

Iberdrola, CaixaBank and BNP Paribas sign first green syndicated loan with Cesce coverage, for €500 million

- ***It's the first operation under Cesce's new Green Investment Policy, exclusively aimed at financing projects that contribute to the fight against climate change outside Spain.***
- ***The funds will finance wind and solar power, battery and transmission grid projects in the UK, Ireland, Portugal and Poland.***
- ***The syndicated loan has been structured by CaixaBank and BNP Paribas as sustainability coordinators, with CaixaBank acting as financing agent and coordinator of the Cesce policy.***

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Iberdrola, CaixaBank, BNP Paribas and Cesce have taken a decisive step to boost green finance in Spain. CaixaBank and BNP Paribas have signed a €500 million syndicated green loan with Iberdrola, backed by Spain's Export Credit Agency (ECA), Cesce. The loan has a maximum term of 15 years.

The agreement was signed at the Ministry of Industry, Trade and Tourism in the presence of the Secretary of State for Trade, Xiana Méndez, who accompanied the representatives of the four companies involved.

Méndez highlighted that "this operation reflects the commitment of Spain's Government to the objectives of the Paris Agreement and to achieving a net zero economic model by 2050, recasting Cesce's portfolio towards the fight against climate change".

CaixaBank and BNP Paribas, in addition to being financiers, were the entities exclusively responsible for the structuring, management, coordination and underwriting of the facility, both obtaining the titles of Mandated Lead Arrangers, Bookrunners and Sustainability Coordinators, granted by Iberdrola, with CaixaBank acting as Agent and ECA Coordinator.

The funds will be allocated to finance renewable wind and photovoltaic projects, as well as battery and transmission grid projects in the UK, Ireland, Portugal and Poland. This is the first operation under Cesce's new Green Investment Policy, aimed exclusively at financing climate-related investment projects by Spanish companies outside Spain.

Total renewable capacity under this placement is expected to reach 650 MW. It will also enable the renewal and development of the UK's transmission networks with the aim of achieving net zero in the UK by 2050.

Export Credit Agencies (ECAs) exclusively manage credit and investment insurance on behalf of States, covering the political, commercial and extraordinary risks associated with internationalisation.

The credit insurance for the green loan will be provided by Cesce, while the funds for the operation will come from CaixaBank and BNP Paribas. This green loan will strengthen the diversification of Iberdrola's sources of financing. Fernando Salazar, Chairman of Cesce, said that "this agreement is very significant for the insurer, firstly because it is an example for other companies and financial institutions, and also because it shows that we have created products aimed at sustainable projects that provide real solutions in favour of a more conscious and responsible economic activity".

Iberdrola strengthens global leadership in green finance

With this new loan, Iberdrola continues to strengthen its leadership in ESG financing, with more than €44.6 billion outstanding, of which over €22.7 billion correspond to green financing and around €21 billion to credit lines, loans or commercial paper programmes subject to compliance with sustainability goals.

The projects to be funded by this new loan are aligned with the following UN Sustainable Development Goals (SDGs) on which Iberdrola focuses its efforts: number 7 - Affordable and Clean Energy - and number 13 - Climate Action.

CaixaBank, European benchmark in sustainability

Within the framework of its new 2022-2024 Strategic Plan, CaixaBank has established as a strategic priority to become a sustainability benchmark in Europe, for which it has set a target of mobilising €64 billion in sustainable finance to drive the transition of companies and society. In this context, CaixaBank's Corporate, Institutional and International Banking division (CIB&IB) has mobilised €9.5 billion in sustainable financing during the first half of 2022, 28% more than the same period in 2021.

According to the League Table Green Use of Proceeds Top Tier Lender of Bloomberg, one of the most prestigious financial information agencies, CaixaBank has become the leading green lender in Europe in the first half of the year.

BNP Paribas, pioneer and European leader in sustainable finance

The BNP Paribas Group is committed to supporting the transition to a sustainable and inclusive economy, while ensuring its performance and stability. As Europe's leading bank for companies and institutions, it provides a full range of expertise on the transition

to a sustainable economy, as well as strategies for channelling financial flows to projects and companies that are building a low-carbon world.

BNP Paribas Group aims to provide more than €350 billion by 2025 through environmental, social loans and bond issuance, building on its strong track record: it is number one in EMEA and number two worldwide in green and sustainable bonds by volume, as a bookrunner, according to Dealogic's ranking at the end of 2021. The Group also aims to reach €300 billion in sustainable and responsible investments by 2025. In 2022, Euromoney named BNP Paribas the world's best bank in sustainable finance and the world's best bank in ESG data and technology for the second year in a row.

Sustainability, a pillar of Cesce's Strategic Plan 2021-2024

Cesce has always ensured that environmental and social standards in line with best practice in each sector are applied to the projects it supports on behalf of the State, in accordance with OECD regulations that apply to export credit. With Cesce's latest Strategic Plan, however, sustainability takes on vital importance for the company and it is no longer just a matter of ensuring compliance with regulations, but rather the objective of its activity, helping companies to transform their production models, making them compatible with Spain's commitments in the fight against climate change.

This plan includes the Green Export and Investment Insurance Policies guaranteed by the State. The former set up incentives in the form of lower costs and deadlines and greater flexibility in determining eligible amounts, among other advantages. The Green Investment Policies, on the other hand, are a completely new product to support the financing of Spanish companies' green investments outside Spain.