It’s that time of year again…

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12/04/2019

League tables have to be one of the most divisive pieces of research that *IJGlobal* publishes. Why divisive, I hear you ask? Well, they make some people angry when they don’t top the tables.

These quarterly rankings are the culmination of our daily news gathering and constant data research – not to mention a massive influx of data from submissions (that have to be trawled through meticulously to weed out the nonsense… really, some of you should be ashamed of yourselves).

Casting an eye over our findings for Q1 2019 – under the broader infrastructure finance category, followed by project finance – it’s been a fairly sedate start to the year (subject to change as more data becomes available) but there have been some stand-out findings.

In this piece, we shall run through our findings that will be published next week, prior to our quarterly infra funds report.

Before launching into the data, here’s an interesting idea for a future editorial – an alternative infrastructure league table… suggestions through the contact author button (all identities protected).

Infrastructure finance

Looking first at infra finance – our catch-all that includes project, corporate and public-sector finance – the first thing that leaps off the page is that French banks have taken over as leaders on the global MLA table.

BNP Paribas leads the table by a healthy margin, followed by SocGen – ahead of MUFG and Mizuho (in that order) – and with Natixis rounding off the top five. This is a reversal of the norm which has traditionally seen Japanese lenders being most active and ING slotting in just ahead of the French.

It is also interesting to note that European banks are leading by deal volume, having closed more transactions in Q1 with ING (which comes in at 10 by value) taking pole position, followed (in order) by SocGen, Natixis, BNP, SMBC and Credit Ag.

The most active bond arrangers on a global basis were led by the North Americans and Japanese. Mizuho was the clear leader followed by JP Morgan and MUFG. Barclays in fourth place is the only European institution in the top 10.

Drilling down into advisory, non-bank financial advisers played a significant role in Europe with Rothschild smashing it out of the park with $5.7 billion of closed deals in Q1 2019, having not even featured in the corresponding quarter last year.

Offshore wind places Green Giraffe, FIH Partners and Amsterdam Capital Partners second-equal for European financial advisory having all worked on the 80% acquisition of Veja Mate Offshore Wind Farm, Germany.

French MLAs played a dominant role in North American lending in Q1 2019 with BNP Paribas (33 in Q1 2019) and

SocGen (22 in Q1 2018) rising to second and third place, respectively, sitting behind first-place JP Morgan.

Staying with North America, Japanese bond arrangers Mizuho and MUFG doubled their Q1 2018 lending to almost $3 billion each this last quarter.

Looking to the south, Santander has slipped down the MLA table coming in at 15 with a fairly sedate quarter, but this has to be viewed against it having topped the LatAm regional table for bond arranging alongside Citi.

The global oil and gas infra finance sector continues undaunted by the global shift by so many lenders away from upstream activity. This is a trend that *IJGlobal* believes will continue as lenders come under pressure to distance themselves from hydrocarbons.

While French banks led the move to shun O&G, they have been followed by a good number of European lenders – but, as the league tables show – borrowers do not lack choice with the top three lenders Mizuho, JP Morgan and Citi retaining top slots in a different order to the corresponding quarter in 2018.

Overall, global infra lending remains fairly stable despite a slight decrease in transaction value and volume in Q1 compared to the previous quarter.

Without question, the stand-out transaction this quarter was the $6.5 billion refi of Emirates Global Aluminium in the UAE. This deal brought to the table a line-up of 25 international and local banks.

The next two largest deals are the $5.1 billion acquisition of Gulf Power followed by the $4.6 billion, 950MW Mohammed bin Rashid Al Maktoum CSP and solar PV plant (Phase IV) – both in the MENA region.

North America has the highest value of deals with $64.8 billion closes, coming second in terms of deal count with 131 transactions making it over the line, closing the gap with Europe where 137 closed.

Bonds have been on the rise in North America, while Latin America has lost some momentum on this front when this quarter is viewed against the last calendar year (Q1-Q4 2018).

Meanwhile in Asia Pacific, the DFIs have strengthened their commitment after a slight dip in Q4 2018; while across the board, the sectors relying most heavily on DFI support are power, transport and renewables.

Having said that, the EIB is noticeable by its absence on European offshore wind transactions as the race to the bottom continues with pricing being pushed down by competition and increasing comfort in the sector.

The renewables energy sector continues to play a significant role for traditional lenders with $98.75 billion arranged by banks in this space. It comes second only to O&G where $138.63 billion was deployed through bank loans from Q1 2018 to Q1 2019.

Once again, M&A has been the primary financing purpose for infrastructure finance, with primary financing witnessing a dramatic decrease in Q1 2019 compared to the previous quarter.

Project Finance

Always this old infra hack’s preferred reporting sector, project finance strips out a cleaner data set than infra finance… which makes it all the sadder to see it on the decline across the board.

Social infrastructure which for so long had been a mainstay of this sector has been in woeful deterioration and this quarter logged a pitiful amount of greenfield activity. Most of the activity fell in the refinance space.

Looking across the world of infra PF, the most active region by deal value is Asia Pacific where $12.2 billion worth of deals made it to financial close in Q1 2019, followed closely by North America with $11.1 billion.

The greatest number of deals closed in Europe (46), which was greatly enhanced by a slew of smaller renewables deals.

The next most active regions were Asia Pacific and North America where both closed 35 deals.

Energy dominates the charts with renewables accounting for most project finance cash deployed as *IJGlobal* logged $13.5 billion of activity in Q1 2019, followed by power on $10.6 billion, and O&G with $9.5 billion.

Latin America witnessed almost the same level of activity (by deal value) in Q1 2019 when held against its corresponding quarter last year – but a significantly lower deal count.

Deal flow across MENA was significantly down for Q1 2019 compared to 2018, but this was mitigated by considerably higher deal value - $5.3 billion against $3.3 billion in last year's first quarter.

The same can be said of North America where Q1 2019 saw closes of PF deals to the tune of $11.1 billion against $9.5 billion the year before.

Sub-Saharan Africa was disappointing with $2 billion of PF closes against £3.3 billion in Q1 2018 which also goes some way to explaining a dramatic decline in activity by the DFIs.

As to lending activity, we see a return to the accepted reality with SMBC and MUFG leading the MLA table. The Japanese banks continue to play a strong role in project finance across the regions (by value) with SMBC leading for Europe and MUFG the most active lender in APAC.

There are few surprises in the bigger picture findings with the usual suspects topping the tables in the regions and sectors where they traditionally dominate.

However, it is interesting to note that in the global transport project finance MLA table, 15 of the top 20 lenders are new entrants.

But you will have to wait until next week for more details on all of the above when *IJGlobal* publishes its Q1 2019 league tables.