

## **CaixaBank places its first ever issue of preferred bonds eventually convertible into shares, issuing 1 billion euros and attracting demand in excess of 3.3 billion euros**

- **CaixaBank has debuted on the Additional Tier 1 capital market, becoming the first Spanish issuer to make its inaugural placement callable after 7 years, longer than the standard 5-year period for such issues, demonstrating investor confidence in CaixaBank's credit quality and solvency.**
- **The success of the issue was reflected in strong demand of more than 3.3 billion euros from 200 institutional investors, seeing CaixaBank successfully place Spain's largest AT1 issue of 2017.**
- **The issue further strengthens CaixaBank's excellent solvency ratios, to 12.6% for Tier 1 Capital and 16.1% for Total Capital in phased-in terms, as well as expanding its solid liquidity position.**
- **This is the first Additional Tier 1 issue to be registered with the CNMV.**

**Barcelona, 1 June 2017**

CaixaBank, the leading financial group in the Iberian Peninsula, has completed its first issue of preferred bonds eventually convertible into shares, issuing €1 billion with a coupon rate of 6.75%. These are perpetual preferred securities, callable as of the seventh year.

The outstanding demand attracted by the issue allowed CaixaBank to set a final coupon rate 25 basis points below the initial offer of 7.00%. CaixaBank thus becomes the first Spanish issuer to make its initial issue callable after 7 years, rather than the standard 5 years for such issues, demonstrating investor confidence in CaixaBank's credit quality and solvency.

This new issue further strengthens the bank's already excellent solvency ratios, to 12.6% Tier 1 and to 16.1% Total Capital in phased-in terms, while also driving up CaixaBank's high-quality liquid assets, which as per 31 March stood at 47,206 million euros, with a liquidity coverage ratio (LCR) standing at 158%, well above the 80% minimum requirement for 2017.

This is the fourth institutional debt issue of 2017 for CaixaBank, which becomes the only Spanish issuer to have raised financing in all formats in the year to date, having issued 10-year covered bonds, 7-year senior debt, and Tier 2 subordinated debt maturing in 10 years, allowing the bank to extend its maturity profile and capitalise on the scenario of historically low interest rates.

### **International demand**

CaixaBank, presided over by Chairman Jordi Gual and CEO Gonzalo Gortázar, took advantage of good market conditions to complete the issue, with investors demonstrating their confidence in the group's strengths, as well as the outstanding credit quality backing these kinds of issues.

The issue attracted an excellent response from the 200 institutional investors that showed interest in CaixaBank credit. There was strong participation from foreign investors.

On Monday Standard & Poor's allocated the issue a BB- rating. Barclays and Société Générale were the structuring banks for the operation, and were supported in the placement by JP Morgan, Morgan Stanley and CaixaBank CIB.