CaixaBank

PRESS RELEASE

CaixaBank issues 1.25 billion euros in non-preferred senior debt, with a demand above 4 billion euros

- ***This is the first issue by CaixaBank since it received the official statement regarding its MREL (Minimum Requirement for own funds and Eligible Liabilities) in April, and also the first since, in May, the rating agency Moody's revised CaixaBank's credit rating for this instrument upwards, rendering it investment-grade debt on behalf of all the agencies***

- ***The high demand received, both for the amount collected and for the quality of orders, has allowed CaixaBank to perform the most significant spread correction since the announcement —by a Spanish issuer in 2019 —lowering the spread by 30 basis points (bps) to the mid-swap + 145 bps.***

Barcelona, 11 June 2019

CaixaBank has closed its third bond issue of 2019, issuing non-preferred senior debt with a value of 1.25 billion euros. Investor confidence in CaixaBank's solvency has allowed the issuer to reach a demand above 4 billion, which it has made it possible to lower the interest rate by 30 basis points (bps) from the 175 bps offered in the announcement to the mid-swap + 145 pbs. Consequently, the coupon rate now sits at 1.375%.

This is CaixaBank's fourth time issuing non-preferred senior debt since its first issue of this debt class in 2017, and it is the first one with a 7-year maturity, which allows it to expand the profile of maturities in this class while substantially reducing cost. In January, CaixaBank issued 1 billion euros with a 5-year maturity at a price of 225 bps above the mid-swap.

Aside from the high demand, the issue featured more than 170 adjudicated corporate investors and strong participation from foreign investors, who represented around 85% of the demand, with 89% of the issue sold between investment funds, sovereign funds and insurance companies.

This new issue strengthens the position of the company in its compliance with MREL requirements scheduled for 1 January 2021 and reflects the intention of the bank to continue proactively building a safety net of "bail-in-able" subordinate debt that increases the protection of senior creditors and depositors.

The non-preferred senior debt 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.

This issue increases the CaixaBank group's high quality liquid assets, which reached 64 billion euros on 31 March with a Liquidity Coverage Ratio (LCR) of 198%, well above of the minimum requirement of 100% for 2019.

The underwriting banks of this issue were Barclays, BNP Paribas, CaixaBank, Credit Suisse and Morgan Stanley.

CaixaBank Executive Communication
and External Relations Division
Tel.: +34 93 404 2414
prensa@caixabank.com
https://www.caixabank.com/communication