

CaixaBank Board of Directors approves adherence to the Codes of Good Practice that integrate support measures for mortgage borrowers in difficulty

- **CaixaBank becomes the first bank to adhere to the initiatives approved this week, having carried out 35% of total sector deals under the 2012 Code of Good Practices.**
- **Over recent years, the bank has demonstrated its support for society in three broad areas: aid for mortgage customers in difficulty; financial inclusion; and social initiatives.**
- **The CaixaBank Chairman José Ignacio Goirigolzarri stated that "we are part of the new initiatives because it is in our interest primarily to support society as a whole and, in particular, our customers facing difficulties. We have always done this, we are doing it now and we will continue to do so into the future because we are committed and duty-bound to contribute to the economic and social well-being of the country".**
- **The CEO Gonzalo Gortazar remarked that CaixaBank "is in a very solid position to continue to help families and businesses, and to help moderate the impact of the economic downturn that may arise". He then went on to underline the fundamental role played by banking in the economy and society: "We fulfil a basic social function".**

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Today the CaixaBank Board of Directors approved its adherence to new support measures for mortgage borrowers in difficulty. As a result, the bank will adhere to the extension of the current Code of Good Practice as well as to the new one, which will have a two-year transitional period, as approved this week by the Spanish Council of Ministers.

CaixaBank becomes the first bank to commit to applying this package of measures, which are intended to anticipate and alleviate possible future difficulties some households may face in paying mortgages on first homes as a result of the rise in interest rates.

The bank has been the most active in granting aid under the Code of Good Practice and has

already carried out 35% of total deals in the sector.

The CaixaBank Chairman, José Ignacio Goirigolzarri, explained that the Board of Directors has decided that the bank will adhere to the new initiatives because "it is in our interest primarily to support society as a whole and, in particular, our customers facing difficulties. We have always done this, we are doing it now and we will continue to do so into the future because we are committed and duty-bound to contribute to the economic and social well-being of the country".

The CEO, Gonzalo Gortazar, remarked that CaixaBank "is in a very solid position to continue to help families and businesses, and to help moderate the impact of the economic downturn that may arise". He then went on to underline the fundamental role played by banking in the economy and society: "We fulfil a basic social function".

CaixaBank is a bank with a deep social purpose, and this adherence to the extension of the Code of Good Practice and to the new Code demonstrates, once again, its commitment to be close to people in order to contribute to their financial well-being, particularly in times of greater difficulty.

On a day-to-day basis, the bank's social commitment is reflected in three main areas: aid for mortgage customers in financial difficulty (improving the terms and conditions of 360,000 mortgages since the previous crisis); financial inclusion (with an extensive, country-wide network of branches and ATMs and the commitment to not abandon small towns and villages); and social initiatives (including the social dividend to the "la Caixa" Foundation).

Support measures for mortgage borrowers in financial difficulties

CaixaBank has a long track record in supporting its clients. In 2009, it launched a Help Plan for retail clients, which allowed the bank to help 360,000 customers facing difficulties in meeting payments for their mortgages during the previous financial crisis.

It also administered over 27,000 grants and carried out 35% of total financial sector deals under the current Code of Good Practice.

During the Covid pandemic, CaixaBank granted 500,000 temporary mortgage holidays, temporary suspension of payments for consumer loans and waived the rent for 4,800 households through its subsidiary BuildingCenter. The bank also has 12,800 social housing units.

Boosting financial inclusion

CaixaBank is firmly committed to maintaining its rural network to promote the financial inclusion of all in society and not abandoning any towns where it currently has a presence.

In this sense, it is worth highlighting its commitment to the rural world through AgroBank, its rural specialized network. The bank works to enhance closeness with customers and the financial inclusion of everyone, regardless of where they live and what they do.

To do this, it has the largest branch network in Spain, with a presence in more than 2,200 municipalities (double the number of the closest competitor), and it is the only bank in 470 towns. At the end of 2022, close to 40% of the bank branches will be in towns of less than 10,000 inhabitants.

In addition, it has 17 mobile branches, which serve 626 municipalities in Castilla y León, the Valencian Community, La Rioja, Castilla-La Mancha, Community of Madrid and Andalusia.

This year, CaixaBank has also strengthened its commitment to the elderly with the implementation of a dozen initiatives, with an investment of €50 million.

The measures include: 1) the creation of a team of advisers specialising in serving these customers (already made up of more than 1,100 professionals and set to reach 2,000 next year); 2) extension of branch opening hours; 3) the reinforcement of all personal communication channels with these customers; 4) adapting 100% of the ATMs for the use of passbooks with a user-friendly system adapted to these customers' needs; and 5) the implementation of a digital skills training programme with of over 3,000 training sessions.

Furthermore, through its social bank MicroBank, a European leader in micro-finance, CaixaBank in Spain has financed a total of 1,243,332 projects with a social impact amounting to more than €8 billion, which has helped create almost 293,000 direct jobs. Taking into account the profile of the MicroBank financing beneficiaries, 32% of microloans were granted to people under 35 years of age, and almost 50% of the deals were granted to women.

CaixaBank understands financial inclusion as a key factor to reducing extreme poverty and promoting shared prosperity. Therefore, for the bank, it is a priority to promote access to financial services for the whole of society, with products and solutions aimed at people who find it difficult to access the traditional banking system.

In this regard, since the year 2014, CaixaBank promotes a commission-free Social Account for people with very low incomes and in a particularly vulnerable situation, with enhanced advantages compared to those of the basic bank account. Currently, CaixaBank has 357,000 clients with social accounts.

Social and collaboration initiatives with the "la Caixa" Foundation

CaixaBank also promotes its own social initiatives through the CaixaBank Volunteers Association. During Social Week alone, the Association mobilised over 10,000 employees, family members and customers of the bank to support charitable projects and organised the

transfer to Spain, by means of a number of convoys, of 558 refugees from the war in Ukraine, as well as the delivery of 75 medical vehicles.

Similarly, CaixaBank promotes projects such as "Árbol de los Sueños", meaning more than 27,000 children in poverty will receive the gift of their choice this Christmas, and "Ningún Hogar sin Alimentos", which this year has distributed more than 1,850 tons of food thanks to the donations collected.

In addition, through the help of the social dividend corresponding to the "la Caixa" Foundation for its 30% stake in the bank, the Foundation promotes programmes with a strong social impact. In 2021 alone, such programmes helped find jobs for almost 49,000 people from vulnerable groups, helped 61,000 children at risk of poverty, and provided support to almost 110,000 elderly people and 74,000 people with serious illnesses, and their families.

New support measures for mortgage borrowers

Following several weeks of negotiations with the finance sector, the Spanish Council of Ministers this Tuesday approved the measures and, on Wednesday, the Official State Gazette (BOE) published the Royal Decree extending the existing Code of Good Practice to cover vulnerable debtors affected by interest rate rises. It also established a new Code of Good Practice to alleviate the financial burden of mortgage debtors with higher incomes but who are also at risk of vulnerability due to the increased interest rates.

Among the new measures, there will be an extension of the existing code with five-year grace periods on the mortgage principal and a reduction of the applicable interest rate to Euribor minus 0.1%, when the increase in the mortgage burden is more than 50%; and with a two-year grace period and an extension of the term to up to seven years when the increase in the mortgage burden is lower than 50%.

Other measures envisaged are: 1) banks must guarantee that these rights are maintained even if they sell the loan to third parties; 2) debtors may apply for dation in payment for 24 months from the restructuring request; and 3) the bank may request a second restructuring if the debtor is still in a situation of vulnerability at the end of the first restructuring.