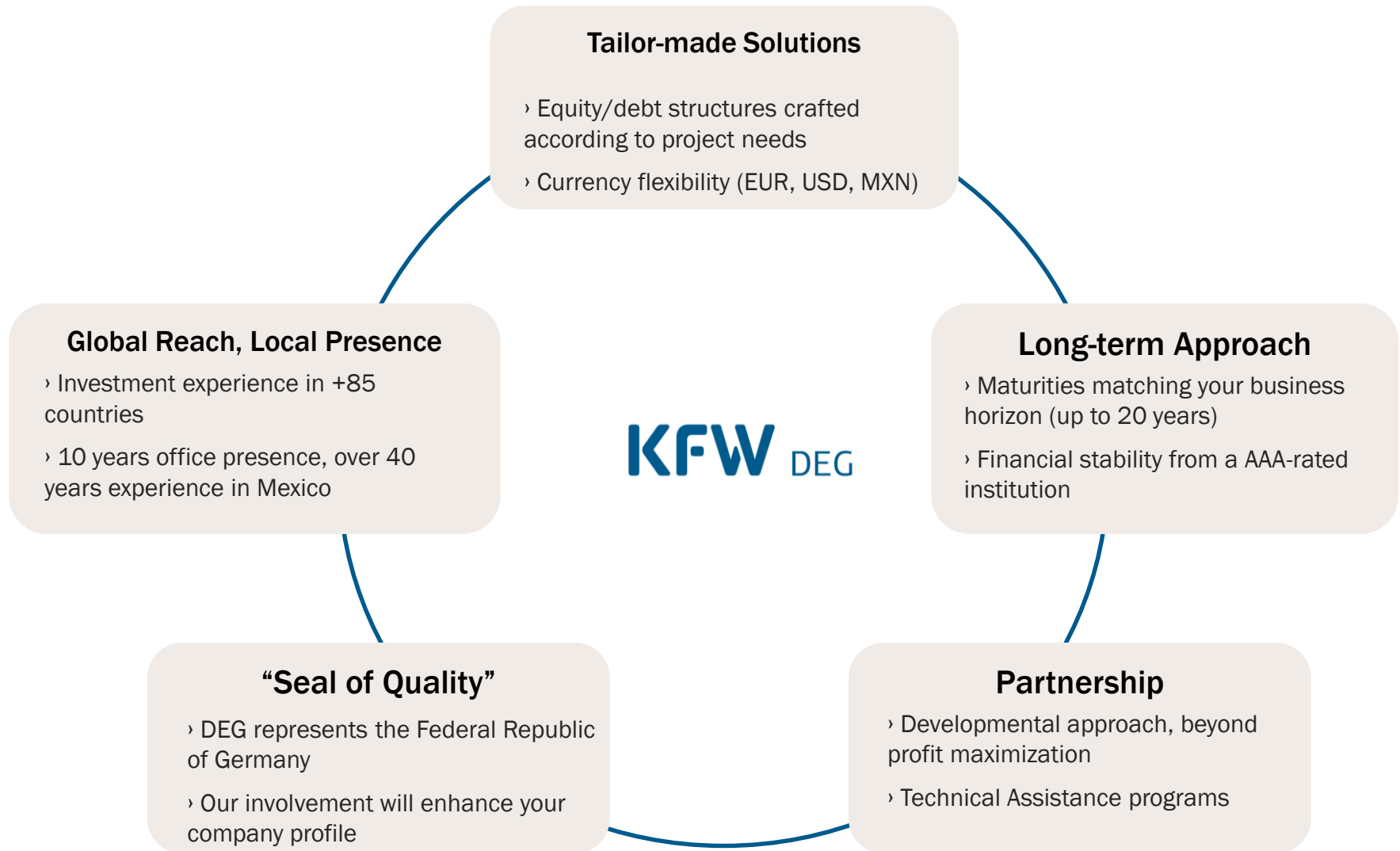
»» DEG's investment focus

What we are looking for

- › Long term investment **projects with a developmental impact**, e.g. expansion/capex, job creation, social/environmental standards (refinancing and/or working capital can be part of overall project).
- › Companies with a **track record** in their industry (i.e. no start ups) or a **strong strategic partner**.
- › Companies with a minimum level of **corporate governance** (e.g. audited financials) and willingness to institutionalize further.
- › Clients in a broad range of sectors.
- › **German relation** (sponsor, equipment etc.) welcome, but **not necessary**.
- › DEG financing **usually starting at 10m USD**.



»» Why work with DEG?



»» Our Team in Mexico

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