

Press Release

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LBBW agrees positive incentive credit facility with Voith

Pioneer work in sustainable corporate financing

The LBBW and the technology group Voith have agreed a credit facility which includes "positive incentive" components. What this means is that LBBW's commission diminishes the more sustainably Voith operates. Following on from its green bonds and Schuldscheindarlehen, this is another LBBW sustainable financing service for corporates.

The LBBW credit facility for Voith includes a revolving credit facility and guarantee facility. The level of guarantee commission is determined by the Voith Group's sustainability performance. An agreement with bilateral credit facility of this kind is unprecedented in Germany. The sustainability of Voith's operations will be assessed according to the ISS-oekom research rating. Voith currently holds "Prime" status and is one of the leading companies for sustainable business in its industry.

The financing concept is a win-win situation. "The "positive incentive" component is an additional monetary incentive for us to achieve our sustainability objectives. This also demonstrates that sustainability is becoming increasingly important for businesses' financing operations", explains Michael Hannig, CEO Voith Finance. "We can continue to intensify our cooperation with Voith and position ourselves as competent partners for sustainable financing," says LBBW's Board of Managing Directors member for Corporate Customers, Karl Manfred Lochner. The

LBBW has already placed Green Schuldscheindarlehen and green bonds for corporate customers and its positive incentive loan is one more element in the range of services it provides. This issue is becoming increasingly relevant in the light of the EU Action Plan for Financing Sustainable Growth. Sustainability is one of LBBW's strategic priorities. This also involves advising businesses and helping corporate customers to design sustainable business models.

About LBBW

Landesbank Baden-Württemberg (LBBW) is both a medium-sized universal bank and the central bank of the savings banks in Baden-Württemberg, Saxony and Rhineland-Palatinate. With total assets of EUR 238 billion and around 10,000 employees (as of 31 Dec. 2017), 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 and the private customer business, as well as savings banks. A further focus is placed on real-estate financing as well as the customer-oriented capital market business with banks, savings banks and institutional investors.

About the Voith Group

The Voith Group is a global technology company. With its broad portfolio of systems, products, services and digital applications, Voith sets standards in the markets of energy, oil & gas, paper, raw materials and transport & automotive. Founded in 1867, the company today has more than 19,000 employees, sales of € 4.2 billion and locations in over 60 countries worldwide and is thus one of the large family-owned companies in Europe.