

CaixaBank issues its first Green Bond for €1 billion to fund renewable energy projects and energy-efficient buildings

- ***The new issuance has seen demand in excess of €4.5 billion and strengthens CaixaBank's position as a bank committed to society, the environment and the fight against climate change.***
- ***This is the bank's inaugural Green Bond after issuing two Social Bonds, one in July 2020 and another in September 2019.***
- ***These issuances emphasise CaixaBank's sustainable strategy and its credibility on the market.***

Barcelona, 10 November 2020

CaixaBank, Spain's leading retail bank, has made the third issuance under the framework of green, social and sustainable bonds (known as the SDG Framework) that it published in August 2019 to support the United Nations Sustainable Development Goals. On this occasion, CaixaBank has issued a Green Bond for €1 billion over six years, with an early redemption option in favour of the issuer after five years.

The bond has been issued in the form of non-preferred senior debt and, therefore, is eligible for the requirement of loss-absorbing liabilities and for the MREL. It is the first issuance of non-preferred senior debt by a Spanish bank that includes an early redemption option, with the aim of optimising the regulatory treatment of this kind of instruments.

With this issuance, CaixaBank will channel funds to finance projects that contribute to environmental sustainability, such as the reduction of greenhouse gases, the prevention of pollution and the adaptation to climate change. Specifically, the company, headed by chairman Jordi Gual and chief executive officer Gonzalo Gortázar, will allocate the raised funds to promote Sustainable Development Goals (SDG) number 7 and 9. SDG number 7 (affordable and clean energy) aims to ensure access to affordable, reliable, sustainable and modern energy. CaixaBank has already identified approximately €1.8 billion in eligible renewable energy assets following the strict eligibility criteria set out by the bank in the SDG Framework.

SDG number 9 (industry, innovation and infrastructure) aims to build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation. Along these lines, CaixaBank has already identified around €500 million in property assets with energy

efficiency requirements that meet those established by the bank in the Framework.

The price of the bond is set at 85 basis points over the mid swap, after lowering the starting price indication by 35 basis points, and the coupon has been set at 0.375%, which is the lowest coupon offered by a Spanish bank since the issuance of this type of debt was initiated in 2017.

The green nature of the issuance has allowed reducing the cost in more than 10 basis points with respect to the traditional level of funding, which in the market is known as “greenium” or negative premium, achieved as a result of the high investor appetite for green assets. The success of the issuance is reflected in its demand, exceeding €4.5 billion, which is the highest raising of funds in a CaixaBank issuance.

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 shown how the bank has been able to reflect this strategy in a credible and sound framework of green, social and sustainable bonds.

The issuance seeks to have a rating of Baa3/BBB/BBB+/A (low) by Moody's, S&P, Fitch and DBRS, respectively. The banks placing this new issuance are CaixaBank, Citigroup, Crédit Agricole, Credit Suisse and HSBC.

Third issuance under the SDG framework

This is the third issuance of green, social and sustainable bonds CaixaBank has made under the SDG framework. The first issuance, in September 2019, consisted of a Social Bond with a value of €1 billion, maturing over five years, in the form of non-preferred senior debt, with the objective of fighting against poverty and creating employment. 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.

The second issuance, in July 2020, was a COVID-19 Social Bond for €1 billion over six years in the form of preferred senior debt. The goal of the issuance was to curb the effects of COVID-19 by funding SMEs and micro-enterprises located in regions of Spain with under €19,665 per capita or unemployment rates above 16.69%. In these first two issuances, the funds raised were allocated to promote SDG number 8, “Decent work and economic growth”.

Framework for the issuance of Green, Social and Sustainable Bonds

In August 2019, CaixaBank published the framework for issuing Green, Social and Sustainable Bonds, to support the SDGs of the United Nations, on its corporate website. The framework was verified by Sustainalytics, an expert independent adviser, which

affirmed that CaixaBank has established a 'credible and high-impact' agenda. The company also carried out a roadshow across different European cities to present this framework to institutional investors.

The SDGs are 17 objectives that were set in motion in 2015 to comply with the 2030 Agenda of the UN. Through its dimension and social commitment, CaixaBank is contributing to all SDGs via its activity, social action and strategic alliances, integrating them into its Strategic Plan and its Socially Responsible Banking Plan.

In particular, it is focusing on 12 of the 17 goals. Among them, its priorities are the fight against poverty, job creation and economic growth; as well as climate change, gender equality, sustainable production and consumption, and industry, innovation and infrastructure; whilst also seeking to support projects such as promoting health, education, clean energy and peace, among others.