

CaixaBank places 1.0 billion euros in senior debt, attracting demand in excess of 2.2 billion

- ***The bank capitalised on its appeal to institutional investors and strong market momentum to place another issue, which will cover forthcoming senior debt maturities.***
- ***The issue, maturing in five years and three months, further bolsters CaixaBank's outstanding liquidity position, which as per 13 September 2017 stood at 71.581 billion euros.***

Barcelona, 10 January 2018

Having been the first mover on the Spanish bond markets last week with twin tranches of covered bonds, CaixaBank has now become the first Spanish issuer to place senior preferred debt in 2018. The bank raised one billion euros in said debt, maturing in five years and three months. The price was established at 48 basis points over the midswap rate, with a coupon of 0.75%.

The issue's success was evident in demand of 2.2 billion euros, as well as a price just 48 basis points above the midswap. This latest issue marks a new low on the Spanish senior market for recent years, as well as for the CaixaBank senior curve.

The last issue from CaixaBank in said format came last May, when it placed 1 billion euros with a 7-year maturity, at a price 68 basis points above the midswap.

Interest from international investors

CaixaBank, presided over Chairman Jordi Gual and CEO Gonzalo Gortázar, capitalised on positive market conditions to complete this senior debt issue, which will cover forthcoming maturities, with investors demonstrating their confidence in the group's strengths.

The issue will have ratings of Baa2 (Stab), BBB (Pos), BBB (Pos) and AL (Stab) from Moody's, Standard & Poor's, Fitch and DBRS respectively.

This issue drew an outstanding response from institutional investors, which placed more than 140 orders on the busiest day of the year for the European primary debt market.

The banks underwriting the new issue were CaixaBank, Credit Suisse, Deutsche Bank, Société Generale and UBS Investment Bank.

Institutional investors accounted for 82% of demand. The sizeable issuance volume and the quality of the investors allowed the issuer to lower the initial price of midswap + 60 basis points by 12 bps.

A week ago, CaixaBank became the first Spanish issuer to resort to the markets in 2018, with the placement of twin tranches of long-term covered bonds, totalling 1.375 billion euros.

Said issues bolstered CaixaBank's high-quality liquid assets, which at 30 September stood at 71.581 billion euros, with a Liquidity Coverage Ratio (LCR) of 213%, well above the minimum requirement of 80%.