

## Significant Event

CaixaBank, S.A. hereby reports that it has been notified of the decision of the European Central Bank (ECB) regarding minimum capital requirements for next year for CaixaBank Group following the outcome of the Supervisory Review and Evaluation Process (SREP). In addition, the Bank of Spain has also informed CaixaBank about the capital buffer applicable to Other Systemically Important Institutions (O-SII).

Both decisions on SREP and O-SII remain unchanged with respect to the year 2019 at 1.50% and 0.25%, and require that CaixaBank Group maintains in 2020 a Common Equity Tier 1 (CET1) ratio of 8.78%<sup>1</sup>, which includes the minimum Pillar 1 requirement (4.50%), the ECB Pillar 2 requirement<sup>2</sup> (1.50%), the Capital Conservation buffer (2.5%), the O-SII buffer (0.25%)<sup>2</sup> and the countercyclical buffer (0.03%)<sup>3</sup>. Similarly, based on the minimum requirements of Pillar 1 applicable to Tier 1 (6%) and Total Capital (8%), the requirements will reach 10.28% for Tier 1 and 12.28% for Total Capital.

These solvency requirements compare to the following capital position of CaixaBank Group as of 30 September 2019:

|                      | Capital position Sep'19 | Minimum requirements |                   |                    |                  |
|----------------------|-------------------------|----------------------|-------------------|--------------------|------------------|
|                      |                         | TOTAL                | of which Pillar 1 | of which Pillar 2R | of which Buffers |
| <b>CET1</b>          | <b>11.7%</b>            | <b>8.78%</b>         | 4.5%              | 1.5%               | 2.78%            |
| <b>Tier 1</b>        | <b>13.2%</b>            | <b>10.28%</b>        | 6.0%              | 1.5%               | 2.78%            |
| <b>Total Capital</b> | <b>15.3%</b>            | <b>12.28%</b>        | 8.0%              | 1.5%               | 2.78%            |

As a result of these decisions, the CET1 threshold below which CaixaBank Group<sup>4</sup> would be forced to limit 2020 distributions in the form of dividend payments, variable remuneration and interest to holders of Additional Tier 1 instruments, commonly referred to as the activation level of the maximum distributable amount (or MDA trigger), is set at 8.78%, to which the potential capital shortfalls of Additional Tier 1 or Tier 2 should be added with respect to the minimum implicit Pillar 1 levels of 1.5% and 2%, respectively<sup>5</sup>.

Taking into account the current capital levels of CaixaBank Group, these requirements do not imply any of the aforementioned limitations.

6 December 2019

<sup>1</sup> All percentages of this significant event refer to the total amount of risk-weighted assets.

<sup>2</sup> Applies only at a consolidated level.

<sup>3</sup> As of 30 September 2019. It applies to both, solo and consolidated basis. Updated quarterly, it may differ between solo and consolidated level. As of 30 September 2019 both levels coincide.

<sup>4</sup> At solo level, as of 30 September 2019, CaixaBank's CET1 ratio reaches 13.2%. This compares with a 2020 minimum requirement CET1 of 7.03% (incl 0.03% of countercyclical buffer to be updated quarterly). Thus, capital requirements are more restrictive at a consolidated level than at solo level.

<sup>5</sup> As of 30 September 2019, there is no shortfall at Additional Tier 1 and Tier 2 levels