Significant Event

Criteria Caixa, S.A.U (CriteriaCaixa) has received a decision from the European Central Bank (ECB) regarding prudential minimum capital requirements for CriteriaCaixa Group, following the results of the Supervisory Review and Evaluation Process (SREP). In addition, it has also been informed by the Bank of Spain of a capital buffer derived from its status as an Other Systemically Important Institution (O-SII).

These decisions state that CriteriaCaixa is to maintain during 2017 a Common Equity Tier 1 (CET1) capital ratio (phase-in) of 7.375% on a consolidated basis, which includes: the minimum Pillar 1 requirement (4.50%); the ECB Pillar 2 requirement (1.50%); the Capital Conservation buffer (1.25%)[1]; and an additional buffer from its consideration as an O-SII (0.125%)[2].

Furthermore, CriteriaCaixa Group is required to maintain a Total Capital ratio (phase-in) of 10.875% during 2017, having the same elements of the CET1 ratio except of its Pillar 1, being 8% for the Total Capital ratio.

The ECB's decision implies that the CET1 phase-in threshold below which CriteriaCaixa Group would be forced to limit distributions in the form of dividends, variable compensation and coupon payments to holders of AT1 instruments, commonly referred to as the activation level of the maximum distributable amount (or MDA trigger), is set to 7.375% during 2017.

These requirements compare to CriteriaCaixa Group *pro forma*[3] ratios CET1 of 12.8%, and Total Capital of 15.5%, for regulatory purposes as of end-September 2016 (phase-in). As a consequence, the capital requirements applicable to CriteriaCaixa on a consolidated basis throughout 2017 would not result in any of the aforementioned MDA limitations laid down in solvency regulation.

Barcelona, 30th November 2016

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[1] *The Capital Conservation buffer has been phased in 4 years. Eventually a 2.50% level would be required from 2019 onwards.*

[2] *The O-SII buffer has been phased in 4 years. Eventually a 0.25% level would be required from 2019 onwards.*

[3] *Calculated on a consolidated basis, including the accumulated retained earnings for the period, according to the new prudential minimum capital requirements derived from this SREP decision.*