

March 16, 2020
Mizuho Bank, Ltd.

Mizuho concludes sustainability-linked cross-border syndicated loan agreement with Thailand-based IVL Group

Mizuho Bank, Ltd. (President & CEO: Koji Fujiwara) was appointed as the Sole Arranger of sustainability-linked cross-border syndicated loans (see Notes) to support the funding plan of Indorama Ventures Public Company Limited (Group CEO: Alope Lohia; “IVL”), and signed a Facility Agreement with IVL CFO Sanjay Ahuja on March 13, 2020.

IVL is a leading global chemical company with headquarters in Thailand and has manufacturing operations in 33 countries on six continents. IVL is the world’s largest supplier of polyethylene terephthalate (PET), a material used for manufacturing PET bottles. IVL has three business segments, namely Combined PET, Integrated Oxides & Derivatives, and Fibers. IVL is a member of the Dow Jones Sustainability World Indices.

This is a landmark transaction where for the first time Japanese banks are extending cross-border syndicated loans to a Thai company as well as incorporating a company’s environmental, social, and governance (ESG) rating into considerations when arranging cross-border syndicated loans in another Asian country. The rating is based on ESG scores provided by a globally accepted rating agency, and if they exceed a certain benchmark agreed upon among IVL and the participating banks, then IVL will benefit from lower interest rates.

Given the increasing calls for companies to address ESG needs, Mizuho has arranged this syndicated loan structure to gather together financial institutions that would like to financially support the ESG efforts of IVL.

At Mizuho, we are enhancing our sustainability initiatives on a group-wide basis and aligning them with our business strategy. We will leverage our insight as a financial services group to provide advisory, financial, and a range of other solutions to companies promoting ESG efforts.

Project overview:

Originated amount: USD 255,000,000

Purpose: General business financing

Agreement date: March 13, 2020

Contract period: 5 years

Arranger: Mizuho Bank, Ltd.

Lender: Mizuho Bank, Ltd. and other financial institutions

Notes:

1. Sustainability-linked loans: A financing structure which links preferential terms, such as lower interest rates, to the achievement of ESG goals established in alignment with the borrower’s sustainability strategy. By providing incentives for the borrower to achieve these goals, this form of financing aims to promote sustainable economic activities and growth.
2. Corporate syndicated loans extended from Japanese banks to non-Japanese or offshore entities and sold mainly to Japanese investors, like in this case, are often called “ninja loans” or “samurai loans” in Japan.