

## **CaixaBank issues COVID-19 Social Bond for €1 billion to fund SMEs and micro-enterprises in Spain's most disadvantaged areas**

- **The new issuance has had demand in excess of €3 billion and strengthens CaixaBank's position as a socially responsible bank.**
- **It is the second Social Bond issued by the bank which, in 2019, became the first bank on the Ibex 35 to issue a bond of this nature to support the United Nations Sustainable Development Goals.**

**Barcelona, 1 July 2020**

CaixaBank, Spain's leading retail bank, has made the second issuance under the framework of green, social and sustainable bonds that it published in August 2019. On this occasion, the bank has issued €1 billion over six years, with the option of redeeming the bond at five years, in the form of senior preferred debt.

The goal of the issuance is to curb the effects of COVID-19 by funding SMEs and micro-enterprises located in Spain's most disadvantaged regions. These are areas that are within the 30th percentile in GDP per capita, that is, under 19,665 euros, or with unemployment rates above 16.69%.

The company, headed by Chairman Jordi Gual and Chief Executive Officer Gonzalo Gortázar, proposes that the funds raised are allocated to promote SDG number eight "Decent work and economic growth", where an eligible €1.7 billion has already been identified following the strict eligibility criteria set out by CaixaBank in the framework, seeking to absorb the effects of COVID-19.

The price of the bond is set at 117 basis points over the mid swap, after lowering the starting price indication by 33 basis points, and the coupon has been set at 0.75%. The success of the issuance is reflected in its demand, which has exceeded €3 billion euros, and in its high quality. In accordance with the banks that have participated in the transaction, 72% of the bonds have been awarded to recognised market investors such as socially responsible investors (SRI), among which, 56% have the highest recognition in responsible investment (Dark SRI).

The commitment to businesses and economic recovery is highlighted through the growth of the Group's gross credit portfolio, which from the beginning of the year and until 31 May stood at €13.3 billion, representing a 5.8% increase.

This bond once again proves the alignment of financing with CaixaBank's model of social and responsible banking. This strategy is being recognised by fixed income investors, who have emphasised how the bank has been able to reflect this strategy in a credible and sound social bond framework.

The issuance seeks to have a rating of Baa1/BBB+/A-/A from Moody's, S&P, Fitch and DBRS respectively. The banks placing this new issuance are CaixaBank, HSBC, ING, Natixis and UniCredit.

### **Second issuance under the SDG framework**

This is the second issuance CaixaBank has made under the SDG framework (green, social and sustainable bonds). With the first issuance in September 2019, CaixaBank was acknowledged with the "Social Bond of the year 2019" award by the prestigious publication Environmental Finance. This inaugural operation included loans granted by MicroBank to individuals or families whose total available income is €17,200 or less, with a view to fund daily needs such as healthcare, education or household and vehicle repairs, as well as loans to self-employed workers and SMEs in Spain's most disadvantaged regions.