

## **CaixaBank reiterates to shareholders its commitment to society and to socially responsible banking at its Annual General Meeting**

- **CaixaBank's Annual General Meeting approves, among other motions and proposals put forward by the Board of Directors, the re-election of Gonzalo Gortázar as director and the appointment of Marcelino Armenter and Cristina Garmendia to the Board of Directors.**
- **During his address to shareholders, CaixaBank Chairman Jordi Gual insists that “the socially responsible banking model is in our DNA and is a sustainable source of value generation for shareholders, customers, employees and society in general”.**
- **Jordi Gual affirms that “the commitment of all employees to our mission and values affords us great optimism: CaixaBank is a success story with a solid foundation, which looks to the future with ambition”.**
- **CaixaBank's CEO, Gonzalo Gortázar, underlines the main milestones in 2018: “Cementing our leadership in retail and digital banking, ensuring a heavy reduction in non-performing and non-strategic assets, and achieving a satisfactory return”.**
- **For Gonzalo Gortázar, priorities for the upcoming years include “being closer to our customers, maintaining a return that is both sustainable and rewarding for shareholders, and continuing to act as a benchmark for responsible banking. To achieve all this, we have the best team behind us”.**

**Valencia, 5 April 2019**

CaixaBank, Spain's leading retail bank, held its Annual General Meeting today, during which it granted discharge to the management and ratified earnings for 2018. CaixaBank secured a majority vote among its shareholders, who approved, among other motions and proposals put forward by the Board of Directors, the re-election of Gonzalo Gortázar, Amparo Moraleda, John S. Reed and María Teresa Bassons as directors, and the appointment of Marcelino Armenter and Cristina Garmendia as new members of the Board of Directors.

During his address to shareholders, CaixaBank's Chairman, Jordi Gual, expressed his gratitude to outgoing directors Javier Ibarz, Juan Rosell, Alain Minc and Antonio Sáinz de Vicuña, praising “their unflinching dedication, support and commitment to the Bank over the years and in tackling all the challenges to have come our way during their time on the Board”.

The Chairman and CEO also showed their appreciation for the “commitment and hard work of the Group’s more than 37,000 employees, without which we would not have been able to meet the objectives we set ourselves over the course of the 2015-2018 Strategic Plan”.

### **Global macroeconomic climate and unsolved challenges**

After outlining the achievements made under the previous Strategic Plan and remarking that “this places us in in good stead to reach the objectives set out under the new 2019-2021 Strategic Plan”, CaixaBank Chairman Jordi Gual discussed the general macroeconomic climate and outlook for 2019, declaring that “both the global and eurozone economies are likely to see moderate growth over the coming years”.

Within this largely positive climate, yet not immune to uncertainties, “Spain and Portugal will continue to outpace the eurozone in terms of growth”, explained Gual, who believes that certain key challenges remain unsolved, such as the need to “lower levels of public debt and press on with the reform process to further enhance competition, while at the same time paving the way for more inclusive growth that leaves no-one behind”.

CaixaBank's Chairman also touched on the subject of monetary policy within the eurozone, now that the European Central Bank has started to rethink its policy of maintaining a negative deposit facility rate. For Gual, “this would be a positive and most welcome decision since the concerns that warranted the negative rate in the first place, and by that I mean the impending threat of deflation, have now dissipated”.

### **New challenges ahead**

The Bank's Chairman highlighted the main challenges now facing the financial sector in its current situation, “such as the data revolution and rising mobility”. For Gual, “the digital transformation is a huge opportunity for us to interact more with our customers and offer them a better experience, something that we at CaixaBank have shown we know how to do well”.

Besides prudential regulations, Jordi Gual also discussed the “new regulations governing conduct and behaviour, as well as the protection of customer data and privacy”. CaixaBank's Chairman assured shareholders that “we share this belief and we are extremely aware of the importance of acting with the utmost transparency and integrity, and of having a sturdy governance model in place to maximise compliance with obligations in relation to banking, insurance and the securities markets”.

## **Committed to a socially responsible banking model**

Jordi Gual explained that society as a whole expects more from companies when it comes to social responsibility. According to Gual, “while the demands placed on banks are now greater than ever following the crisis, delivering on these expectations will ultimately help the financial sector regain the public's trust”. Following on, Gual stressed that “socially responsible banking is in our DNA and is a sustainable source of value generation for shareholders, customers, employees and society in general”.

The Chairman claimed that “the commitment of all Bank employees to our mission and values affords us great optimism. CaixaBank is a success story with a solid foundation, which looks to the future with ambition”.

Lastly, Jordi Gual outlined the Bank's share performance and dividend policy. According to CaixaBank's Chairman, “accomplishing our 2015-2018 Strategic Plan led to a healthy share performance, with a total return—including dividends—that was up 13% on the average for Ibx 35 banks over the same period”.

Despite a somewhat less favourable showing in the first quarter of 2019, Gual is firmly convinced that “we will continue demonstrating our ability to generate results against a backdrop of rock-bottom interest rates, while showing that the measures we are taking—which come with a short-term cost—will ultimately strengthen our business model and our capacity to generate sustainable value over each year of the plan and further into the future”.

## **Rising market shares and improved returns**

CaixaBank's CEO, Gonzalo Gortázar, began his address with a brief review of 2018. Gortázar underlined the main milestones reached in the year: “Cementing our leadership in retail and digital banking, ensuring a heavy reduction in non-performing and non-strategic assets, and achieving a satisfactory return”.

CaixaBank has continued to report significant growth in market shares across all its retail products, despite already being the market leader. “Our share of the payroll market stands at 26.8%. When it comes to mid-term and long-term savings products and private sector loans, our market shares come to 21.8% and 15.7%, respectively. Our market penetration among individual customers is 29.3% and we have a 32% market share among digital clients, making us the leading bank within the system”, added the CEO.

Gortázar spoke also about the “ongoing improvements in our rate of return, which has climbed from 3.4% in 2014 to 9.3% at year-end 2018, in line with the objectives envisioned in the Strategic Plan and relating to cost of capital”.

**People: the Bank's main priority**

Following on, the CEO explained the Bank's priorities for the upcoming years, which include "being closer to customers, maintaining a return that is both sustainable and rewarding for shareholders and continuing to act as a benchmark for responsible banking. To achieve all this, we have the best team behind us".

For Gortázar, "changing customer behaviours, a prolonged period of rock-bottom interest rates, strong pressure from competitors and an unsustainably low cost of risk, are all factors that are forcing us to invest heavily in tailoring our distribution network to customers, while constantly looking to become more efficient and, therefore, sustainable".

The CEO then unveiled the five strategic lines of the Strategic Plan, which will lay the foundations for the banking sector of tomorrow.

Gonzalo Gortázar reminded shareholders of the strategy already announced at the end of 2018 of consolidating the 'Store' urban branch model (minimum of 600 branches to be up and running by 2021) and the Bank's commitment to maintaining the AgroBank model in more rural communities (1,100 branches in towns and villages with fewer than 10,000 inhabitants), all with the aim of "combining specialist knowledge and extended opening times with proximity, penetration, and expertise".

For CaixaBank's chief executive, "the Bank's key commitment is to people –both clients and employees– and to the society as a whole". According to Gortázar, "digital transformation is a hugely valuable tool and will allow us to offer the best experience to our customers, increase employee productivity and further cement our leadership".

Gortázar argued that "we cannot offer the best experience to customers without having the best and most motivated people on our side". On this point he remarked that "we will continue to invest in training, in changing the profile of the organisation, in fostering diversity and in making our culture more agile and customer-oriented".

Turning his attention to profitability objectives, CaixaBank's CEO confirmed the Bank's objective of growing RoTE to above 12% by the end of the new Strategic Plan, "with an improvement in core income from the banking business driven by increased levels of business, heavier focus on investment and transformation, and ongoing efforts to reduce non-performing assets".

"We cannot conscientiously engage in financial activity without being firmly committed to society", added Gortázar as he wrapped up his address. For CaixaBank's Chief Executive, "the generally poor perception of the financial sector is a serious problem, yet it also provides an opportunity to show what makes CaixaBank different and here we are talking about quality, trust and social commitment."