# Press Release

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27 November 2020

*Sustainable SURE bond of EUR 8.5bn*

## LBBW acts as lead manager for EU's latest social bond

LBBW acted as a joint lead manager for the EUR 8.5bn social bond issued by the European Union on Tuesday as part of the SURE program. As a longstanding partner of the EU and the first Landesbank, it thus supported such a strategically important bond as an issuing bank for the first time. The other lead managers were CITI, HSBC, J.P. Morgan, and Société Générale.

“LBBW’s appointment as an issuing bank for this transaction is a major sign of confidence from the EU and proof of our high expertise and strong national and international placement ability in the sustainable investment segment,” explains Dr. Christian Ricken, the member of the LBBW Board of Managing Directors in charge of capital market activities. “At the same time, this is also the biggest bond transaction by volume that LBBW has supported as a lead manager to date. ”By making a significant contribution to investor diversification, LBBW allowed for very competitive pricing for the EU, which will directly benefit the aid programs.

The 15-year bond is the EU’s third transaction under its SURE social bond program, which is to comprise up to EUR 100bn. It is part of the EU efforts to support the economic recovery following the coronavirus pandemic and its consequences. It is primarily intended to finance short-time working schemes in the

EU member states. 10- and 20-year bonds were already issued in October, followed by 5- and 30-year bonds in November, for a total of EUR 31bn.

Once again, there was very strong interest in the current transaction. The social bond, which was issued 5 basis points below mid-swap (an internal rate between banks), was more than 13 times oversubscribed. The books were closed after just under two hours, with an order volume of more than EUR 114bn. The largest share of the highly diversified order book was attributable to funds with almost 50%, followed by banks with around 20% and central banks and pension/insurance funds with around 15% each. Most investors came from the UK (24%), followed by Germany (22%), the Benelux countries (13%), France (12%) and Scandinavia (11%). It is particularly noteworthy that more than 70% of the transaction was placed with ESG-focused investors.