

CaixaBank agrees the sale of its stake in Repsol

- ***In line with the objectives of the current Strategic Plan, CaixaBank will initiate a sale process of its stake in Repsol that will be completed, on the one hand, through the early settlement of the two existing equity swaps representing 4.61% of the CaixaBank stake in Repsol and, on the other hand, through a disposal programme for the remaining 4.75% position.***
- ***The proprietary directors of CaixaBank on the Board of Directors of Repsol, Jordi Gual, Chairman of CaixaBank, and Gonzalo Gortázar, Chief Executive Officer, have handed in their resignation for these positions.***
- ***The company reiterates its current return objective (“RoTE”) of 9-11% for 2018. It is estimated that this operation will result in an extraordinary net loss of, approximately, 450 million euros in the P&L statement of the third quarter and, once the sale process is complete, it is expected to have a broadly neutral impact on the fully-loaded Common Equity Tier 1 (CET1) capital ratio.***

Barcelona, 20 September 2018.- The Board of Directors of CaixaBank has agreed to sell its 9.36% shareholding in Repsol. The proprietary directors of CaixaBank on the Board of Directors of Repsol, Jordi Gual, Chairman of CaixaBank, and Gonzalo Gortázar, Chief Executive Officer, have stepped down from these positions.

The sale process will be completed, on the one hand, through the early settlement of the two existing equity swaps representing 4.61% of the CaixaBank stake in Repsol.

And, on the other hand, through a disposal programme for the remaining 4.75% position in Repsol that will commence immediately and terminate no later than the end of the first quarter of 2019. The disposals will have a daily limit of a maximum of 15% of the daily trading volume.

This 4.75% stake in Repsol will be accounted for as “Financial assets at fair value with changes in other comprehensive income”. Therefore, after the entry into force of the standard IFRS9 and in accordance with the Group’s accounting policy, the oscillations in the contribution of financial investments recorded under this heading will be recorded in assets (Other Comprehensive Income) and they will not have an effect on the income statement.

CaixaBank reiterates the RoTE target of 9-11% for 2018

It is estimated that this programme for the sale of the stake in Repsol will result in an one-time net loss of, approximately, 450 million euros in the P&L statement of the third quarter of 2018 and, once the sale process is completed, it is expected to have a broadly neutral impact on the fully-loaded Common Equity Tier 1 (CET1) capital ratio.

In addition, the existing CaixaBank return on tangible equity ("RoTE") target of 9-11% for 2018 is reiterated.

This operation is aligned with the objectives set out in the 2015-2018 Strategic Plan, which includes a reduction in the weight of the capital charge of the investee portfolio, which reached 16% at year-end 2014. At the end of the second quarter of 2018, the capital assigned to investees stood at 5% after various operations were carried out in this period, notably including the sales of the shareholdings in The Bank of East Asia and in the Grupo Financiero Inbursa, and the takeover of BPI.