

# Italy: Terna and the EIB agree on a EUR 490 million loan for network upgrade



- **The EU bank will support with a 22-year loan the company's investments to modernize e the national electricity transmission grid**
- **This disbursement will bring the EIB outstanding loans to Terna to EUR 2.15 billion**

Terna and the European Investment Bank (EIB) signed today an agreement for a EUR 490 million loan to support investments that will improve the reliability and quality of the electricity grid.

For the first time in the history of the relationship between Terna and the EIB, the loan will be allocated to support "asset renewal investments". This includes assets and individual components replacement, as well as the adoption of the most advanced solutions in terms of eco-compatibility with the host environment. This disbursement will bring the EIB outstanding loans to Terna to EUR 2.15 billion.

The loan, which has a longer term and lower costs than those available on the market, is part of Terna's financial structure optimization policy and is coherent with the EIB's main financing activities in the energy and environmental field.

The loan will be disbursed in two fixed-rate tranches, each with a maturity of around 22 years. The first tranche drawdown is expected in June 2020 for a total amount of EUR 147 million, with a fixed rate of 0.717%, the second tranche drawdown is expected in March 2021 for a total amount of EUR 343 million and a fixed rate of 0.78%.

**Dario Scannapieco, Vice-President of the EIB**, said: *“This operation confirms the commitment of the European Union’s bank in upgrading the crucial sector of electricity grids. It also further strengthens the EIB’s fruitful partnership with Terna: in the last few years the bank has supported the company’s key investment plans in transmission-grid modernisation and development and in cross border high quality projects such as the Italy-France interconnection. With this new loan our ongoing financial commitment with Terna exceeds a total of two billion euro”*.

*“The contribution that the European Investment Bank makes to improve the reliability and quality of the electricity grid is very important to us. The acceleration of investments in the national transmission grid, in support of the energy transition taking place in the country, allows us to look with confidence towards an increasingly secure, efficient and sustainable integrated electricity market”* declared **Luigi Ferraris, CEO and General Manager of Terna**.