

Responsible Finance

Crédit Mutuel Arkéa* issues its first social bond

Brest, October 14th 2019 – Arkéa announces a €500 million bond issue to refinance projects in favor of social housing and the medico-social sector. Through the issue of its 1st social bond, Arkéa has raised funds to contribute to the economic development of the territories, in accordance with its vocation to support and finance the real economy.

Arkéa is one of the first European banking players in the social bond market. This type of bond is intended to refinance social projects.

A very favorable acceptance by the financial markets

On Thursday 26 September, when Arkéa issued its first social bond on the financial markets, investors were very interested: demand reached €1.3 billion in less than three hours. Asset managers and insurance companies, the main underwriters of this bond, have placed their trust in the Arkéa group.

The funds raised are intended to refinance projects mainly dedicated to social housing and the medico-social sector, activities in which several networks of the group are involved, such as Arkéa Banque Entreprises et Institutionnels, Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest. In this context, Arkéa contributes to reducing inequalities and promoting access to healthcare and education for all.

This operation is in line with the responsible investment policy, integrating environmental, social and governance (ESG) criteria, which the Arkéa group and its subsidiaries are pursuing with conviction.

A framework validated by Vigeo Eiris

With a maturity of 9 years, the social bond issued by Arkéa is the first issue issued under the "green, social & sustainable bond framework" validated by Vigeo Eiris with "reasonable assurance", the highest opinion delivered by the agency, which expresses its opinion on the sustainability of bond issues made on the basis of this framework, and on the degree to which they take into account social and environmental impacts.

Stéphane Cadieu, Head of Financial Markets at Arkéa Group, commented: *"We are very pleased with investors' confidence and interest in the issue of Arkéa's first corporate bond. This transaction completes our refinancing program and gives our investors a concrete example of the Arkéa Group's action in the service of its territories and their economic players. The projects in favor of social housing and the medico-social sector that we are going to refinance also contribute to the achievement of several United Nations Sustainable Development Goals"*.

About the Arkéa group

The Arkéa group is made up of Crédit Mutuel Arkéa, the federations of Crédit Mutuel de Bretagne, Sud-Ouest and Massif Central and their local member banks, as well as some thirty specialized subsidiaries (Fortuneo, Monext, Arkéa Banque Entreprises et Institutionnels, Arkéa Investment Services, Suravenir...). It has 10,500 employees, 3,000 directors, 4.6 million members and customers in the banking and insurance sector. It has a balance sheet total of more than 147 billion euros. For more information, visit www.arkea.com

** Hereafter referred to as Arkéa*