

CaixaBank places its third issue of contingent convertible preferred securities amounting to €750 million

- **The demand received has exceeded €4.1 billion, which has allowed the coupon to be lowered to 5.875%**
- **CaixaBank is the first Spanish bank to issue AT1 with the only objective of completely fulfilling its Pillar 2 requirement.**
- **The issuance allows to free up 47 basic points of CET1, increasing the buffer over regulatory minimum requirements.**

Barcelona, 1 October 2020

CaixaBank has launched its third issuance of eventually convertible preferred securities, amounting to €750 million euros and a coupon of 5.875%. This is the lowest AT1 coupon from a Spanish issuer since the start of the COVID-19 pandemic, despite being the longest early callable dated issued.

These preferred shares are perpetual, with the possibility of being early called by the issuer from October 2027. The more than €4.1 billion of demand is the largest book for a Spanish AT1 in 2020 (more than 5 times oversubscribed) and has allowed a tightening of the coupon by 0.5% from the levels initially offered of 6.375%. Due to the quality of the orderbook, CaixaBank's final pricing implies a new issue premium over the market pricing of its secondary bonds. It highlights the strong participation of foreign investors representing a placement of more than 90%.

Improved solvency ratios and capital structure

This new issue reinforces CaixaBank's excellent solvency ratios, up to 14.3% (Tier1) and up to 16.5% (TotalCapital). The transaction, in addition to strengthening and optimizing the bank's capital structure, makes CaixaBank the first Spanish bank to issue AT1 with the only objective of optimizing the weight of different capital instruments to completely fulfill discretionary requirements, known as Pillar 2.

The issuance allows for the release of up to 47 basic points of CET1 which therefore increases the buffer well above regulatory minimums. In addition, the new AT1 securities will help strengthen CaixaBank's already strong MREL position to 23.8% (compared to the 22.7%

requirement) and will also strengthen its leverage ratio, which is already 5.1% above the 3% requirement.

This is also the first issue of the entity chaired by Jordi Gual and whose CEO is Gonzalo Gortázar in the capital markets since the announcement of its merger agreement with Bankia. The broad support of national and international investors of the issue demonstrates, once again, the strong support and confidence of investors both in the new AT1 instrument, as well as in CaixaBank's credit and solvency and its future prospects.

Standard & Poor's has assigned a BB rating to this issue. The placement banks have been Barclays, Bank of America, CaixaBank CIB, Morgan Stanley and Societe Generale.

Throughout this journey, CaixaBank has completed its third issue of institutional debt in 2020 and first of AT1 since 2018, having issued Non-Preferred Senior Debt due in 5 years in January and Ordinary Senior Debt in social format COVID-19 due in 6 years last July.