

State-controlled Public Power Corporation (PPC) has announced a 7-year, sustainability-linked bond issue intended to raise 350 million euros.

The decision to launch the bond issue was made due to current favorable climate surrounding the company, as well as its need to partially cover existing loans and reduce the average borrowing cost to less than 5 % as soon as possible.

PPC is aiming for an interest rate of close to 3.5 %, which would be slightly below a 3.875 % interest rate of a previous bond issue in March. PPC to list the bonds on the Dublin Stock Exchange for trading on its Global Exchange Market, or, possibly, another EU trading platform.

A domestic bond issue would probably secure lower interest rate, but the company is determined to further expose itself to foreign institutional and real-time investors, a strategy seen lowering future borrowing rates to levels that could be achieved locally. Also, borrowing from abroad is expected to offer further support for the company's share value, whose price was 8.75 euros at the end of trading on 9 July.