

## **CaixaBank aspires to stand as a European benchmark in terms of profitability and socially responsible banking under its new 2019-2021 Strategic Plan**

- ***During his speech to shareholders, CaixaBank Chairman Jordi Gual asserted that “CaixaBank remains committed to deploying a socially responsible banking model, standing as a sustainable driver of long-term value generation for investors”.***
- ***Jordi Gual pointed out that “our financial and business performance has driven a very positive share price trend, securing a return of 28% including dividends, outstripping the Ibex35 by 17 points and the benchmark European banking index by 13 points”.***
- ***CaixaBank’s CEO, Gonzalo Gortázar, drew attention to the “quality and sustainability of results secured in 2017, the strongest in the bank’s history, thanks to robust recurrent income from the banking business”.***
- ***According to Gonzalo Gortázar, the priorities in 2018 will be “further strengthening customer engagement, again spearheading digital transformation and driving growth for the Portuguese business, as well as cutting levels of non-performing assets”.***
- ***Jordi Gual and Gonzalo Gortázar thanked Antonio Massanell, who held the post of Deputy Chairman of CaixaBank until the end of 2017, for “his commitment and dedication to the institution since it was incorporated in 1971, as well as his invaluable contribution to establishing CaixaBank as one of the world’s most innovative banks”.***

**Valencia, 06 April 2018**

The CaixaBank Annual General Meeting today approved the bank’s 2017 management and results. CaixaBank secured support from the majority of shareholders, who backed various motions put forward by the Board of Directors, including the ratification and appointment of Tomás Muniesa and Eduardo Javier Sanchiz Irazu as members of the Board of Directors.

Jordi Gual and Gonzalo Gortázar commended “CaixaBank’s distinct approach to banking” during their speeches to shareholders. “We are already a global benchmark in terms of corporate responsibility, and it is our ambition to strengthen this standing even further in future”, said CaixaBank Chairman Jordi Gual.

In his address to the Annual General Meeting, Jordi Gual affirmed that in 2017 “the CaixaBank Group had reinforced its leadership in retail banking, which is no easy task bearing in mind our already very high market shares”. This was made possible by “the relationship of trust that we have built with customers thanks to the constant efforts of our teams”.

### **Growing credit capacity in the financial system**

In the first half of his speech, the CaixaBank Chairman provided an overview of the global macroeconomic climate and prospects for 2018. “The global economy grew 3.7% in 2017, while prospects for 2018 are also upbeat, with global GDP growth forecast to stand at close to 4%”, said Gual.

“The Spanish economy has been a standout performer” in this global growth climate, added Gual, while warning that there are outstanding challenges, such as “driving employment growth and cutting public and foreign debt levels; as well as pushing through reforms in areas such as education, justice, and pensions, both to bolster growth potential and ensure social cohesion”.

“The economic recovery has unquestionably benefited from an increasingly robust banking system that is able to deliver greater credit”, remarked the CaixaBank Chairman, adding that “banks must remain focused on cost containment and shedding unproductive assets, which remain at high levels despite the efforts made in recent years”.

### **2019-2021 Strategic Plan: shoring up a leading position**

Turning to CaixaBank’s business results, the Chairman said that “our banking model has proven itself a success for yet another year: we are the leading bank in Spain and Portugal, serving 15.7 million customers and holding 350 billion euros in funds”.

Regarding the 2015-2018 Strategic Plan, the CaixaBank Chairman said he was satisfied with the progress secured in the main strategic areas, expressing his confidence that the targets set for the final year of the plan would be met.

“We are doing well but must keep up our efforts to achieve three main targets for 2018: to act with foresight in terms of new digitalisation trends; to secure profitability for the bank of between 9% and 11%; and further diversify the balance sheet towards more profitable segments”, said Jordi Gual.

As well as driving progress in these priority areas, the Chairman and CEO announced that the organisation is currently preparing a new three-year strategic plan for 2019-2021, which will be unveiled in late November. “The aim will be to duly position ourselves in a rapidly changing competitive and technological climate; but also to create an ambitious plan capable of shoring up our position as a leader in terms of profitable and sustained growth in European banking,” said Jordi Gual.

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

“What will certainly not change under the forthcoming strategic plan, nor any other future plan, will be our steadfast commitment to socially responsible banking”, stated Jordi Gual during his address.

“We remain committed to the well-being of all communities within our footprint and will partner with “la Caixa” Welfare Projects to ensure that the great work performed by the “la Caixa” Banking Foundation reaches those who need it most”, added the CaixaBank Chairman.

According to Gual, these activities “mark out CaixaBank from its peers, seeing it create value for all communities where it operates, and ensuing that our approach is a sustainable source of long-term value generation for investors”.

### **CaixaBank shares secure a return of 28% in 2017.**

Jordi Gual also gave a summary of the Bank’s stock performance and dividend policy. According to Jordi Gual “our financial and business performance has driven a very positive share price trend, securing a return of 28% including dividends, thus outstripping the Ibex35 by 17 points and the benchmark European banking index by 13 points”.

“As well as a buoyant stock price, we boosted total returns via attractive shareholder remuneration. As you know, and as we constantly strive to demonstrate, our commitment to the dividend is resolute”, emphasised Gual.

The final dividend in cash of 0.08 euros gross per share, payable on 13 April, means total shareholder remuneration for 2017 will stand at 0.15 euros per share, representing an increase of 15.38% against 2016 remuneration, which amounted to 0.13 euros.

Thus, CaixaBank will have paid its shareholders 897 million euros in cash, a figure equivalent to 53% of net group profit, in line with the 2015-2018 strategic plan, which envisages distributing at least 50% of profit via dividends.

### **Increased market shares and improved profitability**

Meanwhile, CaixaBank CEO Gonzalo Gortázar began his speech by offering a review of 2017. “CaixaBank had a very good year at the commercial level, in line with the trends seen in 2015 and 2016, which has been very positive for its financial statements”, said Gortázar.

CaixaBank again secured significant market share growth in retail products, despite already holding a leading position. “We have a market share in payrolls of 26.3%, in medium-term savings products of 20.5%, and in lending to businesses of 14.9%. Furthermore, we are the primary bank for 26.7% of retail customers in Spain, shoring up our position as the leading bank in the financial system”, asserted the CEO.

“Results growth to 1,684 million euros, the highest level in history, was underpinned by improvements from CaixaBank’s business in Spain, as well as the contribution made by BPI, which accounted for 10% of results”, said Gortázar. More intense commercial activity during the year enhanced the quality and sustainability of revenues (96% of revenues were generated by the core banking business), while shoring up an outstanding liquidity and solvency position.

Finally, Gortázar pointed to “sustained profitability improvements, rising from 3.4% in 2014 to 8.4% at year-end 2017, very close to the target envisaged in the 2015-2018 Strategic Plan of between 9% and 11%. 2017 was an excellent year”, concluded Gortázar, “both from a commercial perspective and in terms of results, driving optimism and confidence going forward”.

### **The customer-centric approach will remain a priority for CaixaBank in 2018**

The CEO went on to outline the priorities for 2018, which include efforts “to further strengthen linkage with our customers via products and services that offer close support and significant added value; to continue leading the digital transformation in the industry and driving growth in the Portuguese business, as well as reducing levels of non-performing assets”.

Gortázar pointed out that CaixaBank is “in an excellent position to capitalise on new opportunities and generate value for our shareholders, thanks to the bank’s strengths and a more favourable climate”.

Gonzalo Gortázar likewise pointed out CaixaBank's leadership in terms of the digital transformation ongoing in the industry. "We have the highest number of active digital customers in Spain, at 5.7 million. Furthermore, one third of online banking users operate via CaixaBank, meaning a higher penetration rate than recorded at brick-and-mortar channels". Gortázar likewise indicated that "three quarters of customers operate with us on a multi-channel basis, meaning they also go into their branch offices. These customers show greater loyalty and are also more profitable".

"We harness digital tools to ensure greater efficiency and provide better services to our customers", said Gortázar, who pointed to some of the innovative services offered by the bank, such as *imaginBank*; the "My Finances" service, which now serves 3 million users; and *Smart Money*, the recently launched digital investment consultancy service.

"Our efforts to internally digitalise the bank continue, with 99% of all procedures now digitalised", reported Gortázar, adding that "68 million digital signatures were performed during 2018".

### **Driving the growth of the Portuguese business**

One of the priorities for this year is to drive growth for the business in Portugal. Gonzalo Gortázar focused part of his speech on detailing key figures for the Portuguese bank, describing its performance in the year since CaixaBank took control of the same as "very positive, with sustained commercial activity levels thanks to consistent hard work and effort, managing to attract customers and likewise strengthen its market standing".

The CEO announced targets for BPI in 2020 of "profitability of over 10% and a cost-to-income ratio of around 50%".

He ended his talk by applauding CaixaBank's "distinct approach to banking", pointing out that the bank's social commitment is now manifest in five areas: "Integrity and transparency, ongoing social action and voluntary work, further efforts to drive financial inclusion, the application of best practices in good governance, and implementing policies aimed at protecting the environment".