

RBS INTERNATIONAL SUPPORTS EQT IN LARGEST EVER ESG-LINKED SUBSCRIPTION CREDIT FACILITY

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RBS International in Guernsey has supported leading private equity group EQT, which also has a significant Guernsey presence, with an ESG-linked fund-level subscription credit facility for its latest flagship buyout fund.

The development is the first ESG-linked fund-level facility seen at this size in the global fund financing market. Funded by a syndicate of lenders, the facility includes an ESG pricing mechanism and is designed to incentivise the performance of the fund's portfolio companies in improving their ESG (environmental, social and governance) performance.

RBS International has a long history of providing fund-level credit facilities to alternative investment funds, including EQT's funds, having been an active lender through its Channel Islands teams over the last 20 years. With Guernsey being a leading jurisdiction globally for the development of green and sustainable finance, the development is welcomed in the island.

Jean-Paul Peters, Head of RBSI's Funds Banking team in Guernsey, said: "As part of the bank's commitment to be an agent of positive change within our society and to actively champion climate solutions in particular, this deal represents a landmark moment for both our business and the fund financing market as a whole. ESG is high on our agenda and, by working with EQT and other like-minded banks on this transaction, we have proven that ESG is a fundamental part of our lending strategy and not just reserved to-specific asset classes.

"The team, led by Paul Milsted with the support of colleagues from the loan markets team in NatWest Group, led by Kim Slater, worked tremendously hard to complete the transaction against a fairly challenging deadline in the midst of the lockdown measures in force due to the Covid-19 pandemic. This is an important milestone in the industry's efforts to make sustainable financing more mainstream and I am confident that we will see more focus on such responsible lending in the future."

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Per Franzen, Partner and Co-Head of the EQT Private Equity Advisory Team, said: "This is a game changing moment for EQT but also the private equity industry, further evidencing how our industry also can benefit from sustainable financing. For us, ESG plays a crucial role in how EQT future-proofs companies and with an ESG-linked bridge facility, we bring a new dimension to EQT's value creation process. By linking sustainability objectives to hard incentives, we are really challenging ourselves and the portfolio companies to fully embrace the potential of sustainability - it's really quite simple, sustainable business is good business and creates better value for all stakeholders."

Magnus Lindberg, Head of Treasury at EQT, added: "The team at RBS International, with whom we have enjoyed a strong partnership over a number of years, fully embraced this opportunity to join us at the cutting edge of

subscription finance. It was important to us that we had our long-term finance partners, such as RBS International, involved in this important transaction in EQT's sustainability and transparency journey.”

WE ARE GUERNSEY is the brand under which Guernsey Finance promotes the island's financial services sector internationally. Guernsey Finance - the promotional agency for the island's finance industry internationally - is a joint industry and Government initiative responsible for the promotion of Guernsey. Under the leadership of Chief Executive Rupert Pleasant, the agency ensures that the core values and competencies of the island's finance sector are accepted and respected by the global community and that financial business development flows are enhanced.

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