

Inside information

CaixaBank S.A., hereby reports that, today, it has been formally notified by the Bank of Spain of the Total and Subordinated Minimum Requirement of own funds and Eligible Liabilities (“the MREL”), as determined by the Single Resolution Board (“SRB”). This requirement replaces the former one, which was reported to the market as a Significant Event on the 24th April 2019 (filing no. 277345).

According to this notification, CaixaBank must attain, from 31st December 2020, a minimum amount of own funds and eligible liabilities at a consolidated level (“the Total MREL”) of 10.56% of the total liabilities and own funds (“TLOF”), as of 31st December 2018. Moreover, 7.80% of the TLOF must be comprised of subordinated instruments (“the Subordinated MREL”¹). The Total MREL at a consolidated level, expressed as a percentage of the risk-weighted assets (“RWA”) reported as of 31st December 2018, would be 22.70%, whereas the Subordinated MREL, again as a percentage of RWA, would be 16.77%.

According to CaixaBank’s own estimates, based on actual eligibility requirements of the SRB, as of 31st March 2020, the ratios, expressed as a percentage of RWA, are 22.6% for the Total MREL position and 19.6% for the Subordinated MREL position.

The above decision is based on the applicable legislation at each point in time and is liable to be modified by the resolution authorities, particularly as refers to the commencement date on 28th December 2020 of the Bank Recovery and Resolution Directive (“BRRD 2”). Accordingly, as a response to COVID-19, the SRB has declared its intention to adopt a forward-looking approach as regards existing MREL requirements. Furthermore, the SRB has stated that, for the 2020 resolution cycle, decisions will be made taking into account the 2022-2024 transitional periods set out in BRRD2.

The required MREL is in line with the expectations of CaixaBank. Its fulfilment is a part of the long-term funding plan, which is designed so that the MREL can be comfortably met as dates of enforcement come due.

5 June 2020

¹ The SRB considers that the Subordinated MREL can be met with non-subordinated instruments of up to 2.20% of RWA, equivalent to 1.02% of TLOF. If this allowance is taken into account, the Subordinated MREL would be 6.78% in terms of TLOF and 14.57% in terms of RWA, both calculated as of 31st December 2018.