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Digital infrastructure

LBBW finances fiber-optic project in the Netherlands

LBBW is financing the construction and operation of a large, privately owned Dutch fiber-optic network. With the digital infrastructure, network operator Open Dutch Fiber aims to connect more than a million households to ultra-fast Internet by 2025. As one of eleven mandated lead arrangers, LBBW has contributed more than EUR 70 million to the total financing, which runs well into nine figures. In addition, LBBW is providing interest-rate hedging.

Open Dutch Fiber's network went live in the second quarter, and will enable all communication service providers to access customers in urban and densely populated areas of the Netherlands. Investment of around EUR 700 million is earmarked for this.

"Infrastructure financing is a traditional business area of LBBW," said Jens Heil, who is in charge of European infrastructure financing business: "Fiber-optic networks and cell-phone masts are the ports and railway lines of the 21st century. Reliable, bespoke financing is just as crucial to investors as it was back then."

Network operator Open Dutch Fiber is majority-owned by the investment company KKR, with the remaining stake being held by a finance subsidiary of Deutsche Telekom. Consequently, the main lessee of the network in the next 20 years will be Deutsche Telekom's Dutch subsidiary T-Mobile Netherlands.

About LBBW:

Landesbank Baden-Württemberg (LBBW) is both a Mittelstands-minded universal bank and the central bank of the savings banks in the German states of Baden-Württemberg, Saxony and Rhineland-Palatinate. With total assets of EUR 276 billion and 10,000 employees (as of 31 Dec. 2020), LBBW is one of the largest banks in Germany. Its core activities are the business with corporate customers, in particular small and medium-sized enterprises. A further focus is placed on real-estate financing as well as the customer-oriented capital market business. Together with its regional customer bank Baden-Württembergische Bank (BW-Bank) LBBW services its private and corporate customers in nearly 150 offices in Germany. Specialised subsidiaries such as leasing, factoring, real estate, venture capital or asset management round out the product and service range of LBBW group.