Significant Event

CaixaBank, S.A. ("CaixaBank") hereby reports that it has been notified of the decision of the European Central Bank (ECB) regarding minimum capital requirements for CaixaBank Group in 2018 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 remain unchanged with respect to the year 2017 on a fully loaded basis[1], 1.50% and 0.25% respectively, and require that CaixaBank Group maintains a phase-in Common Equity Tier 1 (CET1) ratio of 8.063%[2], which includes the minimum Pillar 1 requirement (4.50%), the ECB Pillar 2 requirement[3] (1.50%), the Capital Conservation buffer (1.875%)[4] and the O-SII buffer (0.187%[5]). The minimum fully loaded CET1 ratio would therefore stand at 8.75%. Similarly, based on the minimum requirements of Pillar 1 applicable to Tier 1 (6%) and Total Capital (8%), the requirements would reach 9.563% phase-in / 10.25% fully loaded for Tier 1 and 11.563% phase-in / 12.25% fully loaded for Total Capital.

These solvency requirements compare to the following capital position of CaixaBank Group as of 30 September 2017:

	Capital position Sep'17		Minimum requirements							
	Phase-in	Fully loaded	Phase-in (2018)	*of which Pillar 1*	*of which Pillar 2R*	*of which Buffers*	Fully loaded	*of which Pillar 1*	*of which Pillar 2R*	*of which Buffers*
CET1	**12.7%**	**11.7%**	**8.063%**	*4.5%*	*1.5%*	*2.063%*	**8.75%**	*4.5%*	*1.5%*	*2.75%*
Tier 1	**12.8%**	**12.3%**	**9.563%**	*6.0%*	*1.5%*	*2.063%*	**10.25%**	*6.0%*	*1.5%*	*2.75%*
Total Capital	**16.2%**	**15.8%**	**11.563%**	*8.0%*	*1.5%*	*2.063%*	**12.25%**	*8.0%*	*1.5%*	*2.75%*

As a result of the ECB's decision, the phase-in CET1 threshold below which CaixaBank Group[6] would be forced to limit 2018 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 8.063%, to which the potential capital shortfalls of Additional Tier 1 or Tier 2 own funds should be added with respect to the minimum implicit levels of Pillar 1 of 1.5% and 2%, respectively[7].

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

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[1] However, the phase-in requirement increases due to the phasing-in of the third quarter of the combined buffer requirements
[2] All percentages of this significant event refer to the total amount of risk-weighted assets
[3] Only applies at a consolidated level
[4] The Capital Conservation buffer considers a linear implementation period of four years starting on 1 January 2016 and should reach 2.5% in 2019
[5] The O-SII buffer considers a linear implementation period of four years starting on 1 January 2016 and should reach 0.25% in 2019
[6] At an individual level, as of September 30, 2017, CaixaBank's CET1 phase-in ratio reaches 12.9%, which compares with a minimum requirement of 6.563% as of January 1, 2019, with the consolidated perimeter being more restrictive than the individual one
[7] As of September 30, 2017, there is a 1.422% Additional Tier 1 shortfall compared to 1.5%