

## ***José Ignacio Goirigolzarri: “The merger is our strategic response to the challenges faced by the industry”***

- ***During his address to shareholders, CaixaBank’s Chairman, José Ignacio Goirigolzarri, highlighted that “the merger gives the Group a critical size, financial strength and sustainable profitability, rooted in shared values and a common culture”.***
- ***José Ignacio Goirigolzarri explained that the Bank must be a “highly flexible organisation, capable of responding promptly to a changing environment”. And, to achieve this objective, he stressed the importance of CaixaBank’s team: “I have no doubt that in an increasingly technological world, people will continue to be the key factor for success”***
- ***Meanwhile, CaixaBank’s CEO, Gonzalo Gortázar, emphasized “the intense customer activity in 2020, the increase in business volumes and market share, as well as generating earnings and the strength of the balance sheet”.***
- ***For the CEO, “the Bank’s priorities in 2021 are to actively continue to contribute to the economic recovery; to successfully complete the integration process with Bankia; and to be a benchmark in socially responsible banking”.***

**Valencia, 14 May 2021**

CaixaBank’s Chairman, **José Ignacio Goirigolzarri**, explained at the first Ordinary General Shareholders’ Meeting of the new group, today that the merger just completed between CaixaBank and Bankia is “our strategic response to the enormous challenges faced by the industry”, and that “our main task as managers is to guarantee the sustainability of the project”.

The merger “allows us to face the future from an advantageous starting position”, though it will also “force us to make some very important strategic decisions and, above all, to become a highly flexible organisation, capable of responding promptly to a changing environment”, added José Ignacio Goirigolzarri.

CaixaBank held its first General Shareholders’ Meeting today following completion of the merger with Bankia, which was approved last December by a more than 99%-majority at the extraordinary General Shareholders’ Meetings of both banks.

During his address, Goirigolzarri highlighted that “CaixaBank is now the leading financial group in our country, with a clear leadership culture thanks to the support of more than 21 million customers in Spain and Portugal”.

Both the Chairman and the CEO expressed their gratitude and admiration for the entire team of the current CaixaBank Group and praised “their hard work, talent, dedication, commitment, capability and professionalism”.

### **Guaranteeing the sustainability of the project in the future**

Goirigolzarri began his speech by explaining that with the merger “we aim to achieve a critical size to improve efficiency and enhance our capacity to invest in technology and innovation, with greater financial strength and sustainable profitability thanks to a balanced business mix and a strong capacity to generate diversified revenues”; and all of this “founded in common values and a common culture, mitigating the implementation risk inherent in any integration”.

“The merger gives us a great starting point by giving us the financial muscle we need to undertake the necessary investments, while allowing us to build a highly attractive project with which to retain and attract the best talent”, he added.

Goirigolzarri highlighted that “the merger is our strategic response to the enormous challenges we face as an industry. Indeed, the pandemic has been a catalyst for the huge transformation taking place among our peers and competitors”.

Among these new challenges, he first pointed out “the negative interest rate scenario, that is going to last for a long period of time, is forcing us to rethink the traditional model because certain business activities will no longer be profitable”.

Secondly, Goirigolzarri referred to “the technological revolution that affects all elements of the value chain of our business and that requires us to profoundly reconfigure our core banking to be more efficient and get the most of the use of new techniques, which is undoubtedly a source of competitive advantage”.

Finally, the third challenge is the context of enormous competition that the sector is facing. For Goirigolzarri, a double perspective must be considered: “The first, in the financing world. In this sector, we are witnessing a very unique growth of non-bank competitors, which is often called shadow banking”.

The second perspective of growth in competition, according to the Bank’s Chairman, “is in the retail banking world, where the change in customer habits and the technological revolution feedback is lowering barriers to entry in the sector”.

In this context, Goirigolzarri stressed that “our job as managers is to ensure the sustainability of the project in the future.” In this sense, he explained that “a project, a sector, or a company is only sustainable if society finds it useful and wants it to exist. And to succeed, we must not only achieve excellent results, but these same results must be based on a responsible management model where our customers are satisfied and our professionals feel recognised”.

With this objective in mind, he proclaimed that “we must manage our organisation with two focuses and one purpose. These focuses are an excellent corporate governance and a clear commitment to society, while the purpose is to be very close to our customers as we cater to all of their financial needs and offer them an excellent service”.

Goirigolzarri remarked that excellent corporate governance is a prerequisite for the sustainability of any project. In this sense, he claimed that “we now have an excellent Board of Directors at CaixaBank, with brilliant and complementary curriculums, with enormous experience and with a 60% representation of independent directors. I am pleased to say women account for 40% of the Board, all with excellent professional records”.

### **People will continue to be the key factor for success**

As the Bank’s Chairman pointed out, “social responsibility is CaixaBank’s hallmark, of which we are all very proud. Social commitment has been in our Bank’s DNA since its inception, and is expressed in our financial endeavours and through our extensive social action”. These two pillars —excellent corporate governance and social responsibility— aim to bring us closer to customers and, as Goirigolzarri remarked, “we are convinced that together we will be able to lead the transformation process within our industry by harnessing our enormous proximity to our customers and society”.

“A challenge”, Goirigolzarri remarked, “for which we also have very important strengths that we must preserve: the trust of our more than 21 million customers; a unique approach to sustainable banking, and a close relationship with society through the “la Caixa” Foundation; a great financial strength, and, of course, an excellent team, which is key to the success of any company”.

On this last subject, the Bank’s Chairman recalled that “we are in dialogue with the employees’ representatives, a process where we have the clear goal of reaching agreements, and I am convinced that we will reach them” . And he added that “we will manage the entire process with the conviction that, thanks to our team, we are where we are today, configuring this extraordinary platform that is CaixaBank, because I have no doubt that in an increasingly technological world, people will continue to be the key factor for success”.

### **CaixaBank, a year alongside clients and society**

CaixaBank CEO, **Gonzalo Gortázar**, reviewed the highlights for the 2020 financial year, which were laid before shareholders for their approval. “It was an unprecedented year amid the pandemic, in which CaixaBank has shown, in a very tangible and special way, that it is there to accompany and support customers and society as a whole. It was also a year of intense customer activity, with an increase in business volumes, market share, generating earnings and a stronger balance sheet,” added Gortázar. “Moreover, it was the year of the merger, which marked a decisive step forward in the scope, competitive capacity and sustainability of the CaixaBank Group project”.

Gonzalo Gortázar also recalled the main figures of the measures that CaixaBank deployed in response to the pandemic and stressed that “thanks to the dedication of thousands of professionals and intense teamwork, the Bank kept its extensive branch network fully operational when things were at their worst to provide ongoing service and support to customers”. Since the onset of the crisis through to March of this year, CaixaBank has granted 505,000 loan moratoria in Spain and Portugal, worth €17.5 billion, climbing to 615,000 moratoria if we include Bankia. In Spain, €13.3 billion in loans with public guarantees has been granted, which rise to €22 billion if we include those granted by Bankia.

As for the income statement, and as Gonzalo Gortázar explained, the most notable and positive aspect was its resilience, which enabled the Bank to maintain recurring revenues despite the difficult environment in which it was forced to operate. Turning to expenses, he noted that “in the wake of the pandemic, it has been very important to manage and contain operating expenses, which were down 4%”. Thanks to the performance of income and expenses, the cost-to-income ratio, which measures the operational quality of the business, improved in the year to 55.1%. “We must continue to target this ratio as we aim to further improve the future sustainability of our business”, he added.

### **An effective business model thanks to a highly prepared team**

For Gonzalo Gortázar, CaixaBank’s purpose is to continue supporting the economy, households and society. “We are confident that we have the building blocks in place: an effective business model, a strong financial position and a highly prepared and committed team. Moreover, we now have the integration project with Bankia, which will give us greater scope, capacity and sustainability”, he explained. “Another of the Bank’s priorities this year is to successfully complete the integration of business, employees and systems, while continuing to provide the best quality of service to customers.”

The CEO noted that the CaixaBank Group has been firmly committed to society and sustainability since its inception and that this “is, and will always remain, a key priority”. For Gonzalo Gortázar, “business results make sense in that they allow us to better support the economy and help society in the best way”. He stressed that the Bank aims to continue contributing actively to the recovery and to remain a benchmark for socially responsible banking.

Gonzalo Gortázar concluded his speech by reminding shareholders that the CaixaBank Group has a unique corporate structure: “The results we reap not only benefit our retail shareholders, but also a partner such as “la Caixa”, which is wholeheartedly committed to society”.