

CriteriaCaixa net profit totalled €419 million in the first half of 2019

- **The results for the period were affected by a smaller contribution from its main banking investments (CaixaBank and Bank of East Asia).**
- **The holding company is pressing ahead with its investment diversification strategy, which reached nearly €500 million in the first six months of the year.**
- **Criteria has reduced its debt by about €400 million in this first half. Debt has fallen 45% since 2016.**

Barcelona, 30 July 2019.- CriteriaCaixa, an investment holding company that manages the corporate assets of "la Caixa", has reached a consolidated net profit of EUR 419 million in the first half of 2019.

The attributable profit generated by banking activity has reached EUR 278 million, 50% less than the same period in the previous year, due to two significant events recorded this first half in CaixaBank and Bank of East Asia.

In the case of CaixaBank, it has registered a net amount of 685 million euros linked to the agreement reached with the representatives of the bank's workers for a plan for voluntary terminations with compensation (approx. €275 million attributed to Criteria). At Bank of East Asia -and as a result of a profit warning that the Asian bank published last June- Criteria has recorded an attributed net impact of around 50 million euros.

Profit from industrial and services activities has increased by 2% in the first half, reaching €209 million.

Real estate business management has generated revenues from sales and rentals totalling €112 million (€49 million in the first half of 2018), which, together with the right cost containment, has improved its contribution to the Group's result.

All the above has meant that the recurring net profit of CriteriaCaixa in the first half of 2019 has decreased by 32% versus the same period in the previous year.

Asset value and investment diversification

As at 30 June 2019, the gross asset value (GAV) of CriteriaCaixa amounted to €21,609 million (€16,708 million, net of debt): 75.8% listed equity securities (most notably a 40% stake in CaixaBank and 24% in Naturgy); 12.4% real estate assets; 4.4% non-listed equity securities; 3.7% fixed income and others; and 3.8 % cash and equivalents.

Since mid-2018, it has been steadily diversifying the portfolio to acquire various minority interests in listed companies. Net investment during the first half of 2019 reached EUR 497 million. Worth mentioning are the investment in Cellnex totalling €72 million, as part of the company's capital increase, and the increased position in Telefónica, which now stands at 1.2%.

Active management of debt activity

CriteriaCaixa has reduced its debt by about 400 million euros in the first half of the year.

In April, the company placed a five-year senior bond issuance euros worth €600 million, with an annual coupon of 1.375%. The issuance was intended to partially finance the maturity of a 1,000 million senior bond issuance that accrued a coupon of 2.375%. The new bond issuance allows Criteria to lengthen its maturity structure and reduce financial costs (average cost of 1.9% in the first half).

In recent years, CriteriaCaixa has undertaken significant deleveraging, with a reduction of about 45% of its gross debt from EUR 8,768 million at the end of 2016 to 4,841 million at the end of the first half of this year. The net debt ratios stood at 19.4% at the end of the first half of 2019.

Contribution to the "la Caixa" Welfare Project

CriteriaCaixa distributed a total of €250 million in dividends to its sole shareholder, "la Caixa" Banking Foundation, over the first half of 2019.

The President of "la Caixa" and Criteria, Isidro Fainé, highlighted the following: "The 2018 financial year was a turning point in CriteriaCaixa's traditional investment strategy, with the start of a portfolio diversification process in listed companies with high dividend yield and growth potential. This is all with the twofold mission of generating the necessary resources to finance the "la Caixa" Welfare Project and preserve and increase the assets of the Banking Foundation by creating value".

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