KfW IPEX-Bank finances order for two reduced-emission cruise ships  
from the Meyer Turku shipyard  
  
- Cruise liners to be largely powered with LNG propulsion  
- Consortium led by KfW IPEX-Bank provides over EUR 2.5 billion  
multi-ECA financing  
- Support for European shipbuilding with a high share of supplies  
from Germany  
  
KfW IPEX-Bank is financing two reduced-emission cruise ships for  
Royal Caribbean Cruises Ltd. (RCCL). The EUR 2.5 billion plus in  
borrowed funds needed to procure the ships is being provided by an  
international consortium led by KfW IPEX-Bank. The ships, which will  
be built at the Meyer Turku shipyard in Finland, will be largely  
propelled by liquefied natural gas (LNG) and will be able to carry  
over 5,500 passengers each. The ships are due to enter into service  
in 2022 and 2024, respectively.  
  
Taking stock of the financing, Andreas Ufer, Member of the Management  
Board of KfW IPEX-Bank, states: "Cruise ships are booming, and the  
aim is to shape this trend for the lowest possible level of emissions  
for mankind and nature. We are pleased that our financing is helping  
to advance LNG propulsion." Jan Meyer, CEO of Meyer Turku, adds:  
"This order will occupy our production until 2024. This not only  
affects our location in Turku, but also our whole supply network both  
in Finland and Germany on a significant scale. This combination of  
our successful distribution and the closely-tailored structured  
finance will sustainably secure jobs in Germany and Europe."  
  
Within the complex financing transaction for the two cruise liners,  
KfW IPEX-Bank stepped up as the syndicate leader, initial mandated  
lead arranger (MLA), facility agent, documentation agent and Hermes  
agent. The banking syndicate also includes BNP Paribas, HSBC,  
Commerzbank, Santander, BBVA, Bayern/LB, DZ Bank, JPMorgan and SMBC.  
This is the largest syndicate financing package that KfW IPEX-Bank  
has ever structured and led on its own. KfW IPEX-Bank is contributing  
EUR 686 million to the total financing package. Alongside a cover  
from the Finnish ECA, Finnvera, the financing is also backed by  
export credit insurance from the Federal Republic of Germany (Hermes  
cover). Finnish Export Credit (FEC), a subsidiary of Finnvera, will  
make up the majority of the funds at the OECD-set ship refinancing  
scheme commercial interest reference rate (CIRR). The loans, granted  
separately for the ships, each have a term of 12 years from the  
respective ship delivery date. A substantial number of German  
manufacturers, among them numerous small and medium-sized  
enterprises, will supply parts of significant value for each ship,  
including the complete hull and main engine coming from the Neptun  
Werft shipyard in Rostock, Germany.  
  
Both ships will be equipped with dual-fuel technology (LNG and marine  
diesel) and according to the borrower they will be largely powered by  
LNG. Additionally, RCCL is testing fuel cells as a supplemental  
energy source aboard an existing ship in preparation for use on the  
Project Icon vessels. RCCL hopes that fuel cells will play a  
significant role in powering the ship's hotel functions.