

CaixaBank places €750 million in a new Tier 2 subordinated bond, with demand in excess of €3.2 billion

- ***This is CaixaBank's sixth issue in 2022, and the first Tier 2 bond since March 2021. It is the first Tier 2 bond issued from a Spanish bank since the Ukraine war.***
- ***This new issue, which bolsters the existing the Tier 2 capital buffer and reinforces the bank's total capital position, expires in 10 years and 3 months, and provides an early redemption option for the issuer starting in the year five.***
- ***Strong demand allowed the interest rate to dip 45 basis points, to mid-swap +355 bp. Orders were taken from more than 200 institutional investors, which reaffirms the market's appetite for CaixaBank credit.***

15 November 2022

Today, CaixaBank closed out its sixth public bond issue of 2022. The bank placed €750 million in a subordinated Tier 2 format. The amount was set in the issue announcement, and the bond matures in 10 years and 3 months, with an early redemption option in the fifth year. This is the first subordinated Tier 2 issue since March 2021.

With this operation, the bank is leveraging and reinforcing its total capital cushion and ratio by 35 basis points (bp) to 16.87%, reinforcing its cushion above the minimum required, to 434 bp.

The price was set at 355 bp above mid-swap, 45 bp below the 400 bp offered in the announcement. This is thanks to the high demand, which was in excess of €3.2 billion and involved over 200 institutional investors, despite coinciding with 8 operations from financial entities on the same day, including two other subordinated Tier 2 issues. Of note is the significant interest from foreign investors, who account for 96% and the excellent quality of the order book. The coupon was set at 6.25%.

The final book was 3.9x oversubscribed, well above the 2.3x average for Tier 2 bonds executed in euros this year. It is the first Tier 2 bond from a Spanish bank since the Ukraine war broke out.

CaixaBank expects the issue to receive a rating of Ba1/BBB-/BBB- from Moody's, S&P and Fitch. The companies responsible for the placement were Barclays, BNP Paribas, CaixaBank, Citi and Société Générale.



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