CaixaBank Group modifies its dividend policy and its capital targets to adapt to the new environment and support the recovery of the economy

- ***CaixaBank Group aims to be a key contributor to the speedy recovery of the Spanish and Portuguese economies, facilitating the provision of credit where it may be needed, in coordination with the public guarantee schemes provided by the authorities.***

- ***The bank has activated a wide package of measures with the objective of curbing the economic effects of coronavirus and to alleviate the companies and individual's needs, such as the €25 billion pre-approved loans facility to SMEs and self-employed, a five-day advance of pension payments, and the cancellation of rent payments on the homes it owns.***

- ***Taking into account considerations of prudence and social responsibility, the Board of Directors has agreed to reduce the proposed cash dividend for the 2019 fiscal year to €0.07 per share from €0.15 per share (to be paid on 15th April), and to change the bank's 2020 dividend policy from a cash pay-out of greater than 50% of reported earnings to a cash pay-out not higher than 30% of reported earnings.***

- ***With the objective of adapting the bank to the new environment, and taking into account new regulatory and supervisory considerations, the Board has agreed to reduce the CET1 solvency ratio target to 11.5% from the former target of 12%.***

- ***In light of the state of alarm in which the country is at the moment, CaixaBank has decided to postpone its Annual General Meeting which was called for the 2nd and 3rd April 2020, on first and second call, respectively.***

- ***CaixaBank's CEO, Gonzalo Gortázar, has declared his intention to forego any bonus for the 2020 fiscal year.***

Barcelona, 26 March 2020

In an exercise of prudence and social responsibility, CaixaBank's Board of Directors has agreed today on a package of measures aimed to reinforce, on one side, the bank's solvency, and on the other, its commitment, collaboration and support to its clients, employees, and society as a whole -not only from the economic and financial point of view, but also on the social and human one- with the objective of reverting this extraordinary situation affecting the whole world as soon as possible.

The expansion of COVID-19 and the measures taken by authorities to reduce its spread are expected to have an impact in the global economy that will be short but very severe. In this environment, the solid liquidity and solvency position of CaixaBank Group at FYE 2019, with a CET1 capital ratio of 12.0%, which equates to a management buffer of 325bps, and its liquidity position of higher than €89 billion, allow the negative economic scenario that is expected to develop during the remainder of 2020 to be faced with confidence.

Additionally, CaixaBank Group aims to be a key contributor to the speedy recovery of the Spanish and Portuguese economies, facilitating the provision of credit where it may be needed, in coordination with the public guarantee schemes provided by the authorities, while making an efficient use of capital that provides an adequate return to shareholders.

Changes in the dividend policy and capital targets

In order to adapt the bank to this new environment, and taking into account considerations of prudence and social responsibility, the Board of Directors has agreed on today's meeting to reduce the proposed cash dividend for the 2019 fiscal year to €0.07 per share from €0.15 per share (to be paid on the 15th April), representing a 24.6% pay-out, this being the only dividend paid against 2019 fiscal year profits.

It should be underlined that an important part of the dividends distributed by CaixaBank contribute to finance "la Caixa" Welfare Projects that have, among their priorities, the medical research and the well-being of the elderly, two especially relevant areas in the current circumstances.

Moreover, dividend policy for 2020 has been changed from a cash pay-out of greater than 50% of reported earnings to a cash pay-out not higher than 30% of reported earnings.

In addition, and taking into account new regulatory and supervisory considerations, the Board of Directors has agreed to reduce the CET1 target to 11.5%, suspending the former target of 12% plus a 100bps buffer aimed to absorb regulatory requirements including Basel IV, whose implementation is expected to be delayed.

The Board of Directors has manifested its intention to distribute, in the future, any excess above a CET1 ratio of 12% in the form of special dividends and/or buybacks. This extraordinary distribution of capital will be subject to a prior return to normality of macroeconomic conditions and will not take place, in any case, before 2021.

Postponement of the Annual General Meeting

The bank's Board of Directors has agreed to postpone the Annual General Meeting which was announced on the 20th February 2020 for the 2nd and 3rd April 2020, on first and second call, respectively.

The market will be notified as soon as the Board of Directors agrees on a new call for the Annual General Meeting.

In addition, it is hereby reported that the Chief Executive Officer has decided to forego any bonus for the 2020 fiscal year. This includes both his 2020 annual bonus and his 2020 share of his Long-Term Incentives Plan.

Measures to help reactivate the economy

Since the COVID-19 crisis outbreak, CaixaBank has activated a wide package of measures with the objective to curb the economic effects of coronavirus and to alleviate the companies and individual's needs.

CaixaBank's chairman and CEO, Jordi Gual and Gonzalo Gortázar, respectively, have shared a triple message of gratitude, responsibility and trust: "Our mission is to contribute to prevent this health crisis from developing into a deep economic crisis. With the inestimable collaboration of all the bank's employees, at CaixaBank we are supporting and will further support our clients and our economy so that we all get through this situation as quick as possible".

Jordi Gual and Gonzalo Gortázar have highlighted: "At CaixaBank we are taking all the needed measures to stand by our clients, shareholders, employees and society as a whole, in this coronavirus pandemic. As a socially responsible bank, our commitment takes us to look for the best possible solutions to reactivate the economy together".

Among the main measures approved until now, CaixaBank has offered SMEs and self-employed workers a €25 billion pre-approved loans facility and it has subscribed various ICO Lines to support self-employed workers, SMEs and the rest of companies affected by the current situation.

Moreover, clients who have their pensions paid into CaixaBank have seen their pension payments brought forward five days to the 20th, and the implementation of a special assistance program giving priority to the elderly.

In relation to homeowners, and in addition to adhere to the mortgage payment moratorium designed by the Government, CaixaBank will temporarily waive rent payments on the homes owned by its real-estate subsidiary BuildingCenter, in those cases where the eligible tenants fulfil the established conditions.

This measure will be in force until the month in which the Government declares the end of the state of alarm, including any extension.

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When it comes to its daily operations, CaixaBank is keeping its branch network open to the public to guarantee retail banking services, with more than 16,000 employees working remotely, the implementation of a strict protocol of safety measures, and the reinforcement of its digital services and its 9,000 ATMs network.

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