

## **CaixaBank issues its first Tier 2 subordinated green bond for amount of €1 billion**

- ***With this issue, CaixaBank becomes the European bank with the largest volume of ESG (environmental, social and governance) bonds issued in the euro credit market.***
- ***Demand has exceeded €3 billion and reinforces CaixaBank's position as a bank that is committed to society, the environment and the fight against climate change.***
- ***Simultaneously, a buyback offer was launched with the aim of replacing traditional financing with green financing.***

**Barcelona, 9th of March, 2021**

CaixaBank, Spain's leading retail bank, has made its second issuance in 2021 under the framework of green, social and sustainable bonds that the entity published in August 2019, to support the United Nations Sustainable Development Goals (SGD). This is the fifth issuance carried out by the entity within the SDG Framework, after the issuance of an eight-year green bond in February 2021, a six-year green bond in November 2020 and another two social bonds in September 2019 and July 2020.

The entity has issued a Tier 2 subordinated green bond for an amount of €1 billion with a term of ten years and three months, with the option of early redemption from the fifth year. This is the first issuance of a subordinated green bond in Tier 2 format by a Spanish bank.

The issue price has been set at 163 basis points over the midswap, 32 points below the 195 basis points offered in the announcement, thanks to the great demand obtained, which has exceeded €3 billion. The coupon has been established at 1.25%, which represents the lowest coupon offered by CaixaBank in a subordinated debt issue.

The green nature of the issue has made it possible to reduce the cost between 5 and 10 basis points, compared to the level of traditional financing, which in the market is known as a "greenium" or negative premium achieved by high investor appetite in green assets.

According to the banks that participated in the transaction, 92% of the bonds have been awarded to investors recognised in the market as socially responsible investors (SRI) and among these, 65% have the highest recognition in responsible investment ("Dark SRI").

The issue is expected to be rated Ba1 / BBB- / BBB- by Moody's, S&P and Fitch. The placing banks of this new issue were BofA Securities, CaixaBank, J.P. Morgan, Nomura and Société Générale.

### **Buyback offer**

Simultaneously with this new issue, CaixaBank has launched a public purchase offer on an existing subordinated bond with a nominal value of €1 billion, maturing in 2027 and with an early cancellation option in February 2022 (ISIN XS1565131213). The operation highlights the effort that CaixaBank is making to optimise the cost of its capital structure since this exercise will allow it to save on the cost of future coupons of the repurchased bonds, while offering liquidity to investors who want to maintain their exposure to CaixaBank subordinated debt.

The purchase offer has the prior authorisation of the European Central Bank, is completely voluntary and will be open to bondholders who wish to sell their bonds at a price of 103.10%. The operation calendar establishes March 16 as the deadline for those holders who want to take advantage of the offer.

### **Destination of funds and estimated environmental impacts**

Through this third issue, CaixaBank will channel funds to finance projects that contribute to environmental sustainability, such as reducing greenhouse gases, preventing pollution and adapting to climate change. Specifically, and in line with its inaugural issue, it will allocate the funds raised to promote the Sustainable Development Goals numbers 7 and 9. SDG number 7 (affordable and clean energy) and SDG number 9 (industry, innovation and infrastructure) aim to build resilient infrastructure, foster sustainable industrialisation and promote innovation.

In this sense, applying the strictest selection criteria in accordance with the bank's Environmental Risk policies, CaixaBank has identified, as of December 31, 2020, more than 4.2 billion of eligible assets. Of which, €3.6 billion are assets that finance renewable energy projects and more than €600 million are in real estate assets with energy efficiency rating (EPC) A or B. According to CaixaBank internal estimates, it is expected that the financing of this portfolio of renewable energy projects will avoid the release of greenhouse gas (GHG) emissions for a total of 1.2 million tonnes of CO<sub>2</sub> per year, and the financing of the portfolio of highly energy efficient properties will save the emission into the atmosphere of a total of 6.500 tonnes of CO<sub>2</sub> per year.

This bond demonstrates once again the alignment of financing with CaixaBank's social and responsible banking model. This strategy is being recognised by fixed income investors, showing how the entity has managed to reflect its model through a credible and solid green,

social and sustainable bond framework.

### **Fifth issue under the SDG framework**

With this issue, CaixaBank becomes the European bank with the largest volume of ESG (environmental, social and governance) bonds issued in the euro credit market: three green bonds and two social bonds, with a combined value of €5 billion.

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".

In the third, issued in November last year, the company placed its first Green Bond for €1 billion over six years to finance renewable energy projects and energy-efficient buildings.

In the fourth issue carried out in February of this year, CaixaBank issued an eight-year green bond for an amount of €1 billion, also destined to finance renewable energy projects and energy efficient buildings.