

MicroBank has provided more than 4 billion euros in microfinance over the last decade

- ***The social bank, wholly owned by CaixaBank, is marking its 10th anniversary having established itself as a leading provider of microfinance in Europe and the only Spanish bank to work exclusively with microcredit.***
- ***MicroBank is a core aspect of CaixaBank's new Corporate Responsibility Master Plan, which will articulate the Group's engagement with the community and spearhead socially sustainable banking in Spain.***
- ***According to a study by Esade, MicroBank has helped to create more than 181,000 jobs over the last decade via microfinance.***

Madrid, 20 June 2018

Between 2007 and year-end 2017, a decade that was rocked by economic and financial turmoil in Spain, the social bank wholly owned by CaixaBank, MicroBank, provided 4,083 million euros via 744,374 microloans to groups that traditionally struggle to secure access to credit (entrepreneurs and households).

At an event overseen by **Gonzalo Gortázar**, CaixaBank's CEO, and **Antoni Vila**, the Chairman of MicroBank, CaixaBank detailed how **MicroBank, a subsidiary 100% owned by the financial institution and the only Spanish bank engaged exclusively in microfinance, is pivotal to the Group's new Corporate Responsibility Master Plan.** Under said plan, **CaixaBank aspires to spearhead socially responsible banking in Spain.**

Other speakers at the event included **María Leander**, Secretary General of the European Investment Fund (EIF) and **Eugenia Bieto**, Managing Director of the Esade business school.

"Over the course of our one-hundred-year history we have **constantly engaged with the communities in which we operate**", said **Gonzalo Gortázar**, CEO of CaixaBank. "We strive to stand head and shoulders above our peers in those areas of financial activity that truly improve living conditions for individuals, particularly those who are underprivileged or at risk of financial and social exclusion".

He went on to point out that **“rebuilding the reputation of banks and regaining customer confidence are vital to shoring up a recovery in the financial system. We at CaixaBank intend to lead the way”**.

New Corporate Responsibility Master Plan

CaixaBank has articulated its engagement with society via a new Corporate Responsibility Master Plan, which has been approved by the Board of Directors, establishing **three core aspects of socially responsible banking based on ESG criteria** (Environmental, Social and Governance). **Five lines of action have been identified:**

- 1) **Integrity, transparency y diversity**, strengthening responsible action and ensuring exemplary conduct that builds trust and incentivises diversity;
- 2) **governance**, adopting best corporate governance practices and fostering responsible policies, as well as reputational risk management;
- 3) **financial inclusion**, a founding value for the institution and one that remains absolutely relevant today, helping to tackle key social challenges and concerns;
- 4) **social action and volunteering**, helping to encourage and channel solidarity and philanthropy among employees and customers via programmes and activities designed to drive social well-being and bolster the bank's social engagement; and finally,
- 5) **the environment**, partnering as fully as possible in efforts to combat climate change via climate risk management, while progressively including environmental criteria in portfolio decision-making and shrinking our carbon footprint.

“It is essential to **combine the bank's financial profitability**, which safeguards both sustainability and shareholder confidence, **with responsible and engaged conduct** alongside our customers and society as a whole”, said Gortázar.

As well as providing microfinance to underprivileged groups, the bank further supports financial inclusion by operating branches in 94% of settlements with over five thousand inhabitants, while it has also granted aid to more than half a million financially struggling households with mortgage loans.

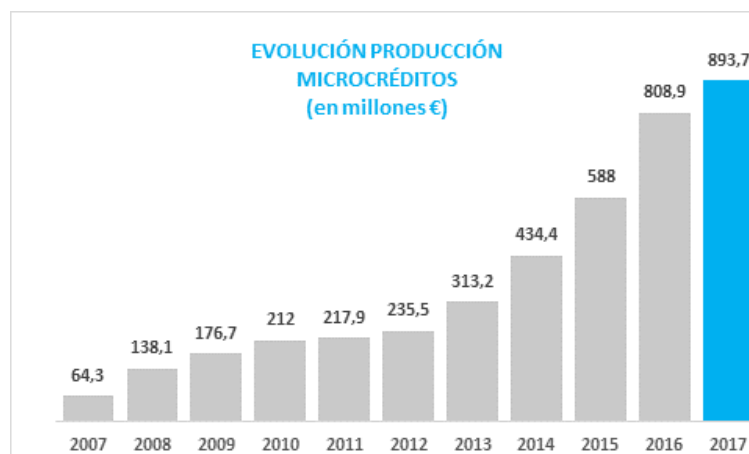
Financial inclusion: MicroBank, a success story

Microbank represents a core aspect of the CaixaBank Corporate Responsibility Master Plan. **MicroBank is the only Spanish bank engaged exclusively in microcredit and is a European leader in microfinance.**

"MicroBank's mission is to propel productive activity, help generate employment and drive personal and household development", said MicroBank Chairman, **Antoni Vila**. "Our bank is aimed mainly at groups that face real challenges accessing credit, due chiefly to a lack of collateral or non-existent credit history, particularly when embarking on new business projects", he added.

"Microcredit is a financial tool that helps generate social cohesion by tackling inequalities in terms of access to credit, a goal that has been a hallmark of our bank since its foundation and one that will continue to shape our actions going forward".

The social bank, 100%-owned by CaixaBank, specialises in providing financial services to underprivileged groups, whether these be entrepreneurs and businesses or individuals and households. In the last ten years the bank has granted 135,547 microloans to entrepreneurs and businesses worth 1,469 million euros, as well as 608,827 microloans to individuals and households struggling to access financing via the traditional banking system, worth 2,614 million euros and used to cover temporary shortfalls.



According to a report from the **Esade Social Innovation Institute**, **between 2007 and 2016 MicroBank played a decisive role in creating more than 181,000 jobs**. The report concludes that such financing, used to set up or expand business projects, not only has a direct impact on the employment and financial circumstances of the borrowers, but also benefits other individuals as well. The majority of such entrepreneurs regard said microcredit as critical to the success of their business initiatives, with 56% of those surveyed saying they would not have been able to open or expand their business without microfinance.

Furthermore, most of these entrepreneurs were self-employed prior to securing microfinance. A further 20% were unemployed before being granted said credit. For this group, said loans were pivotal to securing access to the labour market. Of those entrepreneurs who were previously unemployed, 44% had been without a job for more than a year.

Support and endorsement from European institutions

The CaixaBank subsidiary, which is the leading provider of microfinance in Europe, has the backing of major European financial institutions, having signed partnership agreements with the European Investment Fund (EIF), the European Investment Bank (EIB) and the Council of Europe Development Bank.

Since 2008, the EIF has provided MicroBank with guarantees to cover a proportion of the risk assumed when granting microfinance to entrepreneurs and businesses. In 2014 the CaixaBank social bank became the first financial institution in the European Union to adhere to the EU programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME), which is overseen by the EIF.

MicroBank also holds alliances with more than 500 partner institutions in Spain, including councils, other state administrations, chambers of commerce, not-for-profit organisations, universities and business schools, all seeking to promote self-employment and foster access to financing, especially for groups at risk of financial exclusion.