



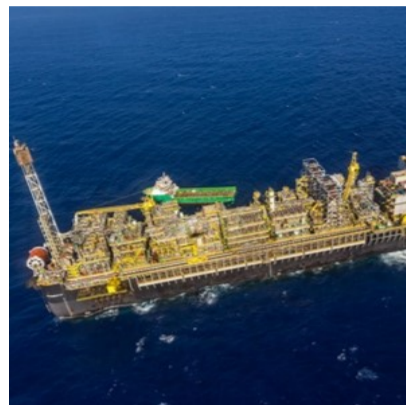
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Who are the major financiers of Brazilian FPSOs?



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Although the energy transition and ESG issues are gaining traction, many banks and credit export entities keep financing oil and gas undertakings, such as FPSOs ordered by Brazil's federal oil firm [Petrobras](#).

This situation will not change much as demand for hydrocarbons will remain and a significant portion of oil companies' decarbonization capex comes from oil and gas revenues.

Furthermore, the geopolitical context, with the war in Ukraine and gas supply in Europe, has reignited energy security concerns.

"We're moving toward decarbonization, but we can't neglect the need to ensure energy security at a viable value, and that's going to involve oil," Gabriela Fischer, an associate at Trench Rossi Watanabe law firm, told BNamericas.

Fischer and Danielle Valois, a partner at Trench Rossi Watanabe, are advising on FPSO financial operations in Brazil.

Meanwhile, financial products like green and sustainability linked bonds, developed to support companies that do not operate in totally green areas, do not yield higher returns.

These credit lines seek ESG commitments from companies and provide access to cheaper capital upon compliance with specific parameters. A bank financing a clean or ESG-driven project does not necessarily gain more, apart from the potential effects a positive reputation generates.

"What we've seen, in concrete behavior, are banks asking for more evidence that companies follow the Equator Principles," Valois said. The Equator Principles are a financial industry benchmark for determining, assessing and managing environmental and social project risks.

According to Daniela Davila, a partner at Vieira Rezende law firm, new FPSOs are mainly financed by Asian financial institutions (banks and leasing houses) and export credit agencies from countries such as China, Japan, South Korea and Singapore, where shipyards that build the hulls/modules of the units are located.

Some banks, such as [BNP Paribas](#) and [HSBC](#), have announced their exit from this industry, while New York-based Nordea has shown less appetite for oil and gas.

On the other hand, traditional offshore players like Norway's [DNB](#) or Germany's [Deutsche Bank](#) continue to support the sector.

Davila said that when the FPSO contracting modality is chartering, financing is usually secured by a set of guarantees such as a mortgage, receivables from the chartering contract or bank accounts.

"Private companies accept to give letters of guarantee to banks up to the total value of the charter, but Petrobras has a ban on this type of guarantee," she told BNamericas.

Davila said recent Petrobras bidding processes incorporated an innovation involving an advance payment of around 20% of the charter in the event of first oil/gas production, upon presentation of guarantees from the contractor.

Several [FPSOs are being built](#) for Petrobras, including the [Almirante Tamandaré](#) platform. Its charterer, [SBM Offshore](#), signed a US\$1.63mn project financing deal with a consortium of 13 banks with insurance cover from four export credit agencies in March.

Since the FPSO will be installed in the [Búzios field](#), where China's [CNOOC](#) and [CNODC](#) hold stakes, [China Development Bank](#) (CDC) and trading houses such as the [China Industrial and Commercial Bank](#) (ICBC) may get involved.

Five other FPSOs will be installed in Búzios by 2027: [P-78](#), [P-79](#), [P-80](#), [P-82](#) and [P-83](#).

Given that SBM is a Dutch operator, Holland's [ABN-AMRO Bank](#) could also join.

An ABN press officer said the bank pursues a climate strategy which aligns its portfolio with the hydrocarbons phase-out and a net zero path to 2050. "Moreover, we've signed up the [Net Zero Banking Alliance] last year, which has very clear guidelines on oil and gas and related financings," the press officer added.

Other possibilities include China's [Merchants Industry Holdings](#) and Shipbuilding Industry Corporation.

CNOOC and CNODC are also Petrobras' partners in the [Mero field](#), which will receive the [Sepetiba](#) unit this year and Alexandre de Gusmão in 2025.

Banks from Japan, like [Sumitomo Mitsui Banking Corporation](#) and Japan Bank for International Corporation, often work with Japan's [Modec](#), which signed several charter contracts of FPSOs under construction with Petrobras and one for [Equinor's Bacalhau field](#).

Among other financial institutions with tradition in FPSO financing are the UK's [Standard Chartered Bank](#); DBS Bank, United Overseas Bank, Clifford Capital and Oversea-Chinese Banking Corporation from Singapore; [China Investment Corporation](#); [Korea Development Bank](#) (South Korea); Maybank and CIMB (Malaysia); Société Générale and Natixis (France); and [Mitsubishi UFJ Financial Group](#) (Japan).

Export credit agencies in the sector include China's [Sinasure](#), [Nippon Export and Investment Insurance](#) (Japan) and [Sace](#) (Italy).

China is home to the [Cosco](#), Dalian Shipbuilding Industry Company and Bomesc shipyards. Singapore hosts [Keppel Offshore](#) and [Sembcorp Marine](#) and South Korea [Samsung Heavy Industries](#), while FPSO operators [Yinson](#) and [Misc](#), which also signed contracts with Petrobras, are based in Malaysia.

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