

BANFONDESA brings Dominican Republic's first sustainability bond to LuxSE



Banco de Ahorro y Crédito FONDESA and the Luxembourg Stock Exchange mark a milestone with the display of the Dominican Republic's inaugural sustainability bond on the Luxembourg Green Exchange.

During an official Ring the Bell ceremony held at the Luxembourg Stock Exchange (LuxSE) yesterday, a delegation of the leadership of Banco de Ahorro y Credito FONDESA, S.A (BANFONDESA) and the Luxembourg Stock Exchange (LuxSE) gathered together to mark the listing of BANFONDESA's DOP 250 million (equivalent to EUR 3.3 million) sustainability bond on LuxSE.

Supported by technical assistance from the Global Green Growth Institute (GGGI) and financing from the Grand Duchy of Luxembourg through the Global Trust Fund (GTF), this milestone marks the first sustainability bond ever issued by a Dominican issuer, reinforcing the growing momentum behind sustainable investment in emerging markets.

"We are honoured to welcome BANFONDESA and its pioneering sustainability bond to the Luxembourg Stock Exchange. This transaction highlights the important role capital markets can play in mobilising private capital to support microfinance, green investment and social inclusion,

and reaffirms our commitment to supporting issuers from emerging markets in accessing international investors,” said Arnaud Delestienne, Chief Commercial Officer and Member of the Executive Committee at LuxSE.

A milestone for sustainable development in the Dominican Republic

Exclusively dedicated to supporting microfinance and sustainable development in the Caribbean nation, the proceeds of the bond will finance micro- and green loans across key sectors including renewable energy, energy efficiency, sustainable transportation and agriculture. The bond will also finance social projects promoting the growth of micro, small and medium-sized enterprises.

Initially listed on the Bolsa de Valores de la República Dominicana (BVRD) in November 2024, the bond also expected to benefit vulnerable communities by improving access to essential services such as energy, water, housing, healthcare and education.

“This bond is not the end of a journey – it is the beginning of a new era that symbolises trust, partnership and the belief that inclusive green finance can transform lives in the

Dominican Republic. We will continue to scale green lending, strengthen climate risk tools, and deepen our partnership with the European Investment Bank and Luxembourg – a country whose leadership in sustainable finance is shaping real change on the ground,” said Cristian Reyna, Chief Executive Officer and Chairman of the Board of Directors at BANFONDESA.

A long-standing partner of BANFONDESA, the European Investment Bank (EIB) has supported the institution since 2008 through targeted financing to expand access to finance for low-income clients, particularly women, in the Dominican Republic. This partnership was further strengthened in 2018 through an EIB senior loan, aimed at financing green projects for BANFONDESA's clients under the ACP Cotonou Investment Facility and the creation of BANFONDESA Renewable. The loan was complemented by significant technical assistance to support women-focused and environmentally sustainable projects, helping pave the way for the issuance of BANFONDESA's first sustainability bond.