Project & Infrastructure

full year 2021

- Global, regional and sector data
- League tables
- Market survey

PROXIMO
INTELLIGENCE
DATA | INSIGHTS | NEWS | CONNECTIONS

THIS REPORT

Alfonso Olivas
Head of digital content
alfonso.olivas@txfmedia.com

Jack Colyer
Research executive
Jack.colyler@txfmedia.com

Tom Nelthorpe
Editor-at-large
tom.nelthorpe@proximoinfra.com

Proximo

Nick Davies
Head of sales/subscriptions
nick.davies@proximoinfra.com

David Samuel
Commercial director
david.samuel@proximoinfra.com

Sara Cudanov
Analyst

Ana Jovanovic
Analyst

Sergio Lopez
Analyst

Dejan Sarenac
Analyst

Milica Savic
Analyst

James Petras
Chief technology officer

Dominik Kloiber
Co-founder

Dan Sheriff
Chief executive officer

Registered office:
Unit 1
Madeira Tower
32-34 Ponton Road
London, SW11 7BA
Registered in England & Wales.
Registered No: 08421624

Welcome to Proximo's Project and Infrastructure Finance Report for the Full Year 2021.

The confluence of climate change, energy security concerns in Europe and parts of Asia, a post-pandemic recovery that is reliant on infrastructure development, and rising EPC and commodity costs have given energy transition and infrastructure financing more urgency than ever before. The opportunities are long-term and bankable – but technology risk and rising EPC costs still present major hurdles for many projects.

This report brings together our top-line market data, breakdowns of market activity by region and sector, league tables for bank lenders in the largest sectors and regions, and Proximo's 2022 market survey. The tables and market data are likely to experience small variations over time as our data team receives new deals that closed in 2021 – tracking when lenders receive permission from the borrowers to disclose them. The latest tables can be visited online following this link.

The data can be accessed at the Proximo Playbook, a bespoke online data platform that presents closed deal market information on the project finance industry, as well as potential project opportunities. The platform captures approximately 70% of all project finance deals globally. Closed deal information will be referenced throughout this report to provide additional context and insights. The methodology that we use for inclusion in our project finance dataset and league tables can be found online at this link.

The survey aims to be a brief look at major trends within the project finance and infrastructure finance sectors that draws on the perspectives and experiences of corporates, developers, sponsors, insurers, and banks.

Taken together, the contents of this report constitutes an important update for the industry on sector and regional activity, the most active lenders, pricing and tenor trends, the biggest challenges facing the project finance sector in the short, medium & long term, the availability of alternative sources of debt, and which countries and asset classes offer the greatest opportunities.

The global project and infrastructure finance market – like the global economy – is facing challenging times. But as you can see in the following pages, recent history points to real resilience and momentum in the financing of energy and infrastructure.

We welcome any comments or feedback you have on this report

The Proximo team

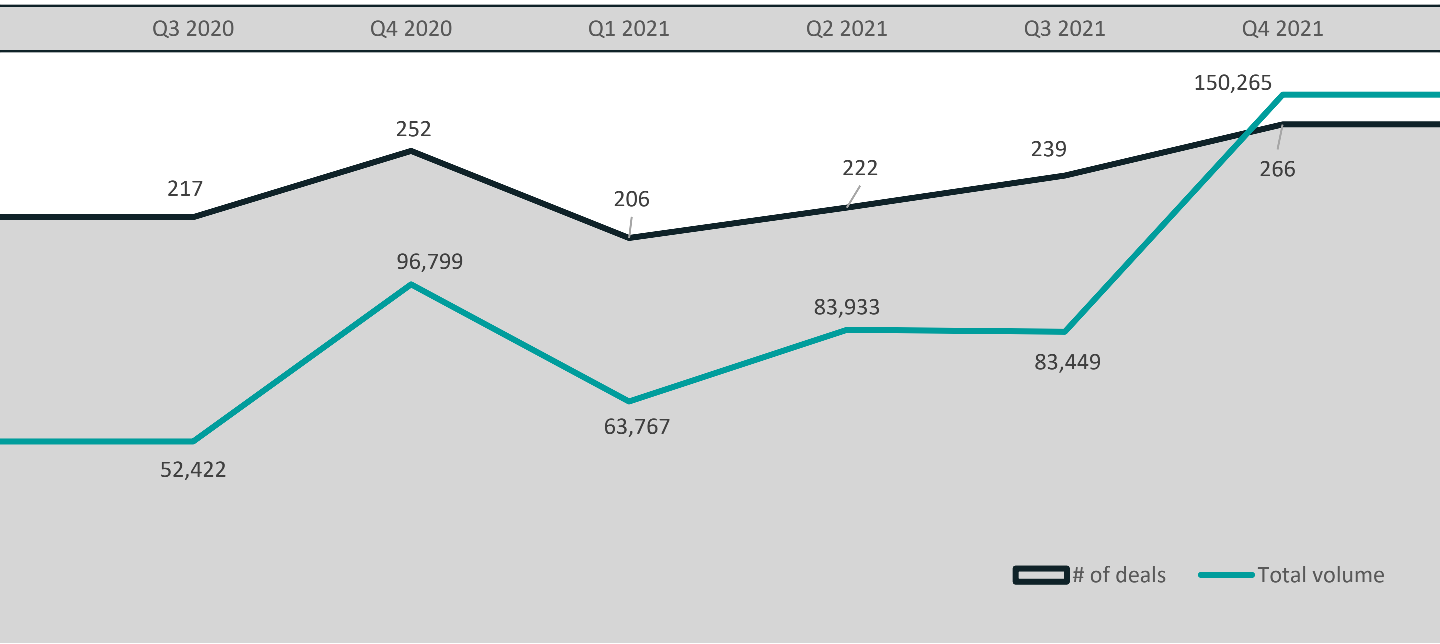
Project & infrastructure finance report - full year 2021: Contents

Project & infrastructure finance report - full year 2021: Headline data

Market overview

Total amount	No of deals	Top sector	Top Region
$381.4bn	**933**	**Renewables**	**Europe**

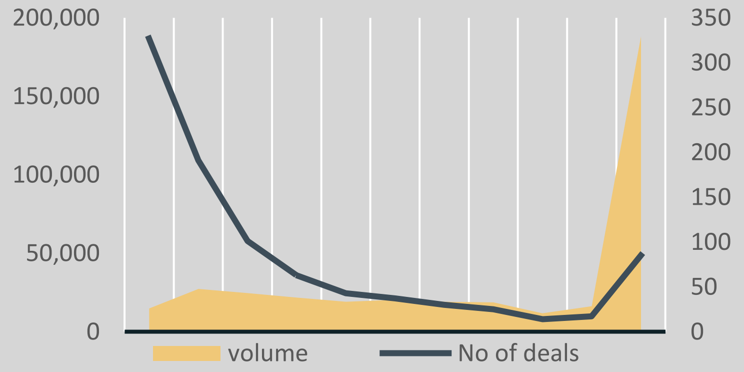
Big-ticket financings were responsible for the bulk of the improvement in financing volumes between 2020 and 2022. The top five deals in each year were about the same size – though 2020's largest deal was larger than 2021's. But in general deals of over $1 billion in size accounted for $188 billion in volumes in 2021 (or 49% of total activity), compared to $124 billion in 2020. Telecoms and water financings – including German fibre investments and the Suez acquisition – were a big factor in this bumper crop. The traditional fourth quarter bump in activity, which was pronounced in both years, was accompanied by a bump in average deal size in 2021. Banks and advisers were just as busy towards year-end in each year – but probably made more money in 2021. It is difficult to discern a post pandemic bounce in the data – anecdotally banks were able to continue closing deals in 2020 – but it may be that the timings of investments in telecoms and oil & gas infrastructure did benefit.



Volume ranges

Breakdown by volume range

Range ($m)	volume	%of vol	No
0-99	14,786	3.9%	327
100-199	27,221	7.1%	191
200-299	24,601	6.4%	101
300-399	21,747	5.7%	63
400-499	19,001	5.0%	43
500-599	20,224	5.3%	37
600-699	19,122	5.0%	30
700-799	18,726	4.9%	25
800-899	11,681	3.1%	14
900-1000	16,168	4.2%	17
>1000	188,137	49.3%	85



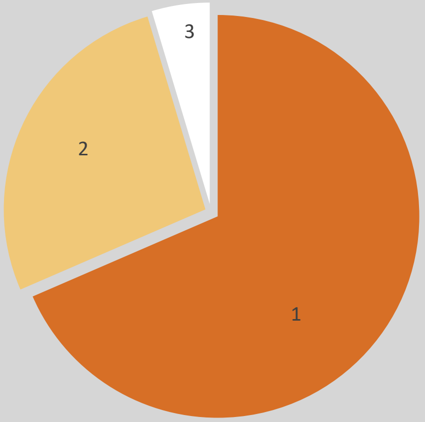
Project & infrastructure finance report - full year 2021: Product, region and sector splits

Type of finance

Non-recourse project finance transactions account for the bulk of the transactions that Proximo collects, though deals for specified assets that are built or bought with corporate or sovereign guarantees are also eligible (For more visit the Proximo Playbook methodology). But renewables and oil & gas transactions – where private capital dominates – led financing activity, as did Europe and North America. So project finance structures dominated.

Breakdown by finance type

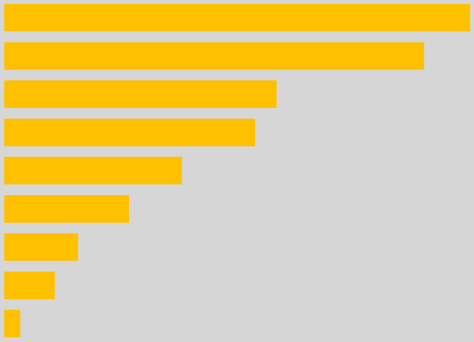
		$m	No	Share (%)
1	Project finance	332,652	779	87.2%
2	Corporate finance	30,402	81	8.0%
3	Sovereign finance	18,360	73	4.8%



Industry and regional distribution

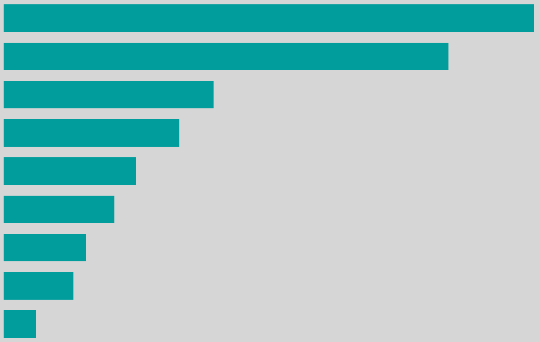
Deals by sector

	Vol ($m)	# of deals	% of vol
1 Renewables	95,980	408	25.2%
2 Oil & gas	86,482	75	22.7%
3 Power	56,108	115	14.7%
4 Transport	51,680	132	13.5%
5 Telecoms and Communications	36,595	60	9.6%
6 Social infrastructure	25,679	60	6.7%
7 Waste and water	15,215	34	4.0%
8 Metals and Mining	10,413	39	2.7%
9 Manufacturing & equipment	3,262	10	0.9%



Deals by region

		Vol ($m)	# of deals	% of vol
1	Europe	113,156	279	29.7%
2	North America	94,877	214	24.9%
3	Latin America	44,749	178	11.7%
4	Middle East	37,430	24	9.8%
5	Australasia	28,243	55	7.4%
6	Russia CIS	23,589	20	6.2%
7	Africa	17,577	88	4.6%
8	Asia Pacific	14,888	52	3.9%
8	Asia	6,905	23	1.8%



There are some small but telling differences between the league tables for the wider infrastructure finance data and the project finance data. Société Générale has done a little better by going beyond non-recourse financing. JP Morgan and Deutsche – both large universal banks with limited lending franchises in project finance – only appear in the league tables for the wider measure. But the main story of 2021 is how strongly European and particularly French banks have performed alongside the Japanese banks that dominate the market. However, LNG and hydrogen – two important plants of Europe's plans for greater energy security – are assets with which Japanese lenders are comfortable, so the coming years might be a chance for a resurgence. Japanese banks' average deal size is smaller than the top three banks, suggesting that their market presence is not as small as their volume share suggests. Also of note is Bank of China's stronger performance in project finance relative to infrastructure finance. Santander, which had a very good 2021, ING and CIBC, which has made impressive inroads in global project finance, are the only lenders from outside France or Japan in the top 10.

Top 15 lenders. Infrastructure finance

		$m	Share (%)	# of deals
1	Santander	13,469	4.6%	132
2	Sumitomo Mitsui Banking Corporation (SMBC)	12,427	4.2%	124
3	Société Générale	11,930	4.1%	137
4	MUFG	11,566	3.9%	114
5	Crédit Agricole CIB	11,391	3.9%	105
6	BNP Paribas	10,690	3.6%	94
7	Natixis	9,519	3.2%	96
8	ING Bank	9,071	3.1%	108
9	Mizuho	7,026	2.4%	57
10	Canadian Imperial Bank of Commerce (CIBC)	6,478	2.2%	58
11	HSBC	6,389	2.2%	45
12	Standard Chartered	4,781	1.6%	38
13	JP Morgan	4,751	1.6%	25
14	Deutsche Bank	4,635	1.6%	35
15	Bank of China	4,496	1.5%	34

Top 15 lenders. Project finance deals only

		$m	Share (%)	# of deals
1	Santander	12,639	4.8%	121
2	Sumitomo Mitsui Banking Corporation (SMBC)	11,283	4.3%	115
3	MUFG	10,863	4.1%	106
4	Société Générale	10,780	4.1%	129
5	Crédit Agricole CIB	10,141	3.8%	93
6	BNP Paribas	9,674	3.7%	86
7	Natixis	8,971	3.4%	91
8	ING Bank	7,375	2.8%	93
9	Mizuho	6,660	2.5%	55
10	Canadian Imperial Bank of Commerce (CIBC)	5,962	2.3%	51
11	HSBC	5,375	2.0%	37
12	Bank of China	4,282	1.6%	31
13	National Australia Bank (NAB)	4,069	1.5%	32
14	Standard Chartered	3,856	1.5%	33
15	UniCredit	3,466	1.3%	33

An alternative explanation for Japanese banks' position might come from the sector-based league tables. MUFG and SMBC sit at or near the top of the table for power & renewables, but Mizuho sits much further down, and Santander and three French banks all feature near the top. CIBC made several hires in both North America and Europe, with the avowed intention of improving its presence in these markets, and that seems to have made an immediate impact on its position in renewables. An honourable mention should go to KeyBank, which has a minimal presence outside the US, but captured enough US renewables volume to earn a ninth-place spot globally.

In transport, European banks are still more dominant, and while SMBC still features highly, but neither MUFG nor Mizuho makes the top 15. German and Dutch lenders perform much more strongly, while SEB makes an appearance. Lower transaction numbers, as well as some chunky individual deals, allow for a little more variety in the league table. Perhaps most arresting is the appearance of Riyad Bank and Saudi National Bank in the lower reaches of the transport and social table. This essentially reflects the methodology that *Proximo* uses for its data – desalination and tourism projects both feature, and Saudi Arabia hosted a small number of very large financings for these assets.

Oil & gas, which was the second largest sector in 2021 by volume (though the fourth-largest by deal count) would probably have rounded out the picture by explaining most of the remaining variations in league table placings. However, banks are increasingly minimising their oil & gas financing activities in response to pressure from NGOs and shareholders. This may yet have been premature, because some large Australian and US LNG developments promise to be carbon neutral, and imported gas features prominently in Europe's plans to reduce its use of Russian energy. Nevertheless, Proximo increasingly views hydrocarbons as legacy segments, even if their decline is not as steep as that of coal.

ECA volumes are still dependent on hydrocarbons. ECA-backed volumes were $21.2 billion in 2021 while ECA direct loans were $9.5 billion. The $8.98 billion Euler Hermes/SACE backed project financing of the Amur Gas Chemical Complex (GCC) in Russia accounted for a good chunk of that. ECAs were also, until very recently, highly dependent on Russian business. Sanctions will almost certainly change that.

Top 15 lenders in power & renewables. PF only

		$m	Share (%)	# of deals
1	MUFG	6,650	5.5%	68
2	Santander	6,624	5.5%	81
3	SMBC	5,954	5.0%	71
4	Société Générale	4,994	4.2%	71
5	Natixis	4,916	4.1%	46
6	BNP Paribas	4,296	3.6%	49
7	CIBC	4,255	3.6%	34
8	Crédit Agricole CIB	4,072	3.4%	48
9	KeyBank	3,012	2.5%	38
10	NORD/LB	2,771	2.3%	38
11	Mizuho	2,633	2.2%	32
12	HSBC	2,397	2.0%	21
13	ING Bank	2,305	1.9%	45
14	National Australia Bank	2,080	1.7%	15
15	Standard Chartered	1,820	1.5%	20

Top 15 lenders in transport and social infra. PF only

		$m	Share (%)	# of deals
1	Santander	5,251	7.1%	35
2	SMBC	3,363	4.6%	30
3	Crédit Agricole CIB	3,320	4.5%	31
4	Société Générale	3,239	4.4%	33
5	ING Bank	3,048	4.1%	29
6	BNP Paribas	2,891	3.9%	20
7	Natixis	2,252	3.1%	26
8	Deutsche Bank	2,072	2.8%	12
9	KfW IPEX-Bank	1,912	2.6%	15
10	SEB	1,519	2.1%	8
11	NAB	1,508	2.0%	12
12	Riyad Bank	1,360	1.8%	4
13	UniCredit	1,343	1.8%	12
14	ABN AMRO	1,276	1.7%	8
15	Saudi National Bank	1,236	1.7%	3

Designed to support and complement the entire deal origination process via a comprehensive suite of services such as market data & sentiment research, news & networking.

DATA

Benchmarking & rankings tables
Get ahead of your competition. Interpret your competitive advantage or areas for improvement quickly

New deal opportunities
Email alerts and customised dashboards created to deliver a **pipeline of future opportunities** specifically suited to you & your business

Bespoke data requests
Utilise our analysts to provide you with **deal analysis,** which can **showcase your knowledge and expertise** to clients & potential business partners

INSIGHTS

Sentiment survey data & trends reports
Understand and address the challenges and opportunities your business faces more quickly

On-demand training & conference sessions
Inform and educate your entire team whilst achieving maximum output cost. Our training and conferences sessions are available on demand wherever, whenever

Annual briefing
A presentation curated specifically with your market/country/sector in mind and packed with **actionable recommendations to support your company strategy**

NEWS

Weekly & daily news, analysis & opinions on the market
Gain detailed information on your industry's deals and stay pricing-savvy to hold your competitive edge. Maintain your book of business partners & stay aware of who is entering the market

Regular proprietary deal analyses
Use our raw data plus editorial commentary to **influence the likelihood of winning future bids** or to understand why you lost out

CONNECTIONS

Virtual access to live conferences plus discounts to attend in person
Grow and establish your industry relationships at our hybrid events. Receive 30% off all physical conferences to meet prospect clients in person or partake in meetings virtually.

Access to the ultimate dealmakers database
Increase your industry presence, showcase your expertise & ensure you are considered for future deal opportunities

To find out more about the Proximo subscription visit www.ProximoInfra.com/Subscribe today

PROXIMO

INTELLIGENCE

DATA | INSIGHTS | NEWS | CONNECTIONS