

Inside information

CaixaBank S.A. (“CABK”) hereby reports that, today, it was notified by the Bank of Spain of its Total and Subordinated Minimum Requirements for Own Funds and Eligible Liabilities (“MREL”), as determined by the Single Resolution Board (“SRB”). These requirements replace those that were previously applicable, as reported on 5 June 2020 in filing number 270 to the Spanish securities regulator (“CNMV”).

Said requirements are based on the Bank Recovery and Resolution Directive (“BRRD2”), which will apply from 29 December 2020. BRRD2 sets out that the final date for complying with MREL requirements is 1 January 2024, with an intermediate requirement to be met before 1 January 2022. Furthermore, BRRD2 establishes that the Total and Subordinated MREL must be expressed as a percentage of both Risk-Weighted Assets (“RWA”) and the Leverage Ratio Exposure (“LRE”).

As set out in the notification, CABK, on a consolidated basis, must comply by 1 January 2024 with a minimum amount of own funds and eligible liabilities of 20.19% of RWA, which would equate to 22.95% when including the Combined Buffer Requirements (“CBR”)¹. As for the intermediate requirement, the SRB has decided that, by 1 January 2022, CABK must comply with a Total MREL requirement of 19.33% of RWA, which would be equal to 22.09% when including the CBR.

Furthermore, CABK, on a consolidated basis, must comply by 1 January 2022 with a Total MREL requirement of 6.09% of the LRE.

With regard to the requirement for a minimum amount of own funds and subordinated eligible liabilities (“the Subordinated MREL Requirement”), the SRB has decided that CABK, on a consolidated basis, must comply from 1 January 2022 with a Subordinated MREL of 13.50% of RWA, which would equal to 16.26% including the CBR, in addition to a Subordinated MREL of 6.09% over LRE.

The MREL requirements are in line with expectations of CABK. As of 30 September 2020², CABK, on a consolidated basis, already complies with the Total and Subordinated MREL Requirements, both as a percentage of RWA and as percentage of LRE. Furthermore, the long term funding plan foresees further reinforcement of the MREL ratios so that these can be comfortably complied with in the future.

¹ Combined Buffer Requirements amount to 2.76% of RWA at 30 September 2020.

² Proforma for the issuance of AT1 debt and the partial disposal of Comercia in October 2020, as well as the issuance of senior non-preferred debt in November 2020.

Total and Subordinated MREL including CBR vs current ratios

Requirement as % RWA	2022	2024	MREL ratio (September pf) ²
Total MREL	22.09%	22.95%	25.1%
Subordinated MREL	16.26%	16.26%	21.6%

Requirement as % LRE	From 2022	MREL ratio (September pf) ²
Total MREL	6.09%	9.0%
Subordinated MREL	6.09%	7.8%

28 December 2020