

## **CaixaBank issues a new €1 billion Social Bond linked to the SDGs to finance education and anti-poverty programmes**

- **CaixaBank launches its third Social Bond, the sixth under the Sustainable Development Goals (SDG) bond issuance framework, cementing its position as a leading European bank when it comes to ESG matters.**
- **CaixaBank will use this bond to fund projects that help combat poverty, promote education and welfare, and contribute to the economic growth in disadvantaged areas of Spain.**
- **The issue, maturing in 7 years with an early redemption option in the last year by the issuer, has attracted a demand of over €2.2 billion.**

**18 May 2021**

CaixaBank has issued its third Social Bond today, the second to be made under the senior non-preferred format and the sixth within the SDG bond issuance framework. The Bank has secured €1 billion maturing in seven years with the option of early redemption in the last year by the issuer, after attracting a demand of €2.2 billion.

The aim the bond is to finance activities and projects that help combat poverty, promote education and welfare and contribute to the economic and social development in the most disadvantaged areas of Spain.

Thanks to the six previous bond issues, of which it is worth highlighting the first issuance in September 2019, which was named “Social Bond of the Year”; and the inaugural green issuance of November 2020, which was named “Green Bond of the Year” (both awards delivered by Environmental Finance); CaixaBank has continued to consolidate its status as a leading institution in ESG issuances and a benchmark in socially responsible banking.

Under the new Social Bond issued today, CaixaBank has identified assets in Health and Education to drive SDG 3 and SDG 4. Additionally, in line with previous issues, this operation includes loans granted by MicroBank to individuals in a vulnerable situation with difficult access to the traditional financial system. The aim is to finance daily basic needs such as household expenses and vehicle purchases or repairs. The average amount of the

microcredits that MicroBank grants to families is currently €5,700.

The bond will also be used to fund loans for self-employed workers, micro enterprises and small businesses operating in Spanish provinces with lower relative per capita GDP and/or a higher unemployment rate.

Currently, a total of 29,059 loans meet the eligibility criteria defined by CaixaBank to drive job creation in the most disadvantaged areas of Spain. Of these loans, 35.12% have been granted to self-employed workers who are unable to offer any collateral or security.

A total of €3.8 billion in eligible loans have been identified in the most disadvantaged areas of Spain, based on strict eligibility criteria.

### **Economic terms and conditions of the issuance**

As for the economic terms of the issuance, the price has been set in 100 basis points above midswap (25 bps below the initial price indications of MS + 120-125 bps), while the coupon has been set at 0.75%

The success of the issuance is reflected in the level of demand, which exceeded €2.2 billion, and the high quality of the placement, with 61% of the bonds placed among investors recognised in the market as socially responsible investors (SRI). More than 100 investors participated in the issue, of which 91% were international and 9% domestic.

The entities in charge of the placement were Barclays, CaixaBank, Commerzbank, Credit Agricole and Mediobanca.

### **Leader in green, social and sustainable bond issues**

CaixaBank has positioned itself as the leading bank in the issuance and placement of green, social and sustainable (ESG) bonds in the Spanish and Portuguese markets in the first quarter of 2021, according to rankings by Dealogic and Refinitiv.

CaixaBank has participated in the issuance of four green bonds and two sustainable bonds, worth a total of €6.75 billion. The most notable among these issuances are Iberdrola, Telefónica, EDP and the Autonomous Community of Madrid.

The green, social and sustainable bond market is gaining a substantial market share, reaching a record global volume of \$255 billion in the first quarter of 2021. This figure represents 320% growth compared to the first quarter of 2020 and a volume equivalent to 50% of the total mobilised during 2020.

In August 2019, CaixaBank approved the Sustainable Development Goal (SDG) bond issuance framework, with the validation of Sustainalytics, featuring the mission of supporting the United Nations SDGs. Since the approval of this framework, CaixaBank has made five of its own bond issuances worth €5 billion. In 2019, it issued its first social bond, which contributed to creating upwards of 1,000 companies and 8,200 jobs. In 2020, it issued its first green bond to fund renewable energy projects and energy-efficient buildings and its second social bond to curb the effects of COVID-19. Furthermore, in the first few months of 2021, it has already issued two green bonds through which it will channel funds to finance projects that contribute to environmental sustainability. These figures position CaixaBank as the European bank with the highest volume of ESG bonds issued in the euro market.