

A&O ADVISES JOINT LEAD MANAGERS ON CAIXABANK'S €750M COCO BOND ISSUANCE

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Category: [Archive](#)



Allen & Overy has advised the Joint Lead Managers on €750 million Convertible Contingent

(CoCo) bond issuance from CaixaBank, admitted to trading by BME



BME admitted to trading a Convertible Contingent (CoCo) bond issue from CaixaBank for €750 million. It is a perpetual debt issue with a first call date set in April 2028. The issue will have a fixed coupon until 2028 and from there onwards a variable rate linked to the 5-year Mid-Swap. Due to the strong oversubscription during the placement - higher than €4.1 billion - the initial interest rate has been lowered to 5.875 per cent. This issue, which qualifies as additional Tier 1 capital (AT1), will allow the entity to strengthen its capital structure and increase the top-quality capital buffer.

CoCos are hybrid instruments that have both debt (they pay a periodic interest to the buyer) and equity (they can absorb losses) elements and are convertible into the issuer's shares if the highest quality capital ratio falls below a certain level.

To carry out the placement, CaixaBank has appointed Barclays Bank as Sole Structuring Advisor and Lead Manager, and Bank of America Securities Europe, CaixaBank, Morgan Stanley and Société Générale Corporate & Investment Banking as Joint Lead Managers.

Linklaters has advised the issuer and Allen & Overy the Joint Lead Managers in relation to Spanish and English legislation.

Allen & Overy team was led by Capital Markets partners Salvador Ruiz Bachs (pictured left) and Charles Poole-Warren (pictured right) and included associates Cristina Pablo-Romero and Katie Steval.

Linklaters advised the issuer with partners Jorge Alegre and Iñigo Berricano.

CaixaBank has a Baa1 rating, stable outlook, granted by Moody's; BBB +, stable outlook, by S&P, and BBB +, negative outlook, by Fitch.

Gonzalo Gómez Retuerto, General Manager of BME Renta Fija, highlights that the significant oversubscription registered in the placement "shows that the fixed income market continues receiving very high levels of interest from investors."