

The social bank, wholly-owned by CaixaBank, reaffirms its position as a European leader in microfinance

MicroBank surpasses 99,000 loans in 2019, with a total investment of €725 million

- ***The institution's microcredits to meet specific needs of individuals and families have represented a contribution of €412.7 million euros to a total of 79,789 initiatives.***
- ***The Bank has granted financing to over 16,800 enterprising ventures to start up new businesses or ramp up existing projects run by entrepreneurs, for a total of €203 million.***
- ***Social impact funding already accounts for 15% of the capital granted by the Bank, for a total of €108.5 million.***

Barcelona, 5 May 2020. MicroBank, the social banking arm wholly-owned by CaixaBank, has surpassed the 99,000 loans granted to families, micro-businesses, entrepreneurs and social enterprises in 2019, reaching an amount of €724.8 million. Most of this investment (85%) has been allocated to microcredits to cover specific needs of individuals and families and to finance new or expanding businesses projects, while the remaining 15% has contributed to fulfilling the initiatives of entities and companies that have a positive impact on society.

Last year, the Bank financed personal and household needs in the form of 79,789 small loans, for a combined total of €412.7 million. These microcredits are aimed to help people with limited income.

The chairman of MicroBank, **Juan Carlos Gallego**, believes that “the strength of our core business —microcredits— has made us a benchmark for microcredits in Europe and earned us the trust of thousands of people with difficulties in accessing the traditional financial system. This is a further example of our commitment to keeping up with the

times and moving forward towards our next objective: becoming leaders in social impact banking.” With regards to the health crisis, which has led to an economic and social emergency, Gallego assures that “the CaixaBank Group, and MicroBank in particular, have reacted swiftly to this new challenge and have adopted a series of measures that provide solutions that our clients demand from us, so that all of them feel accompanied and listened to in these difficult moments.”

In 2019, €203.6 million were also granted in 16,812 microcredits for entrepreneurs and micro-companies that have started or expanded their activity. In this way, MicroBank has reaffirmed its commitment to facilitating access to financing for individuals and small companies that launch self-employment initiatives, promoting projects of productive economy and contributing to job creation.

During this year, the Bank’s new approach, focused on other finances with social impact and created in light of the growing awareness and sensitivity towards this type of initiatives has gained strength. This new line is designed to finance social economy, education, entrepreneurship, innovation and health projects, that generate a positive social impact. Through these loans, MicroBank contributed a total of €108.5 million to 2,727 projects last year alone. Notably, social impact financing, recently created, already accounts for 15% of the total capital granted by the Bank.

Furthermore, the Bank has reported significant growth since it was founded in 2007, with the loan portfolio having now surpassed €1.583 million for the first time ever in 2019, 1.6% more than the previous year. This lofty figure illustrates MicroBank's ongoing commitment to offering financing to people who would otherwise find it difficult to obtain funding through the traditional credit system, with the threefold objective of meeting *ad hoc* financing needs, helping to create jobs via the start-up or ramp-up of businesses run by entrepreneurs and supporting companies that have a positive impact on society. Since it began operating, MicroBank has awarded 959,498 loans for a total of €5.57 billion.

Collaboration with entities and institutions

In the process of allocating MicroBank loans, in addition to the work made in the network of more than 4,000 CaixaBank branches, more than 600 entities collaborate, providing expertise on accurately identifying beneficiaries, advising and monitoring of the projects. Furthermore, MicroBank has the support of some of the main European institutions dedicated to promoting enterprise and microfinance, namely the European Investment Fund (EIF), which provides collateral for a portion of the non-performing loans, and the Council of Europe Development Bank (CEB) and the European Investment Bank (EIB), which offer financing under especially competitive terms. CaixaBank, the entities and the institutions all play a key role in ensuring the sustainability and success of MicroBank's endeavours.