

CaixaBank and trade unions reach a labour agreement for the restructuring of the bank

- **The bank agrees on an adjustment plan for 6,452 employees, after reducing the number of redundancies by 1,839 (22%) from the first proposal.**
- **The bank will launch an ambitious support plan to help all those employees that leave the group to rejoin the labour market.**
- **The agreement reinforces the rural customer assistance model. The bank is committed to the fight against financial exclusion and it will not pull out of any town in which it is the only financial service provider.**
- **The terms of employment of the Bankia staff will gradually be brought in line with those of CaixaBank over five years.**
- **The bank's management and unions also agreed on organisational changes to strengthen the business model and reinforce the new Store branches, the inTouch remote customer service centres and rural branches.**

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Today, CaixaBank and the Legal Representation of Employees (RLT) reached an agreement on the restructuring process of the bank, which will allow it to eliminate overlaps arising from the merger and adjust the size of the organisation to the current market conditions.

CaixaBank's management and the unions reached an agreement on the three points included on the negotiation table: the restructuring plan, which involves 6,452 redundancies (14.5% of the bank's total workforce and 1,839 -22%- fewer employees than proposed at the start of negotiations); changes in labour conditions with improved organisational aspects linked to the development of CaixaBank's business model and changes to the complementary social security scheme; and an integration labour agreement for staff coming from Bankia.

This agreement, reached following more than two and a half months of negotiations during which the bank has sought to maintain social peace at all times, includes flexibility and mobility measures that allow for the elimination of overlaps with voluntary redundancies. Furthermore, all employees who leave the bank and wish to remain in the labour market can

join a relocation plan drawn up in collaboration with Lee Hecht Harrison, a company specialising in career transition and talent development projects.

This involves a broad set of measures aimed to help any employee who joins the programme to find a new stable (permanent) employment suited to their professional profile, with the ultimate goal of relocating 100% of the programme participants.

Moreover, CaixaBank will also collaborate with the strategy consulting firm McKinsey alongside sector organisations to drive in-depth analysis of the labour market and new, local employment opportunities in the short and medium term.

Breakdown of departures

Of the total of 6,452 departures established in the agreement, that will be on a voluntary basis, 4,902 (75.97%) correspond to the commercial network and 1,550 (24.93%) to corporate services and intermediate structures. Accordingly, the resizing of the bank's structure will be facilitated by restructuring the network, involving the integration of 1,500 branches.

The agreement sets out various phases of adherence to the plan by employees, in order to fill in surplus quotas. These will be identified by provinces, in the case of the commercial network, and by functional area, in the case of corporate services, applying voluntarily nature, geographic mobility measures, and functional mobility measures. If any outstanding positions remain unresolved after the full implementation of the protocol, an internal monitoring committee will review the possible implementation of internal flexibility measures on a case-by-case basis.

In addition, a total of 708 secondments in the CaixaBank Group's subsidiaries have been established. Those employees who are assigned a position in a subsidiary will be relocated through CaixaBank's regulated special group leave scheme and will have the option of returning to the bank after five years if they so wish.

The agreement signed is in line with the attainment of a minimum of €770 million of total cost synergies, as stated in the merger announcement.

Compensation package proposal

The compensation package scheme for employees leaving the bank establishes three groups, according to age:

- **Employees between 54 and 63 years old:** Split payment of 57% of the annual gross fixed salary, payment of premiums for voluntary adherence (€18,000 (gross) for those

born in 1964 or before; €23,000 (gross) for those born in 1965, €28,000 (gross) for those born in 1966 and 1967), subtracting the minimum gross unemployment benefit; maintenance of 100% of the savings contributions to the company pension plan, maintenance of the private health care policy, payments under the special agreement with the Social Security system until the employee reaches the age of 63 years, revaluable, and guaranteed capital in case of absolute permanent disability and total disability. Although these conditions apply to all employees over the age of 54 with the required length of service, a maximum of 1,750 employees between 54 and 55 years of age may sign up for this scheme.

- **Employees between 52 and 53 years old:** Split payment of 57% of their annual fixed salary multiplied by 7 and an additional premium payment of €38,000 (gross), subtracting the minimum gross unemployment benefit. The resulting amount will be paid in monthly instalments until the employee reaches the age of 63 years. It also includes payments under the special agreement with the Social Security system until the age of 63, revaluable. A maximum of 750 employees can sign up for this scheme.
- **Other employees:** One-off payment of 40 days of the fixed annual salary, with a limit of 36 months, and a premium (€23,000 for employees with more than six years of service and €13,000 for employees with fewer years of service).

Modification of the distribution model to boost business

Meanwhile, CaixaBank's management and union representatives have also signed an agreement to modify the distribution model to include measures to boost the development of the commercial network, in particular the Store branch models, as well as inTouch remote customer service and rural branches.

In this sense, the agreement includes increasing the number of Store branches to 925 (the bank currently has 574 Store branches throughout Spain). The Store network showcases CaixaBank's new branch model, focused on customer advice, with a new design, more personnel, expanded services, and better adaptation to new consumer habits.

In addition, the number of employees that can be assigned to inTouch centres, the digital customer service model that provides personalised customer service through technological remote channels, has been increased to 2,900.

The agreement also reinforces the service model in rural areas, with an increase in the number of singular offices and window offices, and maintenance of the mobile branch service (ofimóvil). The bank reiterates its commitment to financial inclusion, and it will maintain its services in all the towns in which it is the only financial services provider.

Regarding the modification of the employee benefits model, the agreement establishes an annual increase in benefits payable to employees at a fixed annual rate of 0.35%. The risk coverage system has been standardised from a life annuity system to a fixed capital model.

An increase of 2% of the retirement contributions for CaixaBank employees has been established. Meanwhile, future new employees will benefit from a progressive retirement contribution system up to 7.5% of the pensionable salary.

Integration labour agreement

CaixaBank and union representatives have also approved the terms of the integration labour agreement of Bankia into CaixaBank.

The agreement guarantees Bankia's current annual remuneration and establishes a gradual alignment with the current terms of employment at CaixaBank. The agreement will come into force on 1st September, the date from which all the conditions established in the CaixaBank regulation will apply.

It also establishes the alignment of Bankia employees' salaries, with any improvements phased in progressively over a five-year period from the effective date of the merger. The harmonization of the contributions to the pension plans with CaixaBank employee conditions will also be aligned gradually over the same period.

All other CaixaBank employee benefits shall be immediately applied, as soon as the moratorium periods to honour certain previous benefits are lifted. In relation to the health policy, coverage is guaranteed for all employees.

CaixaBank would like to thank all the members of the Legal Representation of Employees involved in these two and a half months of negotiations for their work and, in particular, their effort and willingness to negotiate to reach an agreement that will ensure the future competitiveness and sustainability of the bank.