

SUSTAINABLE LOAN GROUP

Green & Sustainability- Linked Loan Newsletter

May 2024

Miguel
Castillo
(Corporate
Lending)

Hedi
Ben Salem
(Corporate
Lending)

Isidoro
Del Álamo
(ESG
Advisory)

Luis
Léniz
(Leveraged
Lending)

Jaime
Escrivá
(Project
Finance)

Lorenzo
Gómez-
Luengo
(ESG
Newsletter
Coordinator)

miguel.castillo@bbva.com
hedi.bensalem@bbva.com
lorenzo.gluengo@bbva.com
isidoro.delalamo@bbva.com
luis.leniz@bbva.com
jaime.escriva@bbva.com

Highlights of 1Q2024

- **Sustainable lending activity 1Q2024**

In Q1 2024, the sustainable and sustainability-linked loan volume stood at EUR 212Bn globally, the highest first quarter volume since the inception of the sustainable loan market in 2017. This represents increases of 10% vs Q4 2023 and 23% vs Q1 2023 which was the highest first quarter volume on record before 2024. This compares to increases in the global loan volume in Q1 2024 of 9% vs Q4 2023 and 6% vs Q1 2023.

After a difficult second half of 2023 for the sustainability-linked loans, we witnessed a resurgence of their volume in Q1 2024 with a total of EUR 152Bn, representing increases of 28% vs Q4 2023 and 13% vs Q1 2023. As for green loans, their volume remained in line with the quarterly average of 2023.

In Q1 2024, EMEA led the way with a total volume of EUR 106Bn, followed by the Americas with EUR 72Bn and APAC with EUR 35Bn. Whilst the sustainable and sustainability-linked loan volume in APAC fell by 21% vs Q1 2023, they strongly increased in EMEA (+48%) and the Americas (+23%) over the same period. In Q1 2024, EMEA and the Americas represented 84% of the global sustainable loan volume.

- **CSRD Directive**

One of the extended claims in relation to the various aspects of sustainability performance of the corporates has always been the standardization of the info, methodologies, reports.

A new European Directive according to reporting (CSRD) is about to kick-in, starting from next year (based on 2024 financial year). Numerous companies above a certain size will have to report on many metrics on a more standardized basis. Organizations should be transparent about how they tackle on different ESG aspects and this extends to both the range of indicators that companies need to report on, and the depth of information required over the entire value chain. This would definitely require additional quality controls on the data points and an independent third-party assurance.

As part of our continuous dialogue with companies for the mobilization of sustainability-linked financial instruments, we are finding a general concern on how the KPIs included in the financings could be potentially impacted by the new reporting rules.

Having said that, it would be reasonable to expect the banking community to adopt a constructive approach to the eventual need to reconfigure the indicator or its targeted values, following LMA principles, as we all agree on the benefits of seeking a more robust sustainability reporting ecosystem.

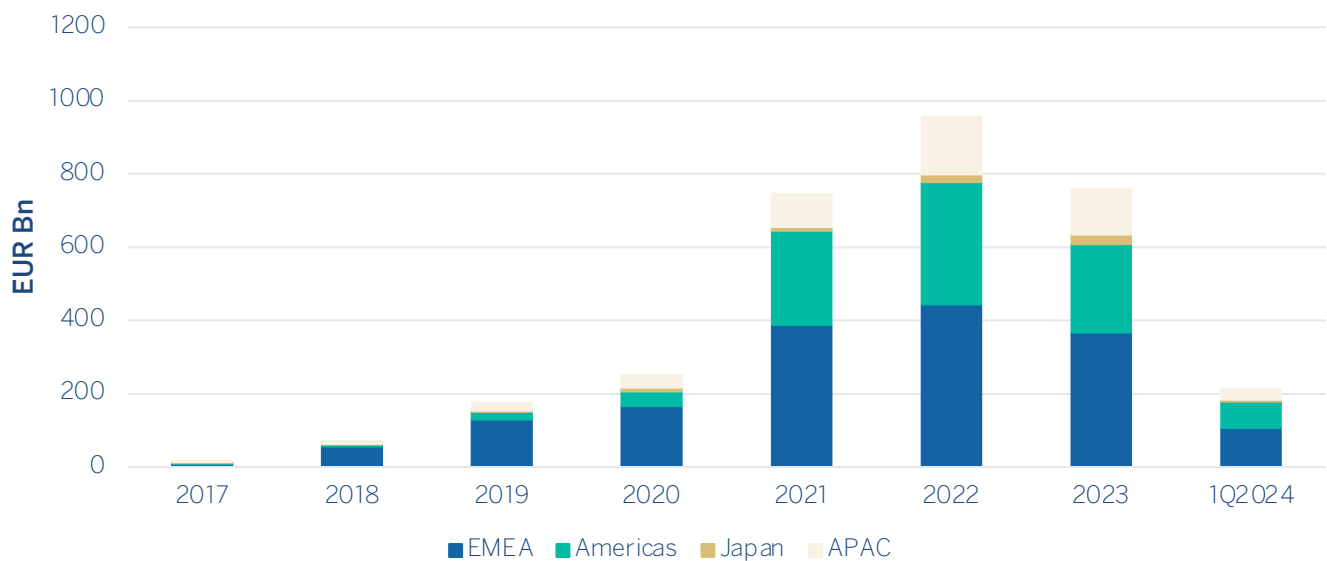
BBVA Top Deals – 1Q2024

- **Polestar, UK (Unrated)**, the Swedish manufacturer of high-performance electric cars and a member of the Geely Group, China's leading automaker, closed its first medium-term **Syndicated Green Corporate Loan** in February 2024. The new 3-year loan comprises two tranches of EUR 340Mn and USD 583Mn respectively and will be used to fund Polestar's eligible green activities such as investments and expenditure in the design, manufacturing and sales of electric vehicles. **[BBVA, Joint Green Loan Lead Coordinator]**
- **Hyundai Capital Services, South Korea (BBB+/Baa1/BBB+)**, the financial services arm of Hyundai Motor Group, the largest car manufacturer in South Korea and the third largest in the world, closed its **first overseas Green Loan** in March 2024. The new loan amounts to EUR 100Mn and will be used to provide its customers with financial services for the purchase, leasing and trading of eligible electric, hydrogen and hybrid vehicles. **[BBVA, Green Loan Structurer]**
- **Ecoener, Spain (Unrated)**, is an independent renewable power producer which operates a variety of renewable technologies including wind solar and hydro in Spain and across Latam. The company increased a previous facility up to EUR 105Mn to fund the development and construction of projects, and therefore structured as a **Green Loan**. **[BBVA, Global & Sustainability Coordinator]**
- **Project Ellis Solar, USA**, an 80 MW solar facility in Midlothian (Texas) whose shareholders are TotalEnergy and Hanwha Energy, closed a **Bilateral Green Loan** in February 2024. The amount of the financing is USD 30.4Mn split into USD 23.4Mn Term Loan, USD 6Mn LCs and USD 1Mn WCF, and its maturity will be in 5 years from now. **[BBVA, Sole Green Loan Coordinator]**
- **Project Monegros, Spain**, consists of the refinancing of a 12 wind farm portfolio in Aragón with a total installed capacity of 487 MWp granted to several SPVs owned by CIP and Arjun Infrastructure Partners, which closed a **Green Loan** in February 2024. The amount of the refinancing has been EUR 383 Mn and its maturity has been extended to 2041. **[BBVA, Sole Green Loan Coordinator]**
- **Project Campillo II, Spain**, consists of the refinancing of the construction and operation of a wind farm in Aragón with a total installed capacity of 48.8 MW, obtained financing in January 2024 (second phase) through a **Bilateral Green Loan** of around EUR 36.7Mn. **[BBVA, Sole Green Loan Coordinator]**
- **Project Centro Comercial Jaen Plaza, Spain**, consists of the financing the construction of a shopping center in Jaen granted to Alvores, closed a **Green Loan** in January 2024. The amount of the financing has been EUR 51Mn. **[BBVA, Sole Green Loan Coordinator]**

Sustainable Loan Volumes

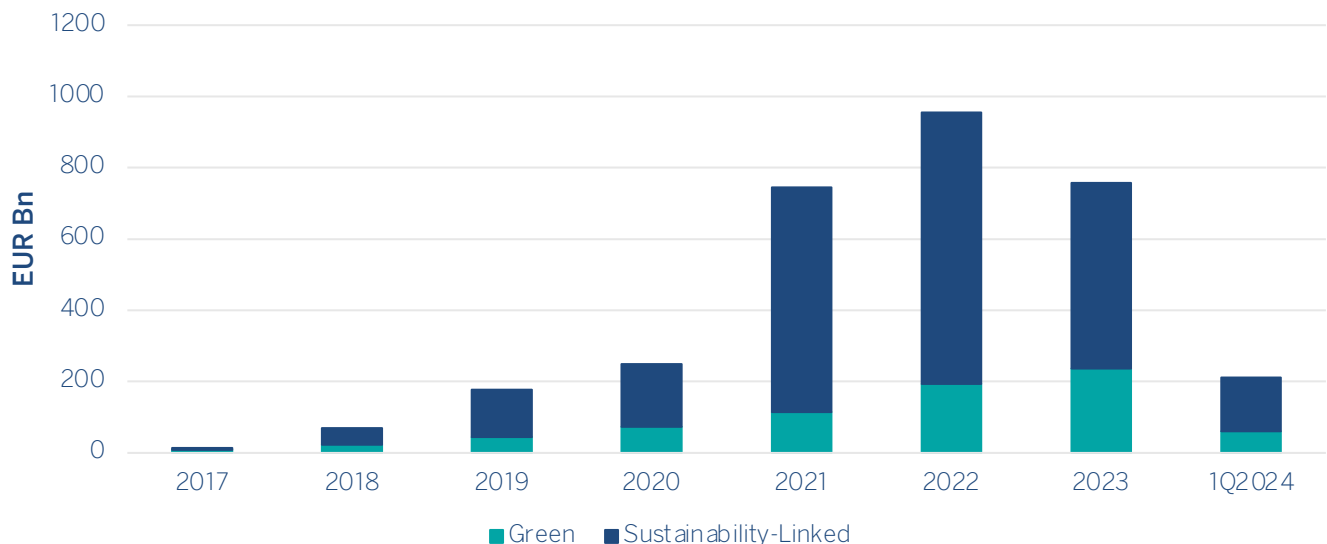
SUSTAINABLE LOAN VOLUMES PER GEOGRAPHY

	2017	2018	2019	2020	2021	2022	2023	1Q2024
EMEA	10	56	128	166	388	444	367	106
Americas	0	5	22	39	257	334	241	72
Japan	4	2	3	11	11	21	27	5
APAC (ex-Japan)	0	7	24	33	90	157	123	30
Tot. (EUR Bn)	14	70	177	249	745	956	758	212



SUSTAINABLE LOAN VOLUMES PER TYPE OF INSTRUMENT

	2017	2018	2019	2020	2021	2022	2023	1Q2024
Green	9	23	45	74	114	193	237	61
Sustainability-Linked	5	47	132	176	632	763	521	152
Totals (EUR Bn)	14	70	177	249	745	956	758	212



Selected Sustainable Loans – 1Q2024

Corroer	Nationality	Industry	Closing Date	Deal Ccy	Deal Amount (EUR equiv.)	Loan Package Type	Sustianable Feature
LVMH Moët Hennessy Louis Vuitton SE	France	Retail	03/04/2024	EUR	10.000,00	RCF	Sustainability-linked loan
Axpo Holding AG	Switzerland	Utilities	02/21/2024	EUR	7.000,00	Multiple Loan Facility	Sustainability-linked loan
NextEra Energy Capital Holdings Inc	United States	Utilities	02/08/2024	USD	5.036,89	RCF	tbc
Lineage Logistics Holdings LLC	United States	Logistics	02/15/2024	USD	4.177,89	Multiple Loan Facility	Sustainability linked-loan
Vodafone Group PLC	United Kingdom	TMT	02/08/2024	EUR	4.050,00	RCF	Sustainability-linked loan
Siemens Energy AG	Germany	Renewable Energy	02/23/2024	EUR	4.000,00	RCF	Sustainability-linked loan
SBA Senior Finance II Inc	United States	TMT	01/25/2024	USD	3.734,10	Multiple Loan Facility	tbc
Newmont Corp	United States	Mining	02/15/2024	USD	3.713,68	RCF	tbc
Occidental Petroleum Corp	United States	Oil & Gas	02/02/2024	USD	3.709,20	RCF	tbc
Enel SpA	Italy	Utilities	03/07/2024	EUR	3.500,00	RCF	Sustainability-Linked loan
Bunge Finance Europe	Netherlands	Food & Tobacco	03/01/2024	USD	3.229,66	RCF	Sustainability-linked loan
NextEra Energy Capital Holdings Inc	United States	Utilities	02/07/2024	USD	3.007,43	RCF	tbc
Uniper Se	Germany	Utilities	03/21/2024	EUR	3.000,00	RCF	Sustainability-linked loan
Eurogrid GmbH	Germany	Renewable Energy	03/27/2024	EUR	3.000,00	RCF	tbc
Copenhagen Infrastructure V SCSP	Luxembourg	Financial Services	03/20/2024	EUR	2.998,92	Multiple Loan Facility	Green Loan
Jabil Inc	United States	Semiconductors	02/23/2024	USD	2.958,05	RCF	Sustainability-linked loan
Public Service Enterprise Group Inc	United States	Utilities	03/06/2024	USD	2.523,62	RCF	Sustainability-linked loan
Deutsche Lufthansa AG	Germany	Transportation	02/12/2024	EUR	2.500,00	RCF	Sustainability-linked loan
Wpp 2008 Ltd	United Kingdom	Financial Services	02/20/2024	USD	2.314,18	RCF	Sustainability-linked loan
Adani Power Ltd	India	Utilities	03/27/2024	INR	2.184,66	Term Loan	Sustainability-linked loan
Danone SA	France	Food & Tobacco	01/15/2024	EUR	2.000,00	RCF	Sustainability-linked loan.
Mundys SpA	Italy	Transportation	03/28/2024	EUR	2.000,00	Term Loan	Sustainability-linked loan
Unibail-Rodamco-Westfield SE	France	Real Estate	02/02/2024	EUR	1.950,00	RCF	Sustainability-linked loan
Trafigura Group Pte Ltd	Singapore	Oil & Gas	03/05/2024	USD	1.731,91	RCF	Sustainability-linked loan
BCI QuadReal Realty	Canada	Real Estate	03/20/2024	CAD	1.697,41	RCF	Sustainability-linked loan
Skyline Nature Ltd	British Virgin Islands	Construction & Engineering	01/04/2024	HKD	1.689,81	Multiple Loan Facility	Sustainability-linked loan
MAHLE GmbH	Germany	Auto Parts	02/16/2024	EUR	1.600,00	Multiple Loan Facility	Sustainability-linked loan
SNC-Lavalin Group Inc	Canada	Construction & Engineering	03/22/2024	CAD	1.564,49	Multiple Loan Facility	Sustainability-linked loan
Statkraft AS	Norway	Renewable Energy	01/23/2024	EUR	1.400,00	Bridge Loan	Sustainability-linked loan
Eastman Chemical Co	United States	Chemicals	02/14/2024	USD	1.398,60	RCF	Sustainability-linked loan
Emirates NBD Bank PJSC	United Arab Emirates	Financial Services	03/21/2024	USD	1.381,22	Term Loan	Sustainability-linked loan
Regency Centers Corp	United States	Real Estate	01/18/2024	USD	1.379,43	RCF	Sustainability-linked loan
QTS Richmond I DC4 LLC	United States	Business Services	03/21/2024	USD	1.284,74	Term Loan	tbc
Elia Group SA	Belgium	Utilities	02/16/2024	EUR	1.260,00	RCF	Sustainability-linked loan
AUO Corp	Taiwan	Semiconductors	01/31/2024	TWD	1.184,57	Multiple Loan Facility	Sustainability-linked loan
Al Dur Independent Water & Power	Bahrain	Renewable Energy	03/15/2024	USD	1.102,24	Term Loan	Green loan
Arabian Centres Co Ltd	Saudi Arabia	Real Estate	02/13/2024	SAR	1.045,82	Islamic Financing	Sustainability-linked loan

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