

Neoenergia, Iberdrola's Brazilian subsidiary, signs its first bilateral green loan with MUFG

- *The funding amount of 150 million reais (about EUR 28 million) will be used for projects aligned with environmental, social and governance parameters to improve energy supply.*

Iberdrola, through its Brazilian subsidiary Neoenergia, and Mitsubishi UFJ Financial Group (MUFG) have signed a 150 million Brazilian real (around €28 million) financing agreement to upgrade the distribution network in Neoenergia Brasilia's concession area, which serves around 1.1 million customers in the Federal District. This is the first bilateral green loan between the two organisations and has a duration of two and a half years. The resources will be used for projects aligned with ESG (environmental, social and governance) principles.

Neoenergia Brasilia's concession area amounts to 5,780 square kilometres and covers the 33 administrative regions that make up the Federal District. MUFG has been increasing the volume of sustainable financing in Latin America, and the partnership with customers such as Neoenergia is key to this growth.

This is the third financing signed between Neoenergia and MUFG, after two agreements in partnership with the Japan International Cooperation Agency. The first transaction, for 768.3 million reais (about €143 million), was carried out in May 2021, with the aim of expanding the distribution network of Neoenergia Coelba, a concessionaire in the state of Bahia that serves about 6.5 million consumers. The second [deal was signed this year](#), for about 703.4 million reais (€131 million), to expand energy distribution in the concession area of Neoenergia Pernambuco, which serves about four million customers.

"We are committed to maintaining service excellence to provide sustainable, safe and reliable energy to our customers. The investments will be allocated to projects to expand and strengthen the distribution network, improving the efficiency and quality of energy supply and the well-being of the population of the Federal District," said Frederico Candian, president director of Neoenergia Brasilia.

"This transaction is very important for us. We closed MUFG's first bilateral green loan with Neoenergia, deepening the relationship with a relevant client and expanding our portfolio of sustainable businesses. We worked together with Neoenergia to provide the best financial solution for their business needs and the best timing for the transaction. We are pleased with the result," says Juliane Yung, Head of Corporate & Investment Banking for Latin America at MUFG.