

# Iberdrola diversifies its financing sources in the debt capital markets with a public green bond for 335 million Swiss francs

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Iberdrola, Europe's leading electricity company by market cap (circa €80 billion), has today issued a green bond for 335 million Swiss francs (€350 million) in two tranches, diversifying its sources of financing.

The first tranche for 145 million Swiss francs was placed over four years with an interest rate of 1.38%, and the second tranche was for 190 million Swiss francs over seven years with a rate of 1.56% (equivalent to an average of 3.5% across both tranches converted to euros).

High demand made it possible to narrow the cost levels below the lower ranges anticipated at the beginning of the operation. The spread for the four-year tranche tightened to 47 basis points in the final review (Initial Price Thoughts were at 50-55 basis points) and 62 basis-points for the seven-year tranche (from 65-70 basis points initially).

The transaction was carried out following the recent interest rate cut by the Swiss Central Bank. It is the first Swiss franc deal from Iberdrola since 2012, and the first green bond placement in the Swiss market.

The demand and final conditions demonstrate strong confidence in Iberdrola and its business strategy and outlook. The company will invest €41 billion between 2024 and 2026, including €21 billion in electricity grids and €15.5 billion in renewables.

The funds of this transaction will be used to finance green projects that meet the eligibility criteria established by Iberdrola's Framework for Green Financing. The coordinating banks for the issuance were UBS and Deutsche Bank.

Iberdrola has established itself as a global benchmark in [sustainable financing](#). It was the first private group in the world to issue green bonds, and the group currently has more than €21 billion of outstanding green bonds.

## International financing

Investor confidence in Iberdrola has been consistent. Last January, Iberdrola issued €700 million in hybrid bonds, keeping the company's volume of hybrids stable at €8.25 billion. The funds obtained were used to refinance renewables.

At the end of December, the company signed its [largest credit line in history for €5.3 billion](#) with 33 international banks. The cost of this operation was at competitive levels for Iberdrola, with prices similar to those in 2019 and the operation was oversubscribed by more than 40%.

In addition, Iberdrola expanded its partnership with the [World Bank with a 300 million green loan](#) for renewable projects in countries dependent on fossil fuels, such as coal, including Morocco, Poland and Vietnam.