



Rabobank



# Rabobank International

## Renewable Energy & Infrastructure Finance

### About Rabobank Group

The Rabobank Group is a full-range financial services provider operating on the basis of cooperative principles. Headquartered in Utrecht, The Netherlands, its operations include retail banking, wholesale banking, asset management, leasing and real estate. Rabobank International ("Rabobank") is the Group's wholesale bank and international retail bank, leading in Food and Agri financing and in sustainability-oriented banking.

Food & Agri business is the international prime focus of the Rabobank Group. The Rabobank Group has the highest credit rating (AAA), awarded by well-known international rating agencies Moody's and Standard & Poor's since 1981. In terms of Tier 1 Capital (the core measure of a bank's financial strength from a regulator's point of view), the Group is among the twentieth largest banks in the world as per *The Banker Top 1000 World Banks 2008*.

### Commitment to Sustainability

Our roots in agriculture and cooperative structure keeps us especially aware of the need for sustainable development, making sustainability an integral part of our business. The Rabobank Group strives to support our customers in carrying their business in a sustainable manner through providing them with know-how and innovative products that create opportunities for them.

Our goal is to use our financial services to effectively add to the transition from a high-CO<sub>2</sub> to a low-CO<sub>2</sub> economy. Within the renewable energy sector our mission is the further development of sustainable energy supplies and technologies around the world. This is based on the important benefits this brings in terms of both economic development and a better climate. We are committed to this sector even in difficult (financial) market circumstances.

Rabobank is a **leading international partner** in the renewable energy sector and combines in-depth

knowledge and expertise with excellent arranging, underwriting and syndication capabilities. Rabobank offers **"one-stop shop" solutions**, combining renewable energy & infrastructure finance expertise with corporate tax structures, commodity derivatives, trade & commodity finance, financial derivatives, M&A and the provision of equity.

### Renewable Energy & Infrastructure Finance

We are convinced that the in-depth knowledge and focus will translate into better service for our clients. Given the 'technology heavy' component in this business, in-depth knowledge of the industries is essential, in our view, to maximising the added-value for our clients.

Rabobank's project finance team, named "Renewable Energy & Infrastructure Finance (REIF)" has decided to focus on the renewable energy and infrastructure sectors. This concerns large scale investments of at least EUR 50 million, that make use of proven technology. We strongly believe renewable energy is important. Banks and more specifically financial engineering are necessary for the growth in this sector.

### Introduction to Project Finance

Project Finance is the financing of a specific facility for, often long-term, projects in which the lenders look principally to the revenues generated by the operation of the project for the source of funds from which loans will be repaid. The primary security for the loan consists of the assets of the project including, most importantly, the cash flow the project generates and the contracts that assure the stability of both its costs and its revenues. A special purpose entity (the project company) is set up for the purpose of the development, construction, financing, ownership and operation of the project. A successful project financing structure will entail a satisfactory and economic allocation of project risk among the various involved parties.

## Main sectors of expertise

### Wind energy

Technology gains have made wind energy increasingly commercially viable, mature and readily available. Onshore wind is a leading renewable energy sector and becomes more and more a commodity market. REIF has a lot of experience, knowledge and an impressive track record in this field and is an ideal partner to finance onshore wind projects.

Although investments in offshore wind are much higher compared to onshore wind, strong growth is expected also in this sector. Off-shore wind is a key market for REIF, and this team is involved in most of the high profile deals that are currently being designed and permitted. REIF has designed innovative forms of financing for activities such as the Amalia (Q7) wind farm off the coast of IJmuiden: the first offshore wind farm project financing.

### Solar Energy

The advantages of solar energy are several: it is free, it does not require fuel and produces no waste or pollution. The solar power production has accelerated enormously the last years. What started a few decades ago with small applications has nowadays grown into a production on industrial scale worldwide with innovations in the various systems. For instance we see that concentrated solar power systems are gaining momentum parallel to the already widely used photovoltaic solar systems.

As with most renewable energy systems, there are initial costs that make setting up these projects quite expensive. REIF provides financial solutions relying on the knowledge and experience it has gained in these fields over the past years. With seven completed deals in 2008 and several other projects in the pipeline, REIF has manifested itself as an important player in the solar energy sector.

### Bio Energy

That we are experts in rural and agribusiness financial services is a known fact. Through rural, corporate and business banking divisions, we have been providing customised lending and financial services in the various food and agribusiness sectors around the world for many years. Unparalleled market knowledge in combination with strong banking skills enable the creation of customised financial solutions that have a lasting impact on F&A companies' business.

This knowledge and experience gives us a great advantage in the bio energy (biomass/fuels) market. Our expertise and understanding of the industry -from the 'micro' of local regional farming conditions, to the 'macro' of international commodity trade markets-together with our global agri client and offices network, finance & (co) investment, (Agri) Commodity Price Risk and Project Finance solutions, makes Rabobank the ideal financial partner in the bio energy chain.

### Deal requirements

- **General guidelines**
  - New capacity building or portfolio of projects in operation/under construction
  - Asset or assets generate renewable power
  - Credit base largely determined by contract structure and counter party risk
  - Proven technology
- **Project size**
  - Minimum debt size €50 mln
- **Investment structure**
  - Cash flow based finance
  - Ring fenced Special Purpose Vehicle or a portfolio of such entities
- **Strategic Sponsor**
  - Focus on projects for reputable sponsors with a clear view on renewable energy. To ensure maximum spin-off and long term relationships.

### Rabobank's products in renewable energy:

REIF offers different products for the financing of renewable energy and infrastructure projects. Together with the large number of products offered by the total Rabobank Group, REIF is a leading partner in the renewable energy chain, offering ***tailor made innovative structures*** that enable financing of all different kind of projects

#### Existing REIF products:

- Term loans
- Junior/mezzanine loans
- Advisory

#### Existing Rabobank products:

- Interest rate and FX swaps
- Inflation hedges
- Commodity derivatives
- Stock finance facilities
- Debt distribution
- Equity bridges
- Related sector products
- Equity origination & placement
- M&A
- Project Equity
- Venture Capital

The Renewable Energy & Infrastructure Finance team has locations in Utrecht, New York and Mumbai. From these offices, Europe, the Americas and a part of Asia are covered.

### Contact information

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