



Corporate Finance News

Sustainable Finance – advanced wind farm project in Turkey successfully launched

Commerzbank Export Finance acted as Arranger and Senior Lender in the realisation of a progressive wind energy project in Turkey and proved its role as a market-leading partner in sustainable financing of projects in the field of renewable energies.

Signing Year: 2021

Industry Sector: Renewable Energies – Wind Turbines

Transaction Type: ECA-covered Export Finance

Facility Volume: USD 40 Mio., **ECA:** Eksport Kredit Fonden (EKF)/Denmark, **Term:** 15 years, **Country:** Turkey

Transaction

At the beginning of 2020, a contract was signed between the Turkish importer and the Danish exporter for the construction of a new wind farm. It involves the delivery and installation of ten turbines in the Turkish mountain region Bayburt. As a long-standing and experienced partner, Commerzbank was entrusted with arranging the ECA-covered financing.

Process and value-add

Commerzbank was involved from an early stage in the development process in order to satisfy the various requirements of the stakeholders. Due to the Danish exporter, one of the first steps was the involvement of the Danish ECA Eksport Kredit Fonden (EKF).

In addition to the commercial and legal issues of such a facility, social and ecological factors played a decisive role in the planning process. The wind farm was assessed on the basis of the most sophisticated and stringent standards (Biodiversity Management, Bird Monitoring, Environmental & Social Report etc.).

Coordinating the various parties involved, Commerzbank arranged a viable, EKF-covered financing with a volume of USD 40 Mio. and a tenor of 15 years, which will serve to expand renewable energies and supply electricity to around 45,000 households.

Transaction outcome

Commerzbank again proved to be a strong and experienced partner in arranging export projects and coordinating the

different stakeholders while also acting as a senior lender. In addition to the strengthened customer relationship, the project can be seen as a testimony of Commerzbank's sustainability strategy. As a responsible partner, Commerzbank stands trustfully by its customers and accompanies them in all corporate banking issues as well as actively supporting their clients' process towards more sustainability.

ECA-covered loans

ECA stands for Export Credit Agencies and refers to institutions that promote export business on behalf of a specific state, particularly in emerging markets and developing countries. The preferred instruments for this job are credit default insurances and the coverage of credit risks. In Germany, Euler Hermes AG is entrusted with the task of supporting export efforts of German companies by assuming typical exporter risks such as country risks or political risks. Importers benefit from long tenors and attractive financing conditions.

About Commerzbank Commerzbank is the leading bank for the German Mittelstand and a strong partner for around 30,000 corporate client groups and around 11 million private and small-business customers in Germany. The bank's two Business Segments – Private and small-business customers and corporate clients – offer a comprehensive portfolio of financial services. Commerzbank transacts approximately 30 percent of Germany's foreign trade and is present internationally in almost 40 countries in the corporate clients' business. The bank focuses on the German Mittelstand, large corporates, and institutional clients. As part of its international business, Commerzbank supports clients with German connectivity and companies operating in selected future-oriented industries. Following the integration of Comdirect, private and small-business customers benefit from the services offered by one of Germany's most advanced online banks combined with personal advisory support on site. Its Polish subsidiary mBank S.A. is an innovative digital bank that serves approximately 5.7 million private and corporate customers, predominantly in Poland, but also in the Czech Republic and Slovakia. In 2020, Commerzbank generated gross revenues of some €8.2 billion with almost 48,000 employees.

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