

CaixaBank places its first ever issue of non-preferential senior debt, issuing €1,250 million and attracting demand in excess of €3,500 million.

- ***This is CaixaBank's first issue in the new non-preferential senior debt format created in June 2017 by Royal Decree-Law 11/2017. The new debt format was implemented recently by regulators, and focuses on absorbing losses in the event of resolution of the bank before ordinary creditors and after subordinated creditors.***
- ***When the law was introduced, CaixaBank availed itself of the first market window to make a start on compliance with the future minimum required eligible liabilities (MREL), and brought out its first issue maturing in January 2023 (5 years).***
- ***The demand attracted by the operation brought in orders in excess of €3,500 million from 200 institutional investors, as an indication of interest in CaixaBank issues.***

Barcelona, 31 August 2017

CaixaBank has completed its first non-preferential senior debt issue in the amount of €1,250 million. The issue comes in the wake of approval of Royal Decree-Law 11/2017 on urgent financial measures, which introduced the new type of debt to the Legal System. The new format has a lower order of seniority in the event of resolution or bankruptcy with respect to ordinary credits, but a higher order than subordinated debt. It was devised by lawmakers to boost banking solvency and ensure larger amounts of liabilities to enable losses to be absorbed in the event of resolution at a bank.

Confidence in CaixaBank's solvency and leadership of the Iberian market fetched demand in excess of €3,500 million and brought the interest rate down by 15 bp to midswap + 95 bp with respect to the 110 bp offered in the announcement. This puts the coupon at 1.125%. The maturity of the issue is 5 years (January 2023).

Outstanding demand was matched by the quality of orders from the 200 institutional investors showing interest in the CaixaBank issue. There was also a solid component of foreign investors, accounting for 84% of the issue, and excellent book quality, with 89% taken up by sovereign wealth funds, investment funds and insurance companies.

The new issue strengthens the bank's position with respect to future MREL and reflects its intention of building a bail-inable debt buffer to boost protection of senior creditors and depositors in the context of the BRRD (Bank Recovery and Resolution Directive), and also drives up the CaixaBank group's high-quality liquid assets, which as per 30 June stood at €50,000 million, with a Liquidity Coverage Ratio (LCR) standing at 208%, well above the 80% minimum requirement for 2017.

Sixth issue this year

This is the sixth institutional debt issue in 2017 by CaixaBank, chaired by Jordi Gual and CEO Gonzalo Gortázar, which becomes the only Spanish issuer to have gone to the market in all debt formats in 2017, having already issued covered bonds, senior debt, Tier 2 subordinated debt, contingent convertible bonds (CoCos) and the new non-preferential senior debt instrument, capitalising on the scenario of historically low interest rates. CaixaBank issues in 2017 total €6,750 million, underpinning extensive market confidence in the CaixaBank brand and recognition of its track record throughout the year.

CaixaBank CIB, Citi, HSBC, Nomura and Société Générale acted as placement agents on this issue.