

EUROPE 2020 PROJECT BOND INITIATIVE

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DIF

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Few facts about Infrastructure finance in 2011

- ❖ A market dominated by commercial banks
- ❖ Limited liquidity
- ❖ Cost of liquidity is volatile and varies from one bank to another
- ❖ Impact of Basel 3 likely to be negative
- ❖ Syndication remains marginal
- ❖ Maximum liquidity with commercial banks for a single deal around €1.5bn
- ❖ Most large international transaction remains dependent from the support of multilaterals / EIB / ECA / DFI
- ❖ Margins are still high and far above the levels recorded in the late 90s / early 2000
- ❖ Except in a limited number of jurisdiction (ex: Canada), access to the DCM has not reopen since the monolines left the scene
- ❖ Access to bond investors for greenfield project is extremely limited:
 - No in-house expertise
 - No appetite for the type of yield offered for projects in the BBB range

