

CaixaBank successfully places €1 billion in a new Tier 2 subordinated bond, with demand exceeding €4 billion

- ***This is CaixaBank's third public issue and the second issue of capital instruments so far this year and its purpose is to optimize and strengthen CaixaBank's already solid capital position.***
- ***Simultaneously, the bank has announced the redemption of the subordinated Tier 2 bond of €1 billion issued in April 2018 and with a first call date of 17 April 2025.***
- ***Strong demand has reduced the interest rate by 30 basis points to midswap + 175 bps.***

27 February 2025

CaixaBank has closed today its third public-format bond issue in 2025 and the ninth public Tier 2 subordinated bond issue in its history. The bank has successfully taken advantage of a market recovery window with respect to the previous day to issue €1 billion in Tier 2 subordinated format, for 12 years, with a daily early redemption option during the 6-month period prior to the seventh year. This is the first Tier 2 subordinated issuance by CaixaBank in 2025. The last issue of this type was made in August 2024.

The credit *spread* was set at 175 basis points on the midswap, achieving a reduction of 30 basis points from the “area” 205 basis points level established in the book-opening announcement, thanks to high demand, which, at its highest level, has exceeded €4 billion. These levels represent a reduction of 20 bps with respect to the spread of the issue in August 2024. The coupon has been set at 4.00%.

This strong reception has allowed the issuer to set the issuance size at €1 billion, thanks to the excellent quality of the book, which has registered the participation of more than 150 institutional investors, 97% of which was international demand.

This operation will have a neutral effect on CaixaBank's total capital position because, simultaneously, the entity has announced that in April it will exercise the early redemption option of the €1 billion Tier 2 subordinated bond issued in April 2018 (ISIN XS1808351214). As a result, with this renewal, the bank's capital structure remains optimized.

The issuance is expected to receive ratings from the four main rating agencies under the Investment Grade format, with the expected rating being Baa3, BBB-, BBB, A (low) by Moodys, S&P, Fitch and DBRS respectively. CaixaBank, Crédit Agricole, HSBC, Morgan Stanley and Nomura were the entities responsible for the bond placement.