



Consolidated  
**Management Report**

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**2019**



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Past financial statements and previous growth rates are no guarantee of the future performance, results or price of shares (including earnings per share). Nothing contained in this document should be construed as constituting a forecast of future results or profit. Furthermore, this document was drawn up on the basis of the accounting records held by CaixaBank and the other Group companies, and includes certain adjustments and reclassifications to apply the principles and criteria operated by the Group companies on a consistent basis with those of CaixaBank. Therefore, in specific relation to BPI, certain aspects of the information provided herein may not match the information reported by this bank.

The income statement and the consolidated balance sheet and the corresponding breakdowns of those statements provided in this report, are presented under management criteria, but have still been prepared in accordance with International Financial Reporting Standards (IFRS-EU) as adopted by the European Union under the terms of Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002, as subsequently modified. In preparing these statements, Circular 4/2017 of the Bank of Spain of 6 December, as subsequently modified, has also been taken into due account in that it adapts IFRS-EU to Spanish credit institutions.

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This report contains a number of the Alternative Performance Measures (APMs) set out in the Guidelines on Alternative Performance Measures published by the European Securities and Markets Authority on 30 June 2015 (ESMA/2015/1057) ("the ESMA Guidelines") to provide a clearer picture of the company's financial performance and situation. Please be advised that these APMs have not been audited. These measures constitute additional information and should be treated accordingly. In no event are they intended to replace the financial information drawn up in accordance with International Financial Reporting Standards (IFRS). Moreover, the way the Group defines and calculates these measures may differ to the way similar measures are calculated by other companies. As such, they may not be comparable. Please consult the report for further details of the APMs used. The report also provides a reconciliation between certain management indicators and the indicators presented in the consolidated financial statements prepared under IFRS.

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Figures are presented in millions of euros, unless the use of another monetary unit is explicitly indicated, and may be expressed as millions of euros or € MM indistinguishably.

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### Annual Corporate Governance Report for 2019



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CaixaBank's DNA

CaixaBank in 2019 - Key financial and non-financial indicators



Strategic lines



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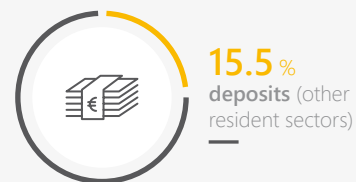
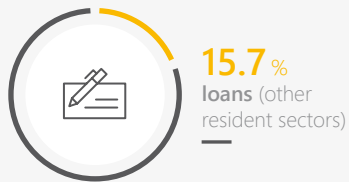
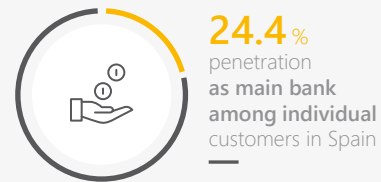


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>> LEADER IN RETAIL BANKING

15.6 million clients    €391,414 million of total assets

Market share in Spain

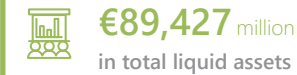


>> FINANCIAL STRENGTH

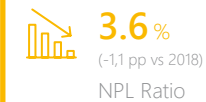
Solid capital



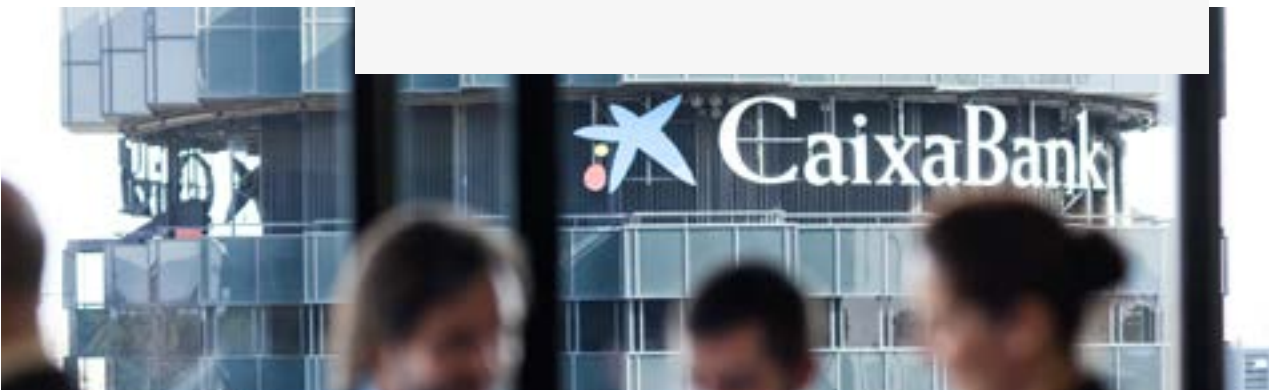
Strong liquidity



Enhanced credit quality



>> INCOME EARNING POWER



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>> CONTINUOUS COMMITMENT TO INNOVATION

**> 61.7 %**  
of CaixaBank customers are digital

**Best Banking Transformation** in Western Europe by Euromoney

>> ATTRACTIVE DIVIDEND POLICY

**Shareholder remuneration for 2019<sup>1</sup>**  
**€0.15 /share**

**Dividend yield<sup>11</sup>**  
**5.4%**

>> BENCHMARK IN SOCIALLY RESPONSIBLE BANKING

**€ 1,000 million** issue of the first **Social Bond** linked to the SDGs

**€ 725 million** in microloans and other finance with social impact granted in 2019

**+40 %** of employees participating in **Social Weeks**

**Highest rating** by the United Nations for sustainable investment (A+)

**Inclusion** in the Dow Jones Sustainability Index (14th position)

>> EXCELLENCE

**Best bank in Spain**

>> COMMITMENT WITH DIVERSITY

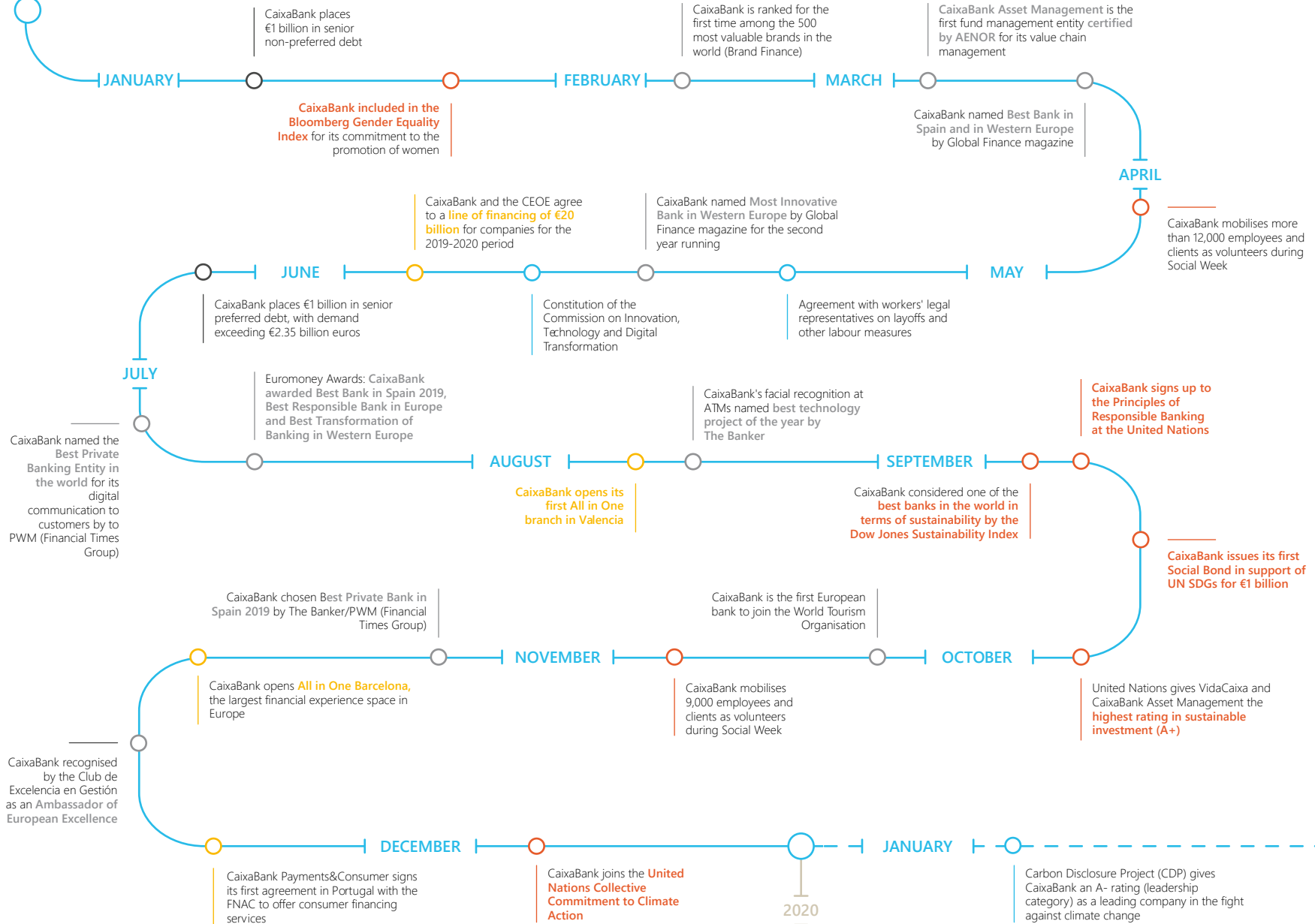
**41.3 %** women in management positions<sup>2</sup>



<sup>1</sup> Remuneration pending approval by the General Meeting of Shareholders. Dividend yield as a percentage of share price at 31/12/19.

<sup>2</sup> From sub-directorate in A and B branches.

2019



From 1 January 2020 to the date of preparation of this report, there have been no significant developments in the Group's development that have not been mentioned in this document.

CaixaBank's DNA

Highlights and significant events in the year

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# Letter from the Chairman



## Jordi Gual Solé

Chairman

*"Thank you for supporting us for another year in our goal of developing a unique, people-centred banking."*

The first year of our strategic plan for the 2019-21 period is now behind us, a year that was more complex than initially foreseen for the banking sector. Interest rates have remained at lower than expected levels and political and economic uncertainties caused by factors such as Brexit and the trade war between the US and China have dampened global growth prospects.

At CaixaBank, we have been able to adapt to the new environment, upholding our position as a leading and innovative financial group. This has been made possible thanks to our different approach to banking, one based on a steadfast commitment to excellence in customer service, ongoing innovation, and unique values and culture that imply a firm social commitment to the territories in which we operate.

Once again, the trust of our customers has strengthened our position as a commercial leader, confirming that we are headed in the right direction. This is proven by the sustained growth in our market share and by the fact

that one in every four banking customers in Spain trusts CaixaBank as their main bank. At the same time, a major transformation of our network has been undertaken, anticipating what is set out in the strategic plan. This transformation was accompanied by a voluntary restructuring agreement that was successfully concluded among all parties, in line with CaixaBank's values.

Overall, our commercial dynamism has concluded with good results and solid returns, which, excluding the cost of restructuring, stood at 10.8% of tangible capital. These results have been accompanied by a significant improvement in the balance sheet and a sustained solid position with regard to capital adequacy, with a maximum-quality capital ratio of 12.0%.

Such good results are necessary for us to be able to continue to fulfil our mission: to improve the financial well-being of our customers and help society prosper. No company should ignore the great challenges we face collectively. Digital advances raise important eth-

ical issues in the use of artificial intelligence and in the management of the privacy of customer information, in an environment of increasing use of data in commercial transactions. At the same time, we need companies that can respond to the challenges of climate change and that follow a socially responsible development model that favours fair and inclusive economic growth.

At CaixaBank, we have a differentiated business model which entails a firm commitment to the well-being of shareholders, customers, employees, suppliers and the whole of society. Our reference shareholder, the "la Caixa" Banking Foundation, inspires the bank's strategic position, as well as our values and corporate culture, offering an inclusive and long-term vision that benefits all stakeholders.

In this regard, in 2019, we joined the United Nations Collective Commitment to Climate Action, which aims to facilitate the economic transition towards a sustainable model. In addition to being included in the main sustainability indexes, we have issued our first social bond, linked to our contribution to the United Nations Sustainable Development Goals (SDGs). Our social commitment also defines our connection with our surrounding territory, with branches in more than 2,000 municipalities, covering more than 90% of the Spanish population. Specifically, we are the only bank with an active branch in 229 towns throughout Spain.

I do not want to end without thanking our shareholders, our customers and all our employees, including those whose work with us has ended this year, for their trust and commitment to CaixaBank. Thank you for supporting us for another year in our goal of developing a unique, people-centred banking.



# Letter from the CEO



## Gonzalo Gortázar Rotaeché

CEO

*"CaixaBank consolidated its position as a market leader, holding an optimally competitive position in an environment of high operational requirements"*

In the first year of our 2019-21 Strategic Plan, CaixaBank has achieved excellent commercial and financial results while making decisive progress in its digital and business transformation process. In 2019, CaixaBank has consolidated its market leadership and built a unique competitive position in a highly demanding operational environment, in which existing challenges such as sustainability are becoming increasingly important.

Business activity has maintained a strong pulse in all segments. The number of relational customers has increased to over 8 million, business volume has grown by 4.7% and market share has continued to grow in the most relevant products and services. In long-term savings, our combined share has risen to 22.5%, while in payrolls it now exceeds 27%, and we have grown to 15.1% in corporate financing.

This intense commercial activity has allowed for a 1.2% increase in core income in a period in which interest rates reached record low levels. Net profit was €1,705 million, 14.1% less than 2018, but representing an increase of 20.4% if adjusted for the extraordinary cost of the labour agreement signed in the second quarter of the year, which entailed the voluntary departure of 1,944 employees in 2019.

The balance sheet, which has always shown great financial soundness, has continued to strengthen in priority areas: NPL ratio has been reduced by 1.1 p.p. to 3.6%, CET1 capital ratio has increased to 12%, and liquidity has remained at very high levels of over €89 billion. In 2019, bonds worth more than €5 billion were issued.

With regard to the transformation of the company, major progress has been made. The consolidation of

urban branch network and the implementation of the new Store model, which was initially planned to be deployed in three years, has been accelerated and will be executed in eighteen months. The rural network maintains its territorial presence but it is already equipped with a more efficient structure that allows its sustainability. Finally, the implementation of the InTouch remote service was also expedited this year and the number of customers served increased 75%. The development of digital capabilities together with the launch of new products and services has been intense, and has resulted in the relevant increase in digital customers, that now exceed 6.5 million, which represents 61.7% of the total base. At CaixaBank, we remain firmly committed to offering our customers the best experience, and our projects are always aligned with this goal.

Regarding sustainability, during last year we defined ambitious environmental policies which are already being implemented. It was also during 2019 that our asset management company CaixaBank Asset Management achieved the highest rating (A+) in the United Nations' Principles for Responsible Investment (PRI), in the strategy and governance section. This valuable rating is in addition to that already held by our insurance company VidaCaixa since 2018, which is the result of its long-standing track in sustainable investment. At CaixaBank, we maintain our firm commitment to the United Nations Global Compact and in 2019 were a signatory to the United Nations Principles for Responsible Banking.

Our Strategic Plan sets out our aim to be a benchmark in responsible banking, which is simply and fully consistent with the origin of "la Caixa" and CaixaBank. The recent emphasis of the business and financial community on social and corporate responsibility dimensions, reasserts our vocation to steadfastly contribute to the progress of our society.

## Materiality

CaixaBank (hereinafter, CaixaBank, the CaixaBank Group or the Bank) conducts an annual Materiality Analysis with the aim of identifying the priority financial, economic, social and environmental issues for its stakeholders and its business. The purpose of this is to determine what information should be reported and the proper scope.

The Materiality Analysis includes the material topics identified in 2019, classified according to their importance for the Bank and its stakeholders:

- **Priority topics:** strategic for the development of CaixaBank's business and creating greater value for stakeholders.
- **Relevant topics:** particularly relevant for the management of CaixaBank's business and for its stakeholders.

In 2019, the results from the Materiality Analysis of Banco BPI were included in the Materiality Matrix. The inclusion of aspects concerning the insurance business were strengthened in order to offer a consolidated view of the priority topics for CaixaBank Group.

In this report, the Bank reports and is accountable to these stakeholders for the material topics identified in 2019. Material topics include matters that present a high probability of generating a significant impact on the business and also on stakeholders' opinions and decisions.



## Methodology

The preparation of the CaixaBank Group 2019 Materiality Analysis, undertaken by an independent expert, is an exhaustive and collaborative process involving the Bank's

main stakeholders, as well as CaixaBank representatives and external experts.

### 1 IDENTIFICATION OF MATERIAL TOPICS

Exhaustive documentary analysis of internal and external sources >> Extensive preliminary list with 38 possible material topics

### 2 REVIEW AND VALIDATION OF THE FINAL LIST OF MATERIAL TOPICS

Working session with Caixa-Bank internal departments >> Definitive list of 16 material topics

### 3 PRIORITISATION OF MATERIAL TOPICS

Ad hoc internal and external consultations with stakeholders >> Prioritisation of material topics in 2019

### 4 MATERIALITY MATRIX

Integration of the CaixaBank materiality analysis and the BPI materiality analysis >> CaixaBank Group 2019 materiality matrix

The **initial identification of material topics** was carried out through an exhaustive documentary analysis including, among other sources, strategic company data, as well as information on trends and reports from the sector, the media and other companies in the sector.

The session addressed the grouping, selection and semantic review of the topics from the perspective of the Bank's responsible business approach and its strategic priorities and areas of action.

#### >> ENQUIRIES MADE FOR THE PRIORITISATION OF RELEVANT TOPICS

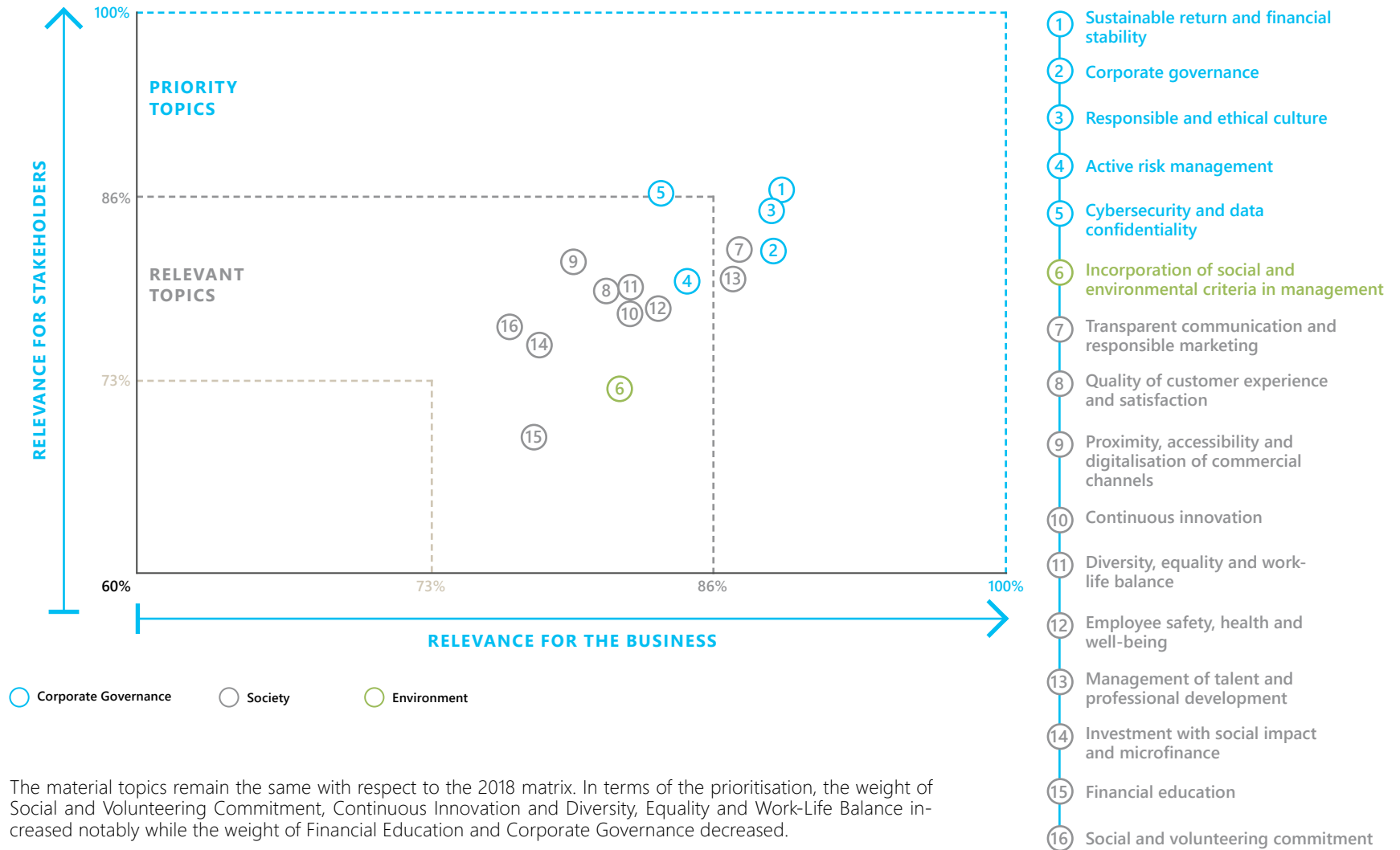


#### >> 10 IN-DEPTH INTERVIEWS WITH EXTERNAL EXPERTS IN THE FOLLOWING FIELDS:

- Financial
- Risks and regulation
- Innovation
- Sustainability
- Management of intangible assets
- Representatives of the third sector
- Media

The priority of the topics is established according to their score on both axes for the stakeholders and the business.

## Materiality Matrix of CaixaBank Group in 2019



The material topics remain the same with respect to the 2018 matrix. In terms of the prioritisation, the weight of Social and Volunteering Commitment, Continuous Innovation and Diversity, Equality and Work-Life Balance increased notably while the weight of Financial Education and Corporate Governance decreased.

## Materiality and Strategy

The Bank's strategy is present both at the core of the materiality analysis and as a source of the topics. It also gathers the results of this analysis to ensure the strategy reflects the sensitivities and concerns of stakeholders and society, and the trends in the environment in which CaixaBank is operating.

The following table shows the relationship of the material topics with the 2019-2021 Strategic Plan (hereinafter the 2019-2021 SP).

2019-2021 Strategic Plan Priorities	Material topics
Offer the best customer experience	<ul style="list-style-type: none"> <li>⑧ Quality of customer experience and satisfaction</li> <li>⑨ Proximity, accessibility and digitalisation of commercial channels</li> </ul>
Accelerate digital transformation to boost efficiency and flexibility	<ul style="list-style-type: none"> <li>⑤ Cybersecurity and data confidentiality</li> <li>⑩ Continuous innovation</li> </ul>
Foster a people-centric, agile and collaborative culture	<ul style="list-style-type: none"> <li>⑪ Diversity, equality and work-life balance</li> <li>⑫ Employee safety, health and well-being</li> <li>⑬ Management of talent and professional development</li> </ul>
Attractive shareholder returns and solid financials	<ul style="list-style-type: none"> <li>① Sustainable return and financial stability</li> </ul>
A benchmark in responsible banking and social commitment	<ul style="list-style-type: none"> <li>② Corporate governance</li> <li>③ Responsible and ethical culture</li> <li>⑥ Incorporation of social and environmental criteria in management</li> <li>⑦ Transparent communication and responsible marketing</li> <li>⑭ Investment with social impact and microfinance</li> <li>⑮ Financial education</li> <li>⑯ Social and volunteering commitment</li> </ul>

④ Active risk management (transversal)



CaixaBank's DNA

Materiality



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## Criteria and scope of the report

The content of this report addresses the material topics for CaixaBank Group and its stakeholders in accordance with the 2019 Materiality Analysis and the requirements of Act 11/2018 on Non-financial Information and Diversity, including the necessary information to understand the performance, results and situation of the CaixaBank Group, and the impact of its activity related to environmental and social matters, and also related to personnel, human rights, and the fight against corruption and bribery.

This report has been prepared in line with the following principles to guarantee the transparency, reliability and exhaustiveness of the information:

- **Global Reporting Initiative (GRI)** specifically the GRI Standards under the exhaustive option. The criteria and principles set out in this guide for the definition of the content and quality of the report have been applied.

### >> PRINCIPLES FOR THE DEFINITION OF THE CONTENT OF THE REPORT

- Inclusion of stakeholders
- Context
- Materiality
- Completeness

### >> PRINCIPLES FOR THE QUALITY OF THE REPORT

- Accuracy
- Balance
- Clarity
- Comparability
- Reliability

- **International Integrated Reporting Council (IIRC) framework** concerning the following key areas: strategic focus and future orientation; connectivity of information; stakeholder relationships; materiality; conciseness; reliability; completeness and consistency and comparability.
- **Principles established in the AA1000 Accountability Principles Standard (2008):** inclusivity, according to GRI 102-42 and GRI-43 indicators; materiality, according to the Materiality Study described in this report; and responsiveness to stakeholders, with the main codes, policies and performance indicators indicated in this report.
- **Principles of the UN Global Compact and Sustainable Development Goals (SDGs)**, as part of the 2030 Agenda.
- **Guide for Preparing the Management Report for Listed Companies from the CNMV.**

This report contains performance data for CaixaBank and its subsidiaries that form CaixaBank Group. When the indicators reported do not refer to the Group but rather a part of it, this will be clearly stated. The information responding to GRI and Act 11/2018 on Non-Financial Information and Diversity has been verified according to the ISAE 3000 standard by an independent expert.



See section **Non-financial information statement**



CaixaBank's DNA

Our Identity



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## Our identity

CaixaBank is a financial group with a **socially responsible, long-term universal business model**, based on **quality, trust and specialisation**, which offers a value proposition of products and services adapted for each segment, while adopting innovation as both a strategic challenge and distinguishing feature of its corporate culture. As a leader in retail banking in Spain and Portugal, it is a key player in supporting sustainable economic growth.

CaixaBank, S.A. is the parent company of a group of financial services whose shares are traded on the stock exchanges of Barcelona, Madrid, Valencia and Bilbao, and on the continuous market, forming part of the IBEX35 since 2011. It is also listed on the Euro Stoxx Banks Price EUR, the MSCI Europe, and the MSCI Pan-Euro.



## Our Mission

"To contribute to the financial well-being of our customers and to the progress of society."

CaixaBank offers its customers the best tools and expert advice to make decisions and develop habits that form the basis of **financial well-being** and enables them to appropriately address recurring expenses, cover unforeseen events, maintain purchasing power during retirement or to turn their dreams and projects into reality.

### We do this with:

- Specialised advice.
- Personal finance simulation and monitoring tools.
- Comfortable and secure payment methods.
- A broad range of saving pension and insurance products.
- Responsibly-granted loans.
- Overseeing the security of our customers' personal information.

Besides contributing to our customers' financial well-being, our aim is to **support the progress of the whole of society**. We are a deeply-rooted retail bank in all areas in which we work. For this reason, we are helping the progress of the communities where we engage our business.

### We contribute to the progress of society:

- Effectively and prudently channelling savings and financing, and guaranteeing an efficient and secure payment system.
- Through financial inclusion and education; environmental sustainability; support for diversity; with housing aid programs; and promoting corporate voluntary work.
- Additionally, through our collaboration with the Obra Social of "la Caixa" Banking Foundation, whose budget is partly nourished through the dividends that CriteriaCaixa earns from its share in CaixaBank. A major part of this budget is funnelled into local needs identified through the CaixaBank branch network in Spain and BPI in Portugal.



CaixaBank's DNA

Our Identity



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Annual Corporate Governance Report for 2019

## Our Values



Quality



Social Commitment



Confidence

## Our Mission

To Contribute to the financial well-being of our customers and to the progress of society.

## Our Culture



People first



Flexibility as our attitude



Collaboration as our strength

## Our Strategy

Leading and innovative **financial group**, with the **best customer service** and setting the benchmark for **socially responsible banking**.



### Clients & Customers

- Setting the benchmark.
- Relationship based on proximity and trust.
- Excellence in service.
- Value proposition for each segment.
- Commitment to innovation.



### Shareholders

- Long-term creation of value.
- Offering attractive returns.
- Close and transparent relationship.



### Society

- Maximising our contribution to the national economy.
- Establishing stable relationships and trust with the environment.
- Helping to solve the most urgent social challenges.
- Transition to a low-carbon economy.



### Employees

- Ensuring their well-being.
- Fostering their professional development.
- Promoting diversity, equal opportunities and reconciliation.
- Fostering a meritocratic model.



Banking model  
**Universal**

**Socially responsible** that covers all financial and insurance needs.



## Responsible and ethical behaviour

Respecting human rights is a minimum standard of practice, and a key part of CaixaBank's corporate values. To uphold these values, CaixaBank developed a **Corporate Human Rights Policy as well as a Code of Ethics and Action Principles**. These set the highest level of standards in the Bank's hierarchy of internal regulations, which were approved by the Board of Directors and inspired by the principles of the UN Universal Declaration of Human Rights and the Declaration of the International Labour Organization, as well as other ethical standards and codes of conduct.



### Corporate Human Rights Policy

Human rights are protected through the following actions based on relevant stakeholders.

#### Our responsibility to employees

CaixaBank considers the relationship with its employees as one of its main human rights responsibilities.

CaixaBank links its policies on the recruitment, management, promotion, remuneration and development of people with respect for diversity, equal opportunities, meritocracy and non-discrimination on the basis of gender, race, age or other circumstances.

#### Our responsibility to customers

CaixaBank demands its employees respect for people's dignity and fundamental values. Similarly, it strives to work with customers who share CaixaBank's respect for human rights.

Key points in this area, among others, include: the development of new financial services and products in line with the aspirations of CaixaBank with regard to human rights, the integration of social and environmental risks in decision-making, fostering financial inclusion and avoiding the financing of or investment in companies and/or projects connected with serious human rights violations, in addition to respect for confidentiality, the right to privacy and the privacy of customer and employee data.

#### Our responsibility to suppliers

CaixaBank requires its suppliers to respect human and labour rights and encourages them to implement these rights in their value chain.

Therefore, CaixaBank's practices encourage and include: respect by its suppliers of the Code of Conduct for Suppliers; respecting the Principles of the United Nations Global Compact; carrying out additional controls of suppliers with medium-high risk potential; adoption of the necessary corrective actions that alleviate non-compliance.

#### Our responsibility to the community

CaixaBank is committed to supporting human rights in the communities where it operates, by complying with current legislation, collaborating with government institutions and courts of law, and respecting internationally recognised human rights wherever it conducts business.

In addition, CaixaBank promotes the dissemination of international human rights principles, initiatives and programmes, and the UN Sustainable Development Goals (SDGs).



## CaixaBank Code of Ethics and Action Principles

### Compliance with current laws and regulations

Everyone at CaixaBank must comply with prevailing laws, rules and regulations at all times.

### Respect

We respect people, their dignity and fundamental values. We respect the cultures of the territories and countries where CaixaBank operates. We respect the environment.

### Integrity and Transparency

By having integrity and being transparent, we generate trust, a fundamental value for CaixaBank.

### Excellence and Professionalism

We work rigorously and effectively. Excellence constitutes one of CaixaBank's fundamental values. For this reason, we place our customers' and shareholders' satisfaction at the centre of our professional activity.

### Confidentiality

We uphold the confidentiality of the information that our shareholders and customers entrust in us.

### Social responsibility

We are engaged with society and the environment and we take these objectives into account in our operations.

## Anti-corruption Policy

With the Anti-Corruption Policy, which complements the Code of Ethics and Action Principles, CaixaBank rejects all manner of corruption and operates on the basis of the highest standards of responsibility. As a signatory to the UN global Compact, CaixaBank undertakes to fulfil the 10 Principles established therein, and in particular to work against corruption in all its forms, including extortion and bribery (Principle No. 10).

Additionally, the Policy details the types of conduct, practices and activities that are prohibited in order to avoid situations that could constitute extortion, bribery, facilitation payments or influence peddling.

Among other things, the policy includes and establishes:

#### Rules on the acceptance and giving of gifts

The acceptance of gifts of any value if the purpose is to influence the employee is prohibited. In other cases, gifts with a market value of over 150 euros may not be accepted.

Giving of gifts to public civil servants and authorities is prohibited.

#### Travel and hospitality expenses

These expenses must be reasonable and related to the Entity's activity, always at the expense of CaixaBank and paid directly to the service provider.

#### Relationships with political parties and officials

It is prohibited to make donations to political parties and their associated foundations. Debt cancellation agreements may only be reached with political parties and their associated foundations when provided for by party financing national law.

CaixaBank shall not contract direct lobbying or interest representation services to position itself with authorities but rather it will generally share its opinions through various associations to try to come to an understanding on the industry's position.

Additionally, the Policy covers the areas of: (i) Sponsorship, (ii) Donations and contributions to foundations and NGOs and (iii) Risky suppliers.

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## Sustainable Development Goals

The Sustainable Development Goals are an initiative promoted by the United Nations with **17 goals and 169 targets** that include new fields such as climate change, economic inequality, innovation, sustainable consumption and peace and justice, among other priorities. Following talks on the SDGs involving 193 UN member states, on 25 September 2015, at a high-level plenary meeting of the General Assembly, an agenda entitled **“Transforming our world: the 2030 Agenda for Sustainable Development”** was approved and came into force on 1 January 2016.

CaixaBank integrates the 17 SDGs into its Strategic Plan and Socially Responsible Banking Plan, contributing to all of them in a cross-cutting fashion. It focuses its scope of action mainly on the 4 Priority SDGs, which allow it to carry out its mission. The 4 priority SDGs are interconnected with the other SDGs and CaixaBank contributes to all of them conjointly.



Due to its size and social commitment, CaixaBank contributes to all the SDGs through its activity, social action and strategic alliances.

CaixaBank published (August 2019) its framework for the issue of bonds tied to the SDGs. Following the publication of the bond framework, CaixaBank issued (in September 2019) its **first social bond**. The Bank has raised 1 billion euros over 5 years, with the aim of facilitating the financing of activities that contribute to economic and social development. Specifically, with this initial issuance, loans are being funded to fight poverty (SDG 1), advocate dignified employment and create jobs in disadvantaged areas of Spain (SDG 8)<sup>1</sup>.

The publication **Socio-Economic Impact and Contribution to SDGs 2019** of CaixaBank report sets out the Group's strategy with regard to the 2030 Agenda and analyses its contribution to the SDGs.



<sup>1</sup> More information in section *Financial inclusion* of this document. Bond issue framework and information about the social bond on the CaixaBank website: [https://www.caixabank.com/inversoresinstitucionales/inversoresentafija\\_es.html](https://www.caixabank.com/inversoresinstitucionales/inversoresentafija_es.html)

## CaixaBank's contribution to Agenda 2030



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- Microloans
- Outreach
- Social Bond
- Decentralised Social Work
- AgroBank
- Active Housing Policy



- Microloans to families
- Agricultural sector Eco-lending
- Local social actions
- *No child without a moustache* action



- Seguracaixa Adeslas
- Microloans for health and well-being
- Healthy team
- Collaboration with GAVI, the Vaccine Alliance through the "la Caixa"



- Financial Culture Plan
- Aula Programme
- Professorships\*
- CaixaBank Research
- CaixaBank Futuro



- Microloans
- Local social actions
- Active Housing Policy
- Financial Culture Plan

\* CaixaBank Chair of RSE at IESE, AgroBank Chair



- Financing businesses and self-employed workers
- Microloans to entrepreneurs and businesses
- R&D investment
- Employment creation



- Equality Plan
- Wengage Programme
- Accession to the UN Women's Empowerment Principles
- IWEC Awards
- Microsoft STEM Careers Alliance
- Support for significant women's associations\*



- Support for Start-ups (Day One)
- Financing for companies with social impact
- R&D investment
- Information security
- Digitalisation plan



- Outreach
- Active Housing Policy
- Accession to IESE Smart Cities
- Accession to UNWTO\*\*

\* Equality in the company, Diversity Charter, More women better companies, Eje&Con

\*\* United Nations World Tourism Organisation



- ESG-linked financing
- Responsible policies
- CSR governance framework
- Adherence to the UNEP FI Principles of Responsible Banking
- Accession of VidaCaixa and CaixaBank Asset Management to PRI
- Verified reporting



- AgroBank
- Framework for sustainable, green and social bonds



- Financing renewable energies
- Accession to RE100
- Reduced energy consumption
- Renewable energy consumption



- Board Members of the Spanish Green Growth Group
- Signatories of the Equator Principles
- Renewable energy consumption
- Compensation for CO<sub>2</sub> emissions generated
- Financing renewable energies



- AgroBank



- Framework for the Sustainable, Green and Social issuing of Bonds



- Code of Ethics
- Responsible policies
- Information security
- Accession to Autocontrol



- Alliances directly related to the SDGs



The first Social Action Project in Spain and one of the largest foundations in the world. Strategic alliance for the dissemination of its projects and active participation in key programmes such as Incorpora, GAVI Alliance and the volunteering programme



Body responsible for promoting the 10 principles of the United Nations. Presidency of the Spanish Network of the UN Global Compact since 2012

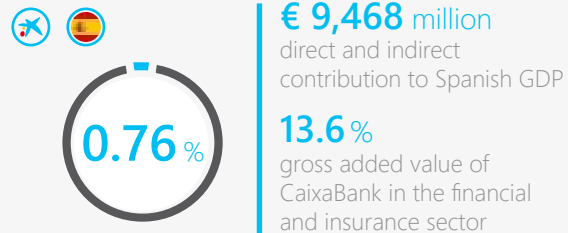


Initiative of the Leadership and Democratic Governance Chair of ESADE with the collaboration of "la Caixa"

## Contributing to society

CaixaBank works to promote economic activity and business productivity and contributes to the creation of employment and financial inclusion. Its financial strength is therefore a key component as it enables the bank to maintain jobs, purchase products and services from providers and pay its shareholders.

### >> CONTRIBUTION TO GDP



## Taxes paid, third-party tax collection and other contributions<sup>1</sup>



**231**  
Direct taxes



**475**  
Indirect taxes



**792**  
Other taxes collected

**€ 2,633**  
MILLION



**466**  
Social security at the company's expenses



**669**  
Retentions for IRPF over the staff (personal income tax)



**242**  
Deposit Guarantee Fund contributions



**103**  
Contribution to the Single Resolution Fund

**€ 360**  
MILLION



**15**  
Extraordinary contribution to the banking sector (Portugal)

<sup>1</sup> It is calculated on the basis of settlement, not accrual. More information in section *Transparency - Tax transparency*.

## Committed to employment



**35,736**

people working in the CaixaBank Group



**46,440**

jobs generated through the multiplier effect of purchases from suppliers\* and **6,175** generated by Banco BPI



**€ 2,460 million**

in salaries, wages and other employee benefits\*\*



**9,002**

new businesses created with the support of microloans

\*Source: CaixaBank Research, based on the added value of CaixaBank, Spanish GDP and employment according to National Accounting and productivity figures per worker and based on the input/output tables of the National Statistics Institute (INE) with 4th-quarter data.  
\*\*Excluding Social Security contributions included in tax contributions

## Loans granted

### NEW FINANCING TO BUSINESSES AND ENTREPRENEURS

**€ 4,881 million**

in 2019  
Does not include BPI

### MICROLOANS AND OTHER FINANCING WITH SOCIAL IMPACT

**99,328**

new operations in 2019

**€ 725 million**

granted in 2019



## Shareholder structure

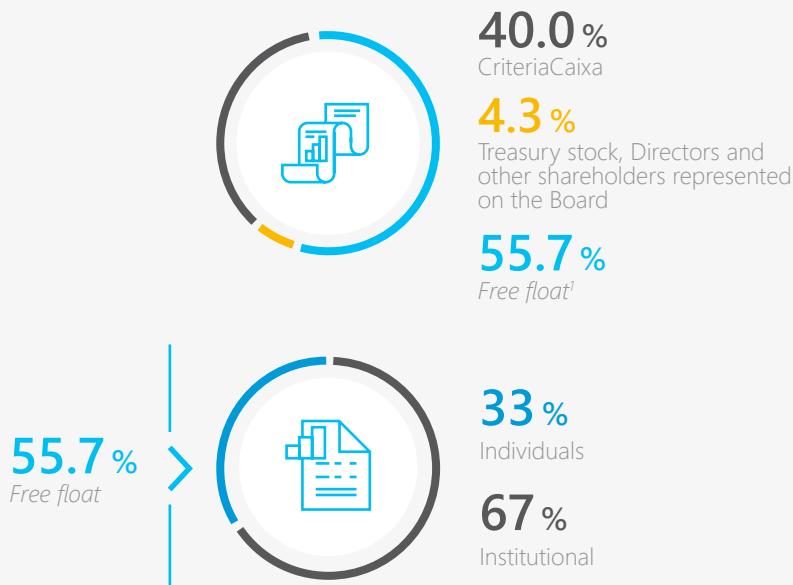
At year-end 2019, CaixaBank had a capital stock of 5,981,438,031 shares, each with a nominal value of 1 euro, of a single class and series, with identical ownership and financial rights, and represented by accounting entries. The aforementioned capital stock is distributed as follows:

Tranches of shares	Shareholders <sup>1</sup>	Shares	Share capital
From 1 to 499	252,188	52,286,167	0.9%
From 500 to 999	112,500	80,243,048	1.3%
From 1,000 to 4,999	169,379	365,373,800	6.1%
From 5,000 to 49,999	42,695	479,155,251	8.0%
From 50,000 to 100,000	786	53,135,981	0.9%
More than 100,000 <sup>2</sup>	575	4,951,243,784	82.8%
<b>Total</b>	<b>578,123</b>	<b>5,981,438,031</b>	<b>100%</b>

<sup>1</sup> For shares held by investors trading through a brokering entity located outside of Spain, the broker is considered to be the shareholder and appears as such in the corresponding register.

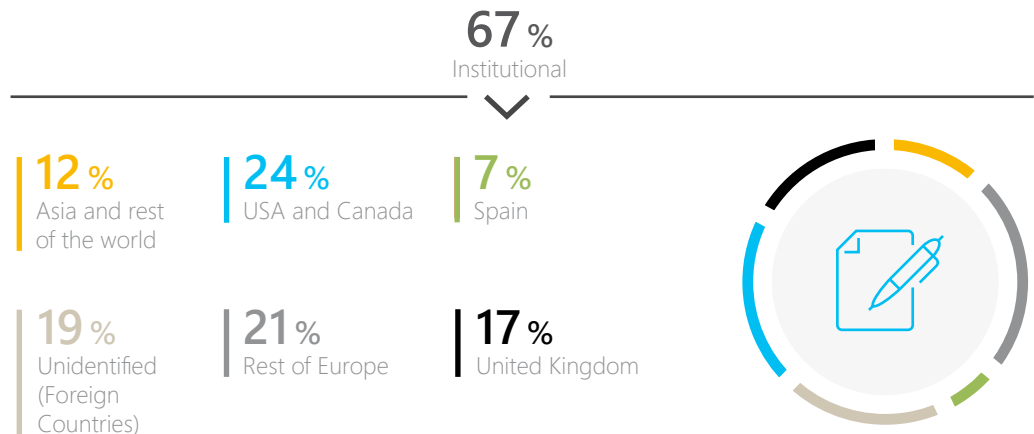
<sup>2</sup> Includes treasury shares.

### Shareholder base structure



<sup>1</sup> Management data. It differs from that presented in the Annual Corporate Governance Report, calculated on the basis of the regulations in force for that report.

### Geographical distribution of institutional investors



Operations involving the purchase and sale of treasury shares by CaixaBank or its controlled companies, will conform to the provisions of the regulations in force and in the agreements of the General Shareholders' Meeting in this regard.

Information on the acquisition and disposal of shares held in treasury during the period is included in Note 25 "Equity" to the accompanying Consolidated Financial Statements.

### Performance of the share in 2019

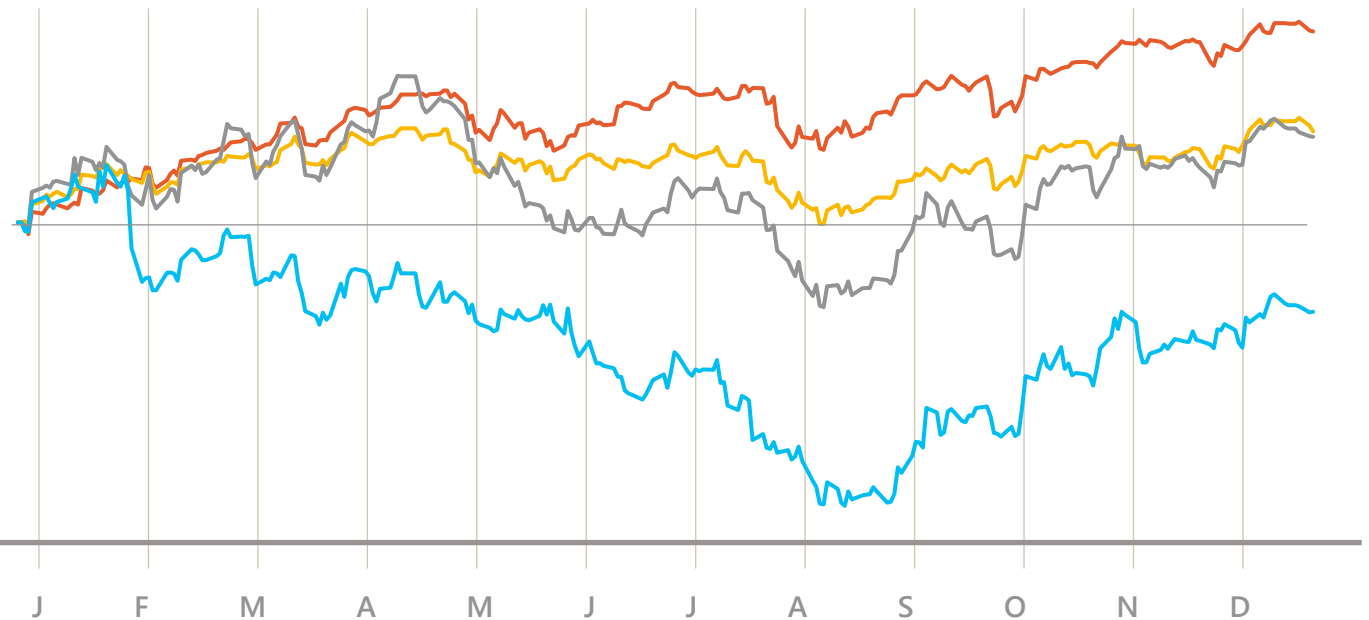
- The CaixaBank share closed on 31 December 2019 at a price of 2.798 euros per share an increase of +16.1% in the fourth quarter of the year, mitigating the fall in the annual value by -11.6% (vs. a variation of +11.1% Eurostoxx Banks and -3.4% Ibex 35 banks). For their part, general indices closed trading higher: +24.8% in the case of Eurostoxx 50 and +11.8% in the Ibex 35.

The ECB's new monetary policy package announced in the third quarter (with a measured decrease in the deposit facility rate, improved conditions under the TLTRO III and a new remuneration system for liquidity held at the ECB) has contributed to a recovery in investor sentiment.

- In 2019, the trading volume of shares in euros and the number of securities traded fell by -45.3% and -21.3%, respectively.



### Performance of the main stock markets (January 2019, base 100)





## Group structure

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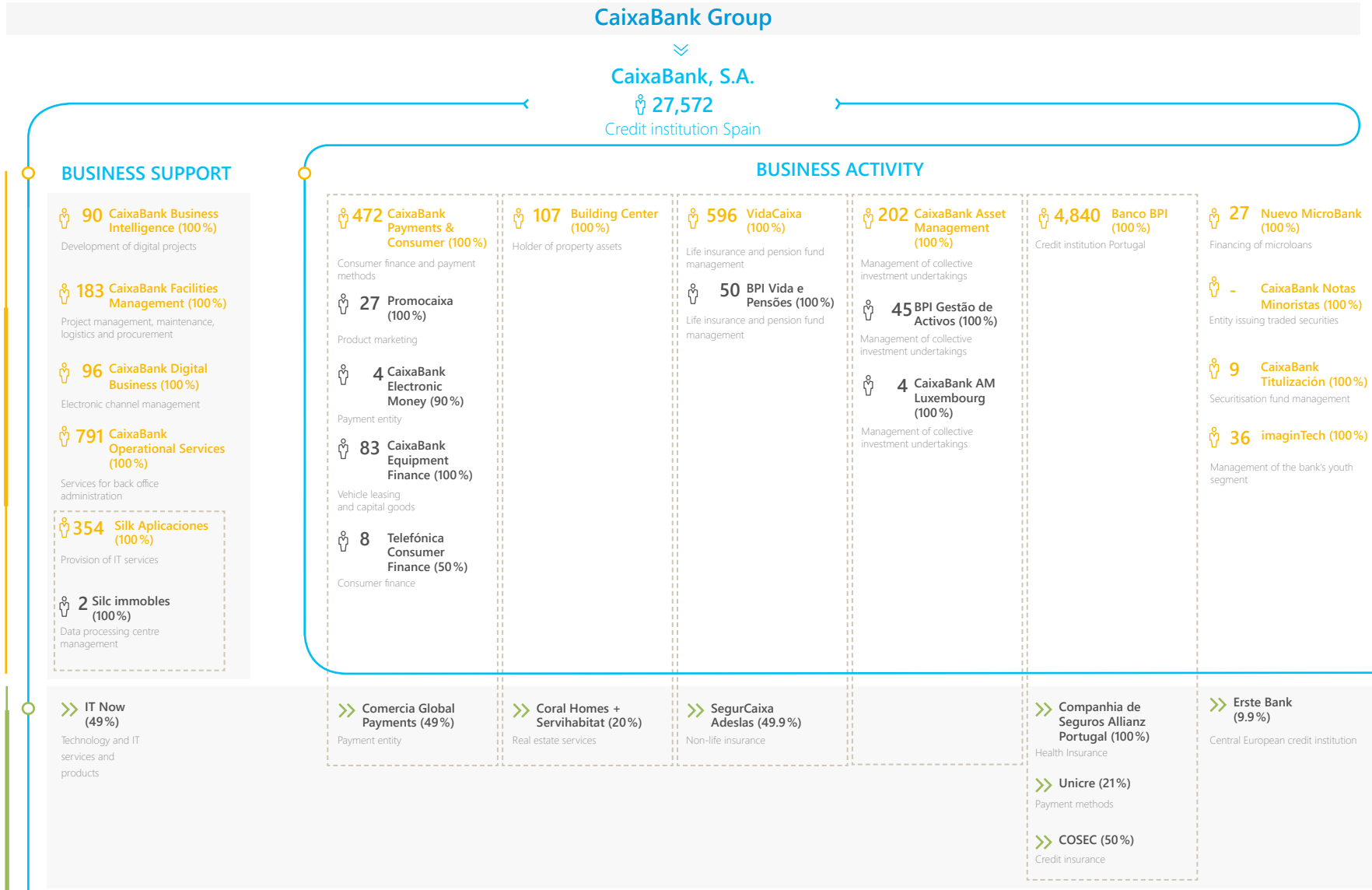
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Subsidiaries

Associates and joint ventures



--- Company subgroups.  
 👤xx Number of employees.  
 The most significant entities are included according to their contribution to the Group, excluding shareholder operations (dividends), extraordinary operations and non-core activities.  
 (%) Percentage of participation at 31 December 2019



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# Corporate Governance

Robust Corporate Governance enables companies to maintain an efficient and methodical decision-making process. It provides clarity in the allocation of responsibility while avoiding conflicts of interest and promoting transparency.

As part of our commitment to our mission and vision, we implement good corporate governance practice. This enables us to be a well-governed and coordinated company that is recognised for its good practices.

The information included in this Consolidated Management Report concerning corporate governance is complemented by the following publicly-available documents that are made available on the CaixaBank website ([www.caixabank.com](http://www.caixabank.com)) and from the Comisión Nacional del Mercado de Valores (CNMV, Spanish securities market regulator):

- The 2019 Annual Corporate Governance Report (ACGR), which forms part of this Consolidated Management Report and has been drawn up by the Board of Directors.
- The Annual Report on the Remuneration of Directors which must be prepared and submitted to a non-binding vote at the General Shareholders' Meeting, and does not form part of this Consolidated Management Report.

The **CaixaBank Corporate Governance Policy** is based on the Company's corporate values as well as on best governance practices, particularly the recommendations of the Code of Good Governance for listed companies approved by the CNMV in 2015. This policy establishes the action principles that will regulate the Company's corporate governance.

## >> CORPORATE GOVERNANCE PRINCIPLES AND PRACTICES

①

Competencies and efficient self-governance of the CaixaBank Board of Directors

②

Diversity and balance in the composition of the Board of Directors

③

Professionalism and duties of members of the Board of Directors

④

Balanced remuneration aimed at attracting and retaining the appropriate profile of members of the Board of Directors

⑤

Commitment to ethical and sustainable action of the Company

⑥

Protection and promotion of shareholders' rights

⑦

Compliance with current regulations as the guiding principle for all people who form part of CaixaBank

⑧

Internal control framework

⑨

Acceptance and update of good governance practices

⑩

Transparency

## Recommendations on good corporate governance

CaixaBank is fully compliant with 58 and partially compliant with 3 of the 64 Recommendations in the Good Governance Code of Listed Companies (CNMV). One of the recommendations is not applicable, as the bank is the only listed company in the Group. The following list contains the recommendations with which CaixaBank is fully or partially compliant, and the reason:



For further details, see section "G" of the 2019 Annual Corporate Governance Report on the degree of compliance with corporate governance recommendations.

### >> PARTIALLY COMPLIANT

#### Recommendation 5

The Board of Directors should not make a proposal to the General Meeting for the delegation of powers to issue shares or convertible securities without pre-emptive subscription rights for an amount exceeding 20% of capital at the time of such delegation.

When the Board of Directors approves the issuance of shares or convertible securities without pre-emptive subscription rights, the company should immediately post a report on its website explaining the exclusion as envisaged in company legislation.

#### Recommendation 10

When an accredited shareholder exercises the right to supplement the agenda or submit new proposals prior to the general meeting, the company should:

- a) Immediately circulate the supplementary items and new proposals.
- b) Disclose the model of attendance card or proxy appointment or remote voting form duly modified so that new agenda items and alternative proposals can be voted on in the same terms as those submitted by the Board of Directors.
- c) Put all these items or alternative proposals to the vote applying the same voting rules as for those submitted by the Board of Directors, with particular regard to presumptions or deductions about the direction of votes.
- d) After the general meeting, disclose the breakdown of votes on such supplementary items or alternative proposals.

#### Recommendation 27

Director absences should be kept to a strict minimum and quantified in the Annual Corporate Governance Report. In the event of absence, Directors should delegate their powers of representation with the appropriate instructions.

DESCRIPTION

EXPLANATION

The General Shareholder Meeting of 28 April 2016 approved a motion which allows the Board to issue bonds and other instruments convertible into shares with the exclusion of pre-emptive subscription rights by making any capital increases that the Board of Directors may approve under this authorisation subject to the legal limitation of 50% of the capital and not 20%. The aim of this is to provide the entity with maximum flexibility in relation to the instruments available for the integration of its regulatory capital.

The regulations of CaixaBank's General Shareholder Meeting provide for a different voting system depending on whether resolutions are proposed by the Board of Directors or by shareholders. This is to avoid counting difficulties in respect of shareholders who are absent before the vote and to resolve new proposals dealing with resolutions that contradict the proposals submitted by the Board, ensuring in all cases the transparency of counting and the proper recording of votes.

The proxies for voting at the Board meetings, when applicable, shall be carried out without specific instructions as it is considered a best practice.

### >> NON-COMPLIANT

#### Recommendation 13

The Board of Directors should have an optimal size to promote its efficient functioning and maximise participation. The recommended range is accordingly between 5 and 15 members.

The Board has more members than the suggested number, due to their background and specific characteristics.

#### Recommendation 62

Following the award of shares, share options or other rights on shares derived from the remuneration system, directors should not be allowed to transfer a number of shares equivalent to twice their annual fixed remuneration, or to exercise the share options or other rights on shares for at least three years after their award.

The shares awarded to the executive directors as part of their annual bonus have a 12-month retention period with no other requirements after this time.

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## Milestones in 2019

### Changes in the composition of the Board of Directors and its committees

At the 2019 General Ordinary Meeting of Shareholders, it was agreed to reduce the number of members of the Board of Directors from 18 to 16, converging with the recommendations of the Good Governance Code and within the limits established in the By-laws. This action came alongside a renewal of the members of the Board of Directors. The main changes are:

#### Departure following end of mandate:

Alain Minc	Independent
Juan Rosell	Independent
Antonio Sáinz de Vicuña	Independent
Javier Ibarz	Proprietary

#### Appointments:

Cristina Garmendia	Independent
Marcelino Armenter	Proprietary

In addition to changes in the composition of members of the Board of Directors, the reorganisation of the composition of the Board committees has been agreed:

Appointment	Board Position and Committee	Substitutes
Verónica Fisas	Remuneration Committee Member	Juan Rosell
Xavier Vives	Appointments Committee Member	Alain Minc
Eduardo Javier Sanchiz	Chair of the Risks Committee	Antonio Sáinz de Vicuña
Koro Usarraga	Chair of the Audit and Control Committee	Alain Minc

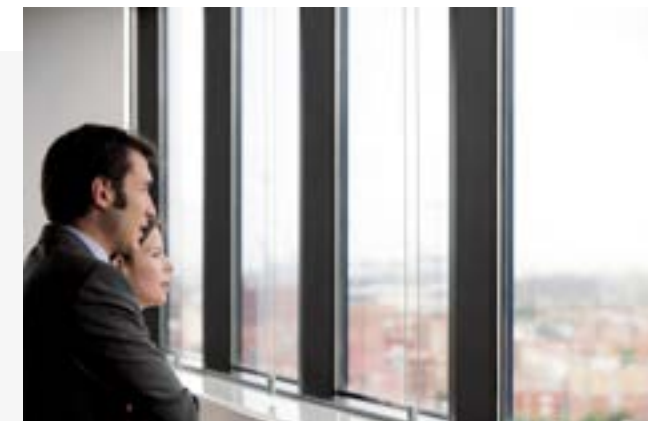
With the aim of assisting the Board in all matters regarding technological innovation and digital transformation, as well as in the monitoring and analysis of the trends and innovations which may affect CaixaBank's strategy and business model in this field, on 23 May 2019, **the constitution of the Innovation, Technology and Digital Transformation Committee was approved.**

## Challenges for 2020

In light of the results obtained from the self-assessment processes of the Board and its Committees, and in order to continue to make progress in the areas of efficiency and quality, the Board of Directors has determined and established some opportunities for improvement regarding its operation and that of its Committees in 2020.

Notably, these include matters relating to the agenda, optimising efficiency to increase the time being dedicated to debating business issues, and in this regard, to deepen knowledge of the evolution of the sector and its trends.

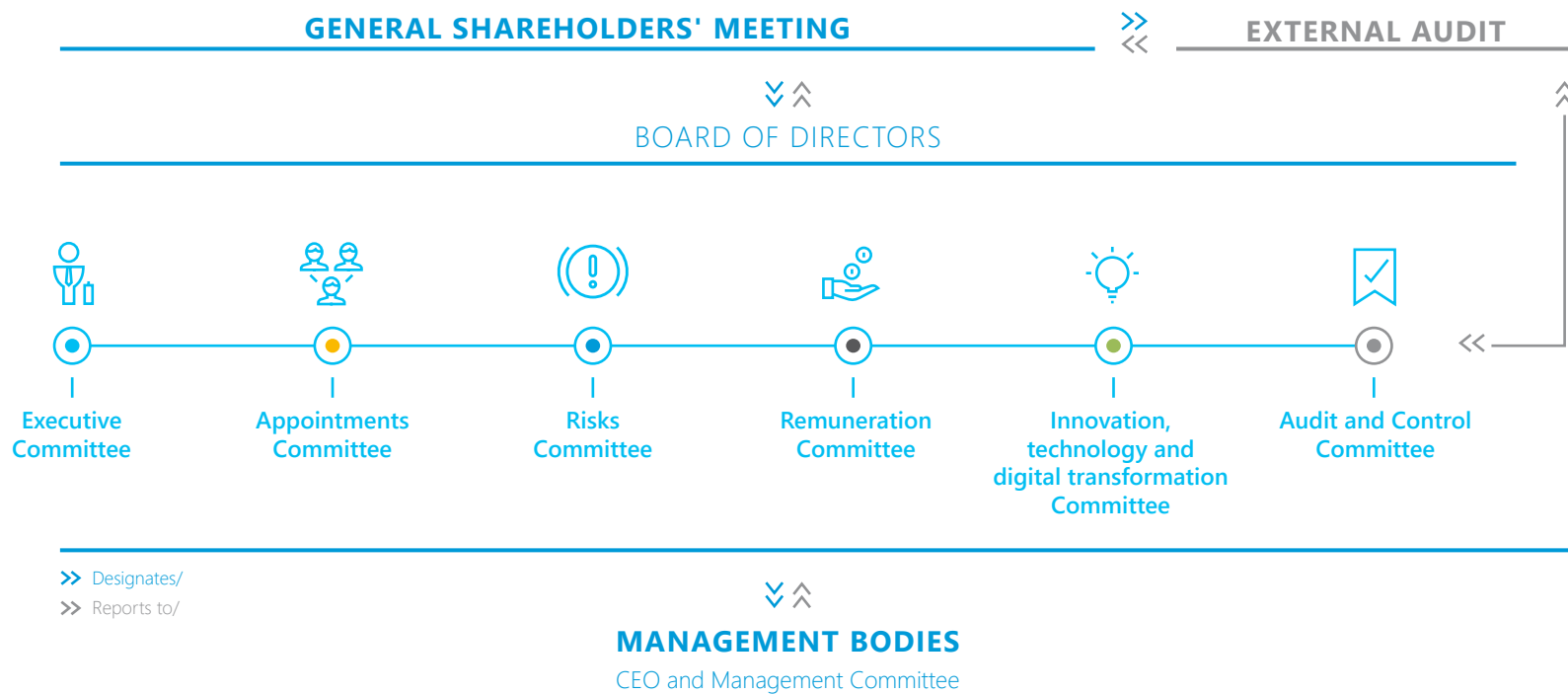
Furthermore, to continue to expand and improve the technical working tools, as well as the Group's information with regard to its business and organisation, without losing sight of the capacity of the governing bodies to carry out their work in line with standards of excellence, and, if necessary, to reshape a specialised committee, always in the interest of ensuring the best governance and the optimal performance by the Bank as a result.



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## Corporate Governance Structure

At CaixaBank, the management and control functions in the Bank are distributed among the General Shareholders' Meeting, the Board of Directors, and its committees.



>> Designates/  
>> Reports to/




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## General Shareholders' Meeting

The General Shareholders' Meeting (GSM) of CaixaBank is the ultimate representative and participatory body of the Company shareholders. Accordingly, in order to facilitate the participation of shareholders in the General Meeting and the exercise of their rights, the Board of Directors will adopt such measures as appropriate so that the GSM may effectively perform its duties.

At the General Shareholders' Meeting held on 5 April 2019, all of the points on the agenda were approved:

### >> GENERAL SHAREHOLDERS' MEETING 2019

- 65.6 % quorum of total share capital
- 96 % average approval

GSM agreements	% votes issued in favour	% votes in favour of total share capital
1. Approval of the individual and consolidated annual accounts and the respective management reports for the year ending on 31 December 2018.	99.39	65.24
2. Approval of the consolidated non-financial information statement for the year ending on 31 December 2018.	99.51	65.31
3. Approval of the Board of Directors' management during the business year ending on 31 December 2018.	99.48	65.30
4. Approval of the proposed allocation of profit for the business year ending on 31 December 2018.	99.77	65.48
5. Determining the number of members of the Board of Directors within the limits established in the Company By-laws. Re-election and appointment of Directors.		
5.1 <i>Establishing the number of Board members at sixteen.</i>	99.41	65.25
5.2 <i>Re-election of Mr. Gonzalo Gortázar Rotaache.</i>	97.94	64.28
5.3 <i>Re-election of Ms. María Amparo Moraleda Martínez.</i>	94.59	62.08
5.4 <i>Re-election of Mr. John S. Reed.</i>	92.62	60.79
5.5 <i>Re-election of Ms. María Teresa Bassons Boncompte.</i>	80.02	52.52
5.6 <i>Appointment of Mr. Marcelino Armenter Vidal.</i>	83.18	54.60
5.7 <i>Appointment of Ms. Cristina Garmendia Mendizábal.</i>	98.41	64.59
6. Approval of exemption from the non-competition obligation with regard to the Company as set forth in Article 230 of the Spanish Corporation Law, as may be required.	99.62	65.38
7. Approval of the amendment of the Directors' remuneration policy.	97.19	63.56
8. Approval of a targeted incentive scheme linked to the 2019-2021 Strategic Plan for the executive Directors, the Management Committee members and the rest of the management team and key Company employees.	98.31	64.52
9. Delivery of shares to the executive Directors and senior managers as part of the Company's variable remuneration scheme.	99.49	65.30
10. Approval of the maximum bonus that may be earned by employees whose work has a significant impact on the Company's risk profile.	99.37	65.20
11. Authorisation and delegation of powers to interpret, correct, supplement, implement and develop the resolutions adopted by the General Meeting, and delegation of powers to notarise those resolutions in public deeds, register them and, where the case may be, correct them.	99.93	65.59
12. Consultative vote on the Annual Report on Directors' Remuneration for the financial year 2018.	92.94	60.78
13. Information on the amendment of the Regulations of the Board of Directors agreed to at its meeting of 21 February 2019.		Information

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## Board of Directors

The Board of Directors is the Bank's most senior representative, management and administrative body with powers to adopt agreements on all matters except those that fall within the remit of the GSM. It approves and oversees the strategic and management directives established in the interest of all Group companies and it ensures regulatory compliance and the implementation of good practices in the performance of its activity, as well as adherence to the additional principles of social responsibility that it has voluntarily assumed.

At CaixaBank, the Chairman and CEO have different yet complementary roles. There is a clear division of responsibilities between each position. The Chairman is the senior representative of the Bank. The Board of Directors has appointed a CEO, the sole executive director of the Bank who is responsible for the day-to-day management under the supervision of the Board. There is also a delegated committee, the Executive Committee, which has executive functions (excluding those

that cannot be delegated). It reports to the Board of Directors and meets on a more regular basis.

There is also a Lead Director appointed from among the independent directors, who is responsible for handling, coordinating and expressing the concerns of the other Independent Directors, as well as directing the periodic assessment of the Chairman, chairing the Board of Directors in the absence of the Chairman and Deputy Chairman, in addition to other assigned duties.

The directors meet the requirements of honourability, experience and good governance in accordance with the applicable law at all times, considering, furthermore, recommendations and proposals for the composition of administrative bodies and profile of directors issued by authorities and national or community experts.

	Jordi Gual	Tomás Muniesa	Gonzalo Gortázar	Xavier Vives	Marcelino Armenter	Natalia Aznárez	Maria Teresa Bassons	María Verónica Fisas	Alejandro García-Bragado	Cristina Garmendia	Ignacio Garralda	Maria Amparo Moraleda	John S. Reed	Eduard Javier Sanchiz	José Serna	Koro Usarraga	Óscar Calderón	Óscar Figueres	
Position	Chairman	Deputy Chair	CEO	Lead Director	Director	Fundación CajaCanarias representative	Director	Director	Director	Director	Director	Director	Director	Director	Director	Director	General Secretary and Secretary to the Board of Directors	First Deputy Secretary of the Board of Directors	
Executive			✓																
Proprietary	✓	✓			✓	✓	✓		✓		✓						✓		
Independent				✓				✓		✓		✓	✓	✓			✓		
Executive	✓ <sup>C</sup>	✓	✓	✓				✓				✓						S	DS
Audit and control														✓	✓	✓ <sup>C</sup>	S	DS	
Appointments				✓			✓						✓ <sup>C</sup>				S	DS	
Risks						✓								✓ <sup>C</sup>		✓	S	DS	
Remuneration								✓	✓			✓ <sup>C</sup>					S	DS	
Innovation, Technology and Digital Transformation	✓ <sup>C</sup>		✓		✓					✓		✓					S	DS	
Date of first appointment	30/06/2016	01/01/2018	30/06/2014	05/06/2008 <sup>1</sup> 22/06/2017 <sup>2</sup>	05/04/2019	23/02/2017	26/06/2012	25/02/2016	01/01/2017	05/04/2019	06/04/2017	24/04/2014	03/11/2011	21/09/2017	30/06/2016	30/06/2016	27/06/2011 <sup>1</sup>	23/10/2017	
Date of ratification	06/04/2017	06/04/2018	23/04/2015			06/04/2017		28/04/2016	06/04/2017					06/04/2018	06/04/2017	06/04/2017			
Renewal date			05/04/2019	23/05/2015 <sup>1</sup>			05/04/2019					05/04/2019	05/04/2019						
Age	62	67	54	64	62	55	62	55	70	57	68	55	80	63	77	62	48	38	
Nationality	Spanish	Spanish	Spanish	Spanish	Spanish	Spanish	Spanish	Spanish	Spanish	Spanish	Spanish	Spanish	United States	Spanish	Spanish	Spanish	Spanish	Spanish	

<sup>1</sup> As director  
<sup>2</sup> As lead director  
<sup>3</sup> Appointed Secretary of the Board on 1/1/2017. Appointed General Secretary on 29/4/2019  
**C:** Chairman  
**S:** Secretary  
**DS:** Deputy Secretary

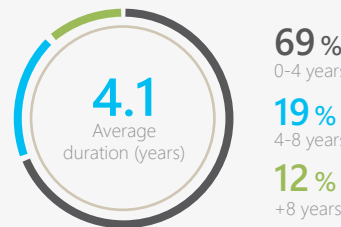
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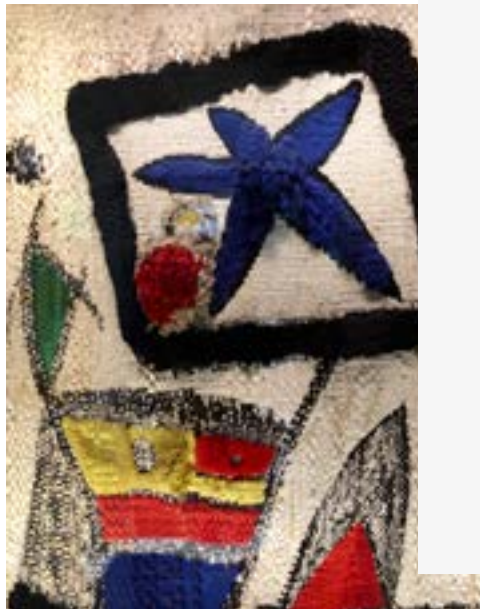
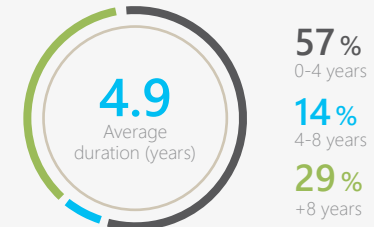
### Profile of the members of the Board of Directors



#### Duration in the position



#### Duration in the position of the independent directors





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**JORDI GUAL**  
Chairman

**>> Education**

PhD in Economics from the University of California (Berkeley) and is a professor of Economics at the IESE Business School and a Research Fellow at the Centre for Economic Policy Research (CEPR).

**>> Career**

He joined "la Caixa" Group in 2005 and prior to his appointment as Chairman of CaixaBank, he was the Chief Economist and Head of Strategic Planning and Research and Director-General of Planning and Strategic Development for CriteriaCaixa. He has been a member of the Board of Directors of Repsol and served as an Economics Advisor for the European Commission's Directorate-General for Economic and Financial Affairs and as a visiting professor at the University of California (Berkeley), the Université Libre de Bruxelles and the Barcelona Graduate School of Economics.

**>> Other positions currently held**

Member of the Board of Directors of Telefónica and the Supervisory Board at Erste Bank. He is also Chairman of FEDEA, Vice President of the Círculo de Economía and Cotec Foundation for Innovation, and serves on the Boards of the CEDE Foundation, the Real Instituto Elcano and Fundación Barcelona Mobile.

**TOMÁS MUNIESA**  
Deputy Chairman

**>> Education**

He holds a degree in Business Studies and a master's in Business Administration from the ESADE Business School.

**>> Career**

He joined 'la Caixa' in 1976, and was appointed Deputy General Manager in 1992. In 2011, he was appointed General Manager of CaixaBank's Insurance and Asset Management Group, where he remained until November 2018.

He was Deputy Chairman and CEO of VidaCaixa (1997-2018).

Previously, he served as the Chairman of MEFF, Deputy Chairman of BME, Second Deputy Chairman of UNESPA, Director and Chairman of the Audit Commission of the Insurance Compensation Consortium, Director of Vithas Sanidad and Substitute Board Member of Inbursa.

**>> Other positions currently held**

Deputy Chairman of VidaCaixa and SegurCaixa Adeslas, as well as member of the Board of Trustees of ESADE Foundation and Board Member of Allianz Portugal.

**GONZALO GORTÁZAR**  
CEO

**>> Education**

He holds a degree in Law and Business from Universidad Pontificia de Comillas (ICADE) and an MBA from the INSEAD Business School.

**>> Career**

Prior to his appointment as CEO in 2014, he was the Chief Financial Officer at CaixaBank and CEO of Criteria CaixaCorp (2009-2011).

He previously held various positions in the investment banking division of Morgan Stanley, as well as a number roles in corporate and investment banking in Bank of America.

He was also First Vice-Chairman of Repsol, Board Member of Inbursa, Erste Bank, SegurCaixa Adeslas, Abertis, Port Aventura and Saba.

**>> Other positions currently held**

Chairman of VidaCaixa and Board Member of Banco BPI.

**XAVIER VIVES**  
Independent Lead Director

**>> Education**

Professor of Economics and Finance at the IESE Business School. He also holds a PhD in Economics from the University of California (Berkeley).

**>> Career**

He was Professor of European Studies at INSEAD (2001-2005); Director of the Institute of Economic Analysis at the CSIC (1991-2001); and a Visiting Lecturer at the universities of California (Berkeley), Harvard, New York (King Juan Carlos I Chair), and Pennsylvania, as well as the Universitat Autònoma de Barcelona and the Universitat Pompeu Fabra.

He has also advised the World Bank, the Inter-American Development Bank, the New York Federal Reserve, the European Commission (Special Advisor to the EU Vice President and Competition Commissioner, Joaquín Almunia), the Generalitat de Catalunya as a member of the CAREC (Advisory Council for Economic Recovery and Growth) and other international companies. He served as Chairman of the Spanish Economic Association and EARIE (European Association for Research in Industrial Economics) and Deputy Chairman of the Spanish Energy Economics Association, as well as a Duisenberg Fellow at the ECB.

**>> Other positions currently held**

Member of the Academia Europea; Research Fellow of the CESifo and the Center for Economic Policy Research; Fellow of the European Economic Association and the Econometric Society.



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## MARCELINO ARMENTER

Proprietary Director

### »» Education

He holds a bachelor's degree and a master's degree in Business Administration and Management from ESADE Business School.

### »» Career

He began his career at Arthur Andersen, before joining Hidroeléctrica de Cataluña.

He has been professionally involved with "la Caixa" Group since 1985, as Head of Internal Audit and Control (1985-1988), Head of the Shareholders' Division (1988-1995), CEO of Banco Herrero (1995-2001), Managing Director of CaixaHolding (2001-2007), Executive Deputy Managing Director of "la Caixa" (2007-2011) and Managing Director of Risks at CaixaBank (2011-2013).

His current roles are CEO and member of the Executive Committee of CriteríaCaixa, of which he was previously the Managing Director. He was Director of the Inbursa Financial Group (2017-2019).

### »» Other positions currently held

Member of the Board of Naturgy, Saba Infraestructuras and Inmo CriteríaCaixa, Chairman and CEO of Mediterranea Beach & Golf Community and CEO of Caixa Capital Risk.



## NATÁLIA AZNÁREZ

Proprietary Director Representative

### »» Education

She holds a degree in Business and Commercial Management from Universidad de Málaga and a diploma in Accounting and Finance from Universidad de La Laguna.

### »» Career

She began her career by collaborating with the General Management of REA METAL WINDOWS. In 1990, she joined the CajaCanarias marketing department and in 1993 she was head of the Individual Customer Segment. In 2008, she was appointed Deputy Director of CajaCanarias, becoming Assistant General Manager in 2010. After Banca Cívica acquired all the assets and liabilities of CajaCanarias, Ms Aznárez Gómez became General Manager at CajaCanarias. Following the entity's transformation into a banking foundation, she served as General Manager until 30 June 2016.

### »» Other positions currently held

Director of Fundación CajaCanarias, Chair of the CajaCanarias Employee Pension Plan Control Committee, Deputy Chair of Fundación Cristino de Vera, Secretary of the CajaCanarias Business Learning and Development Foundation.



## MARÍA TERESA BASSONS

Proprietary Director

### »» Education

She holds a degree in Pharmacy Studies from the University of Barcelona, specialising in hospital pharmacy.

### »» Career

She holds a pharmacy licence. She has been Deputy Chair of the Col·legi Oficial de Farmacèutics de Barcelona (1997-2004) and Secretary General of the Consell de Col·legis de Farmacèutics de Catalunya (2004-2008), member of the advisory council on tobacco use of the Generalitat de Catalunya (1997-2006) and the bioethics advisory committee of the Generalitat de Catalunya (2005-2008) and Director of the INFARMA conference at Fira de Barcelona (1995 and 1997) and of the publications "Circular Farmacèutica" and "l'Informatiu del COFB".

She was a director at "la Caixa" (2005-2014), Critería CaixaHolding (2011-2012), trustee of the "la Caixa" Foundation (2014-2016) and a member of the Caixa Capital Risk Advisory Committee until 2018.

She was a member of the Executive Committee and Chair of the Enterprise Commission in the health sector for the Barcelona Chamber of Commerce until May 2019, and member of the Oncolliga Scientific Committee.

### »» Other positions currently held

She is on the Board of Directors of Bassline and Laboratorios Ordesa and Administrator of Terbas XXI S.L.U.

She is a member of the Oncolliga Scientific Committee.



## MARÍA VERÓNICA FISAS

Independent Director

### »» Education

She holds a degree in Law and a master's degree in Business Administration from EAE.

### »» Career

In 2009, she joined the Board of Directors of Stanpa, Asociación Nacional de Perfumería y Cosmética, becoming Chair of Stanpa in 2019 and, in turn, Chair of Fundación Stanpa.

### »» Other positions currently held

She has been the CEO of Natura Bissé and General Director of the Natura Bissé Group since 2007. Since 2008, she is also a trustee of the Fundación Ricardo Fisas Natura Bissé.



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## ALEJANDRO GARCÍA-BRAGADO

Proprietary Director

### Education

He holds a degree in Law from the University of Barcelona and he is a State Lawyer.

### Career

In 1984, on an extended leave of absence from the State's Law Office, he began to work for the Barcelona Stock Exchange, where he was appointed Secretary of the Board of Directors while continuing to practice law. In 1994, he left the Barcelona Stock Exchange to provide legal advice to "la Caixa". In 1995, he was appointed Deputy Secretary and, in 2003, Secretary to the Board of Directors. He was also Deputy Chair and Deputy Secretary of the Board of Trustees of "la Caixa" Banking Foundation (2014-2016). And, at Caixa-Bank, he was Secretary (non-member) of the Board of Directors (2009-2016) and General Secretary (2011-2014).

He was also Secretary to the Board of Directors of La Maquinista Terrestre y Marítima; Intelhorce; Hilaturas Gossipyum; Abertis Infraestructuras; Inmobiliaria Colonial; Agbar. He also served on the Board of Gas Natural.

### Other positions currently held

First Deputy Chairman of CriteriaCaixa and member of the Board of Directors of Saba Infraestructuras.



## CRISTINA GARMENDIA

Independent Director

### Education

She holds a degree in Biological Sciences, specialising in Genetics, a PhD in Molecular Biology from the Severo Ochoa Molecular Biology Centre of the Autonomous University of Madrid, and an MBA from the IESE Business School of the University of Navarra.

### Career

She was Minister of Science and Innovation in the Spanish Government during the IX Legislature (2008-2011).

In the past, she has been Executive Deputy Chair and Financial Director of the Amasua Group, President of the Association of Biotechnology Companies (ASE-BIO) and member of the Governing Board of the Spanish Confederation of Business Organisations (CEOE). She has also been a member of the governing bodies of, among other companies, Science & Innovation Link Office, Naturgy, Corporación Financiera Alba, Pelayo Mutua de Seguros and CEO of Genetrix.

### Other positions currently held

She is a member of the board of Compañía de Distribución Integral Logista Holdings, Mediaset, Ysios Capital Partners and Satlantís Microsats. She is also the President of the COTEC Foundation, a member of the España Constitucional Foundation, SEPI and member of the advisory board of Women for Africa Foundation, as well as a member of the Social Council of the University of Seville.



## IGNACIO GARRALDA

Proprietary Director

### Education

He holds a degree in Law from Complutense University of Madrid. He has been a Notary Public, on leave, since 1989.

### Career

He began his professional career as Notary for Commercial Matters (1976-1982), and from there he became a Licensed Stock Broker (1982-1989). He was a founding member of AB Asesores Bursátiles, where he was Vice-Chairman until 2001, Vice-Chairman of Morgan Stanley Dean Witter (1999-2001), Chairman of Bancovial (1994-1996) and member of the board of the Madrid Stock Exchange governing body (1991-2009).

He is Chair and CEO of Mutua Madrileña Automovilista, he has been a member of the Board of Directors since 2002, and since 2004, he has been a member of the Executive Committee of which he is currently Chair, as well as the Investment Committee.

### Other positions currently held

First Deputy Chairman of BME, Chair of the Audit Committee since 2016. He is also Chairman of Fundación Mutua Madrileña and sits on the Board of Trustees of Fundación Princesa de Asturias, of Museo Reina Sofía, of Pro Real Academia Española and of the Drug Addiction Help Foundation.



## MARÍA AMPARO MORALEDA

Independent Director

### Education

She graduated in Industrial Engineering from the ICAI and holds an MBA from the IESE Business School.

### Career

She was the Chief Operating Officer of Iberdrola's International Division with responsibility for the UK and US (2009-2012) and she headed Iberdrola Ingeniería y Construcción (2009-2011). She was also a member of the Board of Directors of Faurecia (2012-2017).

She has previously worked for IBM Group. She was General Manager for IBM Spain and Portugal (2001-2009), responsible for Greece, Israel and Turkey (2005-2009). She was also assistant executive to the President of IBM corporation (2000-2001), Managing Director of INSA (subsidiary of IBM Global Services) (1998-2000) and HR Director for EMEA at IBM Global Services (1995-1997).

### Other positions currently held

Independent Director at Solvay, Airbus Group and Vodafone.

She is also a member of the Supervisory Board of the Spanish National Research Council (CSIC), of the Advisory Board of SAP Ibérica, Spencer Stuart and KPMG, as well as a full academic member of the Royal Academy of Economic and Financial Science, member of the Academy of Social Sciences and the Environment of Andalusia, the Board of Trustees of MD Anderson Cancer Center in Madrid and the International Advisory Board of IE.

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**JOHN S. REED**  
Independent Director

**>> Education**

He holds a degree in Philosophy, Arts and Science from Washington & Jefferson College and a degree from Massachusetts Institute of Technology (MIT).

**>> Career**

He was a lieutenant in the U.S. Army Corps of Engineers (1962-1964), subsequently joining Citibank/Citicorp and Citigroup for 35 years, the last sixteen as Chairman. He retired in the year 2000. He later returned to work as Chairman of the New York Stock Exchange (2003-2005) and was Chairman of the MIT Corporation (2010-2014).

**>> Other positions currently held**

Chairman of the Board of American Cash Exchange and Trustee of NBER. He is a Fellow of the American Academy of Arts and Sciences and of the American Philosophical Society.

**EDUARDO JAVIER SANCHIZ**  
Independent Director

**>> Education**

He holds a degree in Economics from the University of Deusto and a master's in Business Administration from the IE.

**>> Career**

He has worked with Almirall since 2004, where he was CEO (2011-2017). He was previously Executive Director of Corporate Development and Finance and CFO. He has been a member of the Board of Directors since 2005 and of the Dermatology Committee since 2015.

He also worked in various positions at Eli Lilly & Co, the American pharmaceutical company. Some of his significant positions include General Manager in Belgium, General Manager in Mexico and Executive Officer in the Business Division covering central, northern and eastern European countries.

He was a member of the American Chamber of Commerce in Mexico and of the Association of Pharmaceutical Industries in a number of countries in Europe and Latin America.

**>> Other positions currently held**

He is currently a member of the Board of Directors of Laboratorio Pierre Fabre and its Strategic Committee.

**JOSÉ SERNA**  
Proprietary Director

**>> Education**

He holds a degree in Law from Complutense University of Madrid. State Lawyer (on leave) and Notary (until 2013).

**>> Career**

In 1971, he joined the State Lawyer Corps until his leave of absence in 1983. Legal counsel to the Madrid Stock Exchange (1983-1987). Forex and Stock Market Broker in Barcelona (1987). Chairman of the Promoter of the new Barcelona Stock Exchange (1988) and Chairman of the Barcelona Stock Exchange (1989-1993).

Chairman of the Spanish Stock Market Body (1991-1992) and Deputy Chairman of MEF (Spanish Financial Futures Market). He was also Deputy Chairman of Fundación Barcelona Centro Financiero and of Sociedad de Valores y Bolsa Interdealers, S.A.

In 1994, he became a Forex and Stock Market Broker in Barcelona.

Notary Public in Barcelona (2000-2013). He was also a member of the Board of Endesa (2000-2007) and its Group companies.

**KORO USARRAGA**  
Independent Director

**>> Education**

She holds a degree and a master's in Business Administration from ESADE Business School.

She completed the PADE programme at IESE Business School. He is a qualified chartered accountant (Registro Oficial de Auditores de Cuentas).

**>> Career**

She worked at Arthur Andersen for 20 years, and she was appointed partner of the Audit Division in 1993.

In 2001, she assumed responsibility for the General Corporate Management of Occidental Hotels & Resorts. She was Managing Director of Renta Corporación and member of the Board of Directors of NH Hotel Group (2015-2017).

**>> Other positions currently held**

Independent Director of Vocento and Administrator of Vehicle Testing Equipment and of 2005 KP Inversiones.

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## ÓSCAR CALDERÓN

General Secretary and Secretary to the Board of Directors

### Education

He holds a degree in Law from the University of Barcelona and he is a State Lawyer.

### Career

He served as State Lawyer in Catalonia (1999-2003).

He has worked with "la Caixa" Group since 2004, as Lawyer to the General Secretary's Office of "la Caixa", Deputy Secretary to the Board of Directors of Inmobiliaria Colonial (2005-2006), Secretary to the Board of Banco de Valencia (2013) and Deputy Secretary to the Board of Directors of "la Caixa" until June 2014. He was also a Trustee and Deputy Secretary of "la Caixa" Foundation until its dissolution in 2014, as well as Secretary to the Board of Trustees of "la Caixa" Banking Foundation until 2017.

### Other positions currently held

Trustee and Secretary to the Board of Trustees of Fundación del Museo de Arte Contemporáneo de Barcelona (MACBA). He is also Secretary of Fundación de Economía Aplicada (FEDEA).

## ÓSCAR FIGUERES

First Deputy Secretary of the Board of Directors

### Education

He holds a degree in Law from Pompeu Fabra University and he is a State Lawyer.

### Career

He worked as a State Lawyer in Barcelona and Tarragona, responsible for the coordination, representation and defence of the State in civil, appeal, social and criminal cases. Coordinator of Legal Assistance Agreements with Corporación RTVE, the Barcelona Free Trade Association and the Tarragona Port Authority. Member of Board and Executive Committee of the Barcelona Free Trade Association. Member and Legal Counsel of the Board of Directors of the Tarragona Port Authority and Member of the Tarragona Provincial Compulsory Purchase Tribunal.

Prior to joining CaixaBank, he worked at EY Abogados.

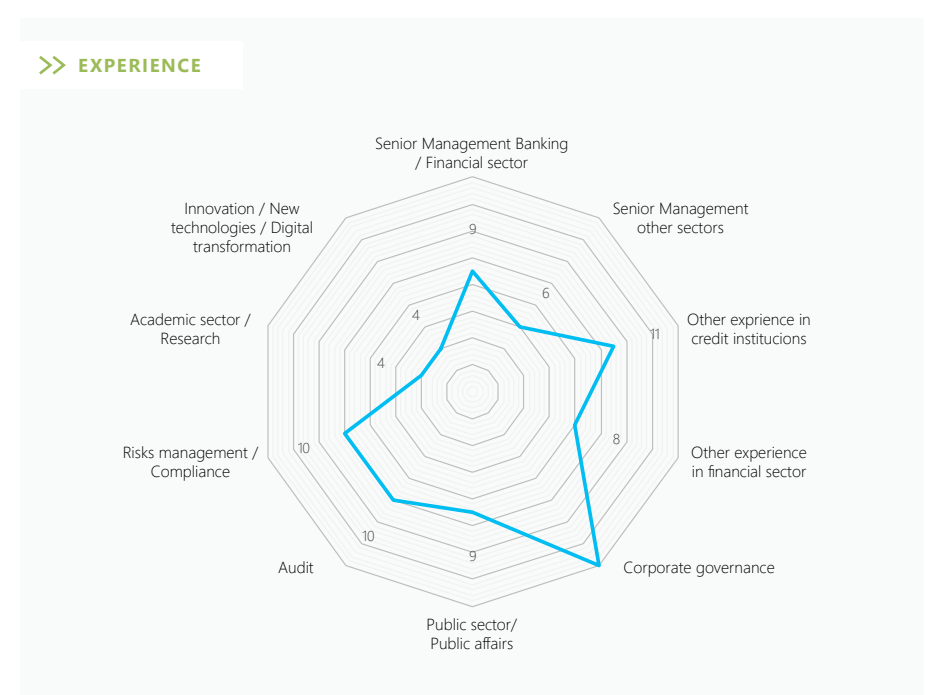
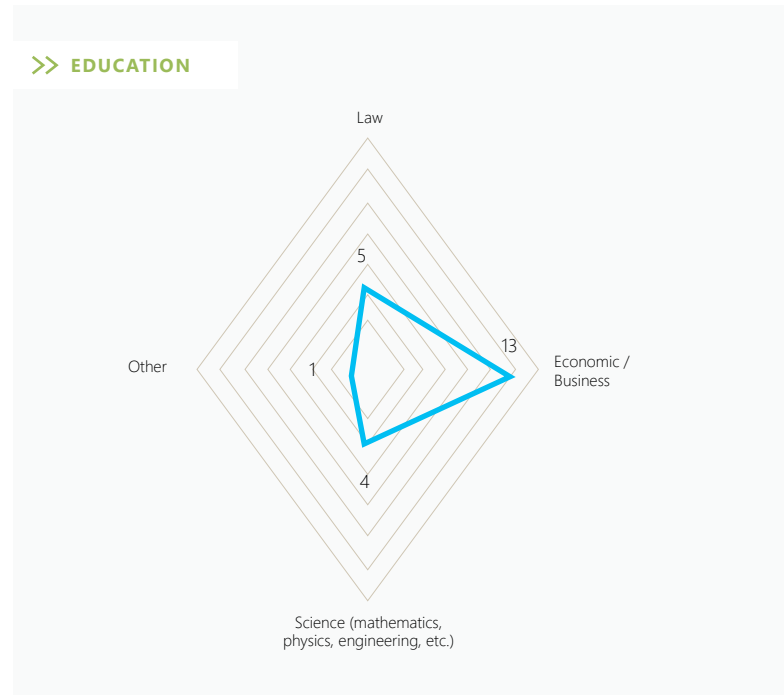
### Other positions currently held

Secretary to the Board of Directors of VidaCaixa.



The CaixaBank Board of Directors strives for an adequate balance in its composition at all times, with a large majority of non-executive directors and promoting diversity with regard to gender, experience and knowledge. Within this framework and in accordance with the verification of compliance with the policy for the selection of directors and the individual suitability re-evaluation undertaken for each director, the Appointments Committee has concluded that the structure, size and composition of the Board of Directors is adequate.

Below is a breakdown of the number of Board members with knowledge and experience in specific fields, covering the whole spectrum of the Group's activities:



The Board assesses the quality and efficiency of its operation and that of its Committees on an annual basis.

## Committees of the Board of Directors

As part of its self-governance activities, the Board of Directors of CaixaBank has a number of specialised committees, with supervisory and advisory powers, as well as an Executive Committee:

### EXECUTIVE COMMITTEE

**6**  
No. of members

**3**  
Independent Directors

**95.2 %**  
Average attendance at sessions

#### >> Composition

The composition of the Executive Committee, which is made up of the Chairman and CEO, will reflect the composition of the Board.

#### >> Functions

The Executive Committee will be delegated all the responsibilities and powers available to it both legally and under the Bank's By-laws, and it will report back to the Board on the matters dealt with and the decisions made.

### APPOINTMENTS COMMITTEE

**3**  
No. of members

**2**  
Independent Directors

**100 %**  
Average attendance at sessions

#### >> Composition

The Appointments Committee comprises a number of Non-executive directors determined by the Board of Directors, with a minimum of 3 and a maximum of 5 members. A majority of its directors must be independent.

Members of the Appointments Committee are appointed by the Board of Directors at the proposal of the Audit and Control Committee, and the Chair of the Committee will be appointed from among the independent Directors that form part thereof.

#### >> Functions

Its duties include:

- Evaluate and propose to the Board of Directors the assessment of skills, knowledge and experience required of Board members and key personnel at the Company.
- Submit to the Board of Directors suggested candidates for the positions of Independent Directors to be appointed by co-option or for submission to the decision of the

General Shareholders' Meeting, as well as the proposals for the reappointment or removal of such Directors by the General Shareholders' Meeting.

- Report on the appointment and, as the case may be, dismissal of the Lead Director, the Secretary and the Deputy Secretaries for approval by the Board of Directors.
- Report on proposals for the appointment or removal of senior executives, with the capacity to carry out such proposals directly when the Committee deems this necessary in the case of senior executives as a result of to their control or support duties concerning the Board or its committees. Propose, if deemed appropriate, the basic terms, other than the remuneration conditions, of the contracts of senior executives, and report those terms once established.
- Examine and organise, with support from the Lead Director and with the collaboration of the Chairman of the Board of Directors, the succession of the latter and of the Company's chief executive and, as the case may be, send proposals to the Board of Directors to ensure the succession process is suitably planned and takes place in orderly fashion.
- Report to the Board on gender diversity issues, ensuring that the procedures for selecting its members favour a diversity of

experience and knowledge, and facilitate the selection of female directors, whilst establishing a representation target for the less represented sex on the Board of Directors. It will also prepare guidelines on how this should be achieved. In any case, it shall ensure compliance with the diversity policy applied in relation to the Board of Directors, which will be specified in the Annual Corporate Governance Report.

- Periodically evaluate, at least once a year, the structure, size, composition and actions of the Board of Directors and of its committees, its Chair, CEO and Secretary, making recommendations regarding possible changes to these. Here, the Committee shall act under the direction of the Lead Director when assessing the performance of the Chair. Evaluate the composition of the Management Committee, as well as its replacement lists, to ensure adequate transition planning.
- Periodically review the Board of Directors' selection and appointment policy in relation to senior executives, and make recommendations in this regard.
- Supervise the Company's activities in relation to corporate social responsibility and submit to the Board any proposals it deems appropriate in this regard.



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## RISKS COMMITTEE

**3**  
No. of members

**2**  
Independent Directors

**100 %**  
Average attendance at sessions

### >> Composition

The Risk Committee is exclusively formed of Non-Executive Directors, with the relevant knowledge, skills and experience to fully understand and manage the Company's risk strategy and appetite, in the number determined by the Board of Directors, between a minimum of 3 and a maximum of 6 members, the majority of which being Independent Directors.

### >> Functions

Its duties include:

- Advise the Board of Directors on the overall susceptibility

to risk (current and future) of the bank and its strategy in this regard, reporting on the risk appetite framework, helping to monitor the implementation of this strategy, ensuring that the Group's actions are consistent with the level of risk tolerance previously decided and monitoring the suitability of the risks assumed and the profile established.

- Propose the Group's risk policy to the Board.
- Determine with the Board of Directors, the nature, quantity, format and frequency of the information concerning risks that the Board of Directors should receive and establish what the Committee should receive.
- Regularly review exposures with the main customers and business sectors, and by geographic region and type of risk.

- Examine the Group's risk reporting and control processes, as well as its information systems and indicators.
- Evaluate the regulatory compliance risk in its scope of its remit and decision-making authority. This is understood to be the risk management of legal or regulatory sanctions, financial loss, or material or reputational loss that the Bank may suffer as a result of non-compliance with laws, rules, regulation standards and codes of conduct. The Committee must detect any risk of non-compliance and carry out monitoring and examine possible deficiencies in the principles of professional conduct.
- Report on new products and services or significant changes to existing ones.

## REMUNERATION COMMITTEE

**3**  
No. of members

**2**  
Independent Directors

**100 %**  
Average attendance at sessions

### >> Composition

The Remuneration Committee is formed by Non-executive Directors, in the number determined by the Board of Directors, with a minimum of 3 and a maximum of 5 members, the majority of which being Independent Directors. The Chair of the Committee will be appointed from among the Independent Directors sitting on the Committee.

### >> Functions

Its duties include:

- Draft the resolutions related to remuneration and, particularly, report and propose to the Board of Directors the

remuneration policy, the system and amount of annual remuneration payable to Directors and Senior Managers, as well as the individual remuneration payable to Executive Directors and Senior Managers, and the other conditions of their contracts, particularly financial conditions, and without prejudice to the competencies of the Appointments Committee in relation to any conditions it may have proposed not related to remuneration.

- Ensure compliance with the remuneration policy for Directors and Senior Managers, and reporting on the basic conditions established in the contracts entered into and compliance with these contracts.
- Report on and prepare the Company's General remuneration policy, particularly the policies relating to the categories of staff whose activities have a significant impact on the Company's risk

profile and those that are intended to prevent or manage conflicts of interest with the Company's customers.

- Analyse, formulate and periodically review the remuneration programmes, assessing their adequacy and performance and ensuring compliance.

The Appointments, Remuneration and Audit and Control committees prepare an annual report on their operations with regard to their respective duties. Furthermore, when considered appropriate, the committees will include improvement proposals in this report. These reports are made public on the website: [www.caixabank.com](http://www.caixabank.com).



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## AUDIT AND CONTROL COMMITTEE

**3**  
No. of members

### Composition

The Audit and Control Committee will be exclusively formed of Non-Executive Directors, in the number determined by the Board of Directors, between a minimum of 3 and a maximum of 7. Most of the members of the Audit and Control Committee shall be independent and 1 of them shall be appointed on the basis of their knowledge and experience of accounting or auditing, or both.

Furthermore, the Board of Directors will ensure that members of the Audit and Control Committee, particularly its Chair, have sufficient knowledge and experience in accounting, auditing or risk management, and in any other areas required for the Audit and Control Committee to fulfil all its duties. Overall, and notwithstanding the principle to foster diversity, the members of the Audit and Control Committee, who will be appointed in consideration of their capacity for dedication required to fulfil the duties assigned to them, shall have the required technical knowledge regarding the Bank's activities.

**2**  
Independent Directors

### Functions

Its duties include:

- Report to the General Shareholders' Meeting on any matters put forward that are within the Committee's remit, particularly on the result of the audit, explaining how this has contributed to the integrity of the financial information and the Committee's role in this process.
- Oversee the process of preparing and presenting mandatory financial information regarding the Company and, where relevant, the Group, reviewing the Company accounts, compliance with regulatory requirements in this regard, the adequate definition of the consolidation perimeter, and the proper implementation of generally accepted accounting criteria.
- Ensure that the Board of Directors presents the annual Financial Statements to the General Shareholders' Meeting, without limitations or qualifications in the audit report. In the exceptional case of there being qualifications in the report, ensure that both the Chair of the Committee and the auditors clearly explain the content and scope of these limitations or qualifications.
- Report to the Board of Directors, in advance, on the financial information

**100 %**  
Average attendance at sessions

and related non-financial information that the Bank must periodically disclose to the markets and its supervisory bodies.

- Oversee the effectiveness of internal control systems, and discuss with the auditor any significant weaknesses identified in the internal control system during the audit, all without compromising its independence. For such purposes, and if appropriate, it may submit recommendations or proposals to the Board of Directors and the corresponding deadline for their follow-up.
- Supervise the efficiency of the internal audit, establish and oversee a mechanism which allows the employees of the Bank or of the Group to report, confidentially and, if appropriate, anonymously, irregularities of potential significance, especially financial and accounting irregularities, which they may observe within the Company. The Committee will also receive periodic information how the system is operating and it may propose any actions it deems suitable to improve and reduce the risk of irregularities in the future.

## INNOVATION, TECHNOLOGY AND DIGITAL TRANSFORMATION COMMITTEE

**5**  
No. of members

### Composition

The Innovation, Technology and Digital Transformation Committee will be formed of a minimum of 3 and a maximum of 5 members. In all cases, the Chairman of the Board of Directors and the CEO shall sit on the Committee. The other members will be appointed by the Board of Directors, on the proposal of the Appointments Committee, taking into account in particular knowledge and experience of candidates on the subjects that fall within the Committee's remit, namely technology and innovation, information systems and cybersecurity.

### Functions

Its duties include:

- Assist the Board of Directors in identifying, monitoring and

**2**  
Independent Directors

**100 %**  
Average attendance at sessions

analysing new competitors, new business models and the advances and main trends and initiatives relating to technological innovation, while studying the factors that make certain innovations more likely to succeed and increase their transformation capacity.

- Advise the Board of Directors on the implementation of the strategic plan in aspects relating to digital transformation and technological innovation (the digital strategy) and, in particular, reporting on plans and projects designed by CaixaBank in this field, as well as any new business models, products, customer relationships, etc, that may be developed.
- Foster a climate of debate and reflection to allow the Board of Directors to spot new business opportunities emerging from technological developments, as well as possible threats.
- Support the Board of Directors in analysing the impact of techno-

logical innovations on market structure, the provision of financial services and customer habits. Among other aspects, the committee shall analyse the potential disruption of new technologies, the possible regulatory implications of their development, the impact in terms of cybersecurity and matters relating to the protection of privacy and data usage.

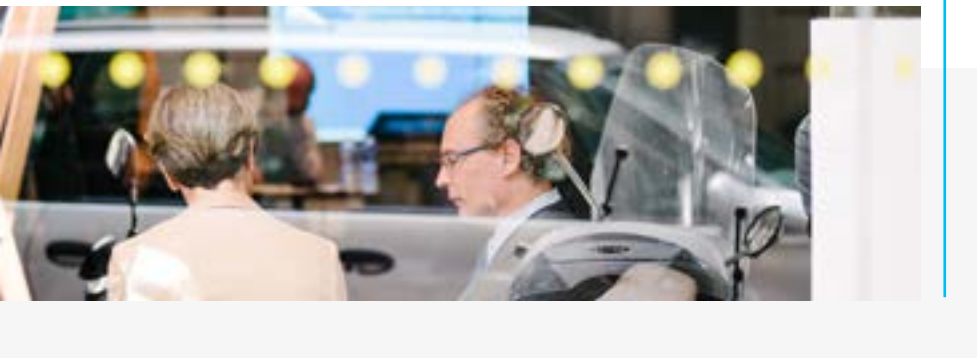
- Stimulate discussion and debate on the ethical and social implications deriving from the use of new technologies in the banking and insurance businesses.
- Support the Risk Committee, when required, in monitoring technological risks and matters relating to cybersecurity.

## Senior Management

The CEO, the Management Board, and the main committees of the Bank are responsible for the daily management, implementation and development of the decisions made by the Corporate Governance Bodies.

## Management Committee

The Management Board meets on a weekly basis to make decisions related to the Strategic Plan, Annual Operating Plan, and other areas that affect organisational life at CaixaBank. It also approves structural changes, appointments, expense lines and business strategies.



### GONZALO GORTÁZAR

CEO  
30/06/2011

#### Education

He holds a degree in Law and Business from Universidad Pontificia de Comillas (ICADE) and an MBA from the INSEAD Business School.

#### Career

Prior to his appointment as CEO in 2014, he was the Chief Financial Officer at CaixaBank and CEO of Criteria CaixaCorp (2009-2011).

He previously held various positions in the investment banking division of Morgan Stanley, as well as a number roles in corporate and investment banking in Bank of America.

He was also First Vice-Chairman of Repsol, Board Member of Inbursa, Erste Bank, SegurCaixa Adeslas, Abertis, Port Aventura and Saba.

#### Other positions currently held

Chairman of VidaCaixa and Board Member of Banco BPI.

#### Areas of direct responsibility

- Corporate Development
- Innovation and Digital Transformation
- Compliance
- Non-performing loans, recovery and foreclosed assets
- Technical Secretariat of the CEO

### JUAN ALCARAZ

Chief Business Officer  
30/06/2011

#### Education

He holds a degree in Business Management from Cunef (Complutense University in Madrid) and a master's in Business Administration from IESE Business School.

#### Career

He joined "la Caixa" in 2007, and he is currently Chief Business Officer, responsible for the following business units: Retail Banking, Global Customer Experience and Specialized Consumer Segments (Imaginbank, Family, Senior, Agrobank and Holabank). He is also responsible for: CaixaBank Digital Business and CaixaBank Business Intelligence. He has served as Managing Director of Banco Sabadell (2003-2007) and Deputy Managing Director of Santander and Central Hispano (1990-2003).

#### Other positions currently held

Chairman of CaixaBank Payments & Consumer and member of the Board of Directors of SegurCaixa Adeslas. Chairman of the Spanish Association of Directors, member of the Advisory Board of Foment del Treball, member of the Board of Trustees of Fundación Tervalis, member of the University Assessment Board of the Universitat Internacional de Catalunya, member of RICS.

#### Areas of direct responsibility

- Retail Banking
- Business Banking
- Private Banking
- Premier Banking
- Businesses
- Marketing Strategy
- Voice of the Customer & Quality Insights
- Contact Centers
- Real estate reputational risk
- Digital Business
- Regional management
- Business Control
- Technical Secretariat for Business
- Technical Secretariat of the Chairman's Office in Madrid
- Social Initiatives of the Network

#### Subsidiaries

- CaixaBank Digital Business
- imaginTech
- CaixaBank Business Intelligence
- CaixaBank Payments&Consumer

**XAVIER COLL**  
Chief Human Resources and Organisation Officer  
30/06/2011

**Education**

He holds a degree in Medicine from the University of Barcelona, an MBA from the University of Chicago and a master's in Public Health from Johns Hopkins University. "la Caixa" Fullbright scholarship.

**Career**

In 2008, he joined "la Caixa" as HR Director and member of the Management Committee. He has over 30 years' experience working internationally, in the health sector, multilateral development banking and the financial sector.

He previously worked at the World Bank as the Director of the President's Office and Vice-President of Human resources, and at the European Investment Bank as the Director of Human Resources.

**Areas of direct responsibility**

- People
- Labour Relations, Culture and Development
- Talent
- Internal Communication
- Organisation and Productivity
- Employment Legal Advisory

**JORDI MONDÉJAR**  
Chief Risks Officer  
10/07/2014

**Education**

He holds a degree in Economics and Business Management from the University of Barcelona. He is a qualified chartered accountant (Registro Oficial de Auditores de Cuentas).

**Career**

He worked at Arthur Andersen from 1991 to 2000 in the field of accounts auditing for financial and regulated institutions.

He joined "la Caixa" in the year 2000 and he was the Head of Financial Accounting, Control and Capital before being appointed Chief Risks Officer for the Group in 2016.

**Other positions currently held**

Director of Sareb and Non-Executive Chairman of BuildingCenter.

**Areas of direct responsibility**

- Corporate Risk Management Function & Planning
- Retail Lending Office & Service Line (Retail Risk)
- Companies Lending Office (Companies Risk)
- Foreclosed Real Estate Assets –
- Non-performing Loans and Restructuring
- Environmental Risk Management
- Permanent Lending Committee

**Subsidiaries**

- Building Center
- Credifimo

**JAVIER PANO**  
Chief Financial Officer  
24/10/2013

**Education**

He holds a degree in Business Studies and a Master of Business Administration from the ESADE Business School.

**Career**

He has been CFO of CaixaBank since July 2014. He is Chair of ALCO and responsible for liquidity management and retail funding, having formerly held management positions in the field of capital markets.

Before joining "la Caixa" in 1993, he held senior positions at various companies.

**Other positions currently held**

Member of the Board of Directors of BPI and Cecabank.

**Areas of direct responsibility**

- Markets
- ALM, Treasury & Funding
- Balance Sheet Analysis and Monitoring
- Investor relations

**Subsidiaries**

- CaixaBank Titulización (Securitisation)

**MARÍA LUISA MARTÍNEZ**  
Head of Communication, Institutional Relations, Brand and CSR  
27/05/2016

**Education**

She holds a degree in Modern History from the University of Barcelona and in Information Sciences from the Barcelona Autonomous University. She completed the PADE programme at IESE Business School.

**Career**

She joined "la Caixa" in 2001 to head up media relations. In 2008, she was appointed Head of Communication with responsibility for corporate communication and institutional management with the media. In 2014, she was appointed Head of Communication, Institutional Relations, Brand and CSR, and since 2016 she has been the Executive Director in charge of these areas.

**Other positions currently held**

Chair of Autocontrol, Dircom Cataluña and the Communications Committee of the Spanish Chamber of Commerce.

**Areas of direct responsibility**

- External Communication
- Corporate Responsibility
- Content and Brand Strategy
- Reputational Risk Management
- Sponsorships
- Institutional Agreements and Relations
- Media Relations and Budgetary Control

**MATTHIAS BULACH**  
Head of Financial Accounting, Control and Capital  
28/11/2016

**Education**

He holds a degree in Economic Science from the University of St. Gallen and an MBA from IESE Business School.

**Career**

He joined "la Caixa" in 2006 as Head of the Economic Analysis Office, working on strategic planning, analysis of the banking and regulatory system and support to the Chairman's Office in restructuring the financial sector. Before his appointment as Executive Director in 2016, he was Corporate Manager of Planning and Capital. He was previously Senior Associate at McKinsey & Company, specialising in the financial sector and international projects.

**Other positions currently held**

Member of the Supervisory Board at Erste Group Bank AG; Director of CaixaBank Asset Management, CaixaBank Payments & Consumer and BuildingCenter S.A.

**Areas of direct responsibility**

- Intervention and Accounting
- Corporate Reporting and Investee Control
- Costs and budget management
- Solvency and Results
- Forecasting and Balance Sheet Models
- Internal Financial Control

**IÑAKI BADIOLA**  
Head of Corporate and Institutional Banking and International Banking  
22/11/2018

**Education**

He holds a degree in Business Sciences from the Complutense University in Madrid and a master's in Business Administration from the IE.

**Career**

With a career spanning over 20 years in the world of finance, he has held a number of roles in various companies across different sectors: technology (EDS); distribution (ALCAMPO); public administration (GISA); transport (IFERCAT); and real estate (Harmonia).

He was Executive Director of CIB and Corporate Director of Structured Finance and Institutional Banking.

**Areas of direct responsibility**

- Corporate & Institutional Banking (CIB)
- International Network
- International Business Development
- CIB Business Control
- Structured Finance
- Institutional Banking
- Equities and Corporate Finance
- Corporate Banking
- Debt Capital Markets
- Technical Business Unit
- Research

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## MARISA RETAMOSA

Head of Internal Audit  
22/11/2018

### Education

She holds a degree in Computer Science from the Polytechnic University of Catalonia. CISA (Certified Information System Auditor) and CISM (Certified Information Security Manager) certification accredited by ISACA.

### Career

She has been Corporate Manager of Security and Resources Governance, and previously served as Head of Security and Service Control in IT Services. She also served as Head of Operations Audit.

Joined "la Caixa" in 2000. She previously worked in Arthur Andersen (1995-2000), working in roles relating to system and process audits and risk advisory.

### Areas of direct responsibility

- Audit services
- Regional Audit and Business
- Audit Methodology and Reporting
- Financial, Investor and Regulatory Compliance Audit
- Audit of Systems and Process and Digital Banking
- Audit of Markets, Risks and International Banking

## JAVIER VALLE

Head of Insurance  
22/11/2018

### Education

He holds a degree in Business Studies and a master's in Business Administration from the ESADE Business School. Community of European Management School (CEMS) at HEC Paris.

### Career

Over the last ten years, he has been General Manager at Bansabadell Vida, Bansabadell Seguros Generales and Bansabadell Pensiones and CEO of Zurich Vida. He was CFO of the Zurich Group Spain and Director of Investments for Spain and Latin America.

### Other positions currently held

He is CEO of VidaCaixa and Deputy Chair and member of the Executive Committee and Board of Directors of Unespa, as well as Director of the Consortium of Insurance Compensation and the ICEA.

### Areas of direct responsibility

- Insurance Group

### Subsidiaries

- VidaCaixa

## LUIS JAVIER BLAS

Head of Resources  
1/02/2020

### Education

He holds a degree in Law from Universidad de Alcalá. AMP (Advanced Management Program) by ESE Business School (Universidad de los Andes-Chile), as well as other corporate management development programs by IESE and INSEAD.

### Career

Until his appointment to the CaixaBank Management Committee, he was Head of Engineering & Data in Spain and Portugal and a member of the BBVA Management Committee in Spain (2015-2019). Previously, he had held several positions, mainly in BBVA Group's media department, both in Chile (2010-2015) and in Spain (2000-2010). Previously, he worked at Banco Central Hispano, Grupo Accenture and Abbey National Spain.

### Other positions currently held

To date, he had been a member of the board of several companies representing BBVA, both in companies of the BBVA Group and in other affiliates (Redsys, Redbank and Previred).

### Areas of direct responsibility

- IT Services
- Banking Services
- Information Security and Governance
- Process Efficiency and Digitalisation
- Safety
- General Services Management

### Subsidiaries

- Silk
- CaixaBank Facilities Management
- CaixaBank Operational Services

N.B. Until 1 February 2020, Mr Jorge Fontanals was Executive Director of Resources. Mr Fontanals plans to take early retirements but will continue to be linked to the Bank to ensure the smooth transfer of his functions.



## ÓSCAR CALDERÓN

General Secretary and Secretary to the Board of Directors  
29/5/2014

### >> Education

He holds a degree in Law from the University of Barcelona and he is a State Lawyer.

### >> Career

He served as State Lawyer in Catalonia (1999-2003). He has worked with "la Caixa" Group since 2004, as Lawyer to the General Secretary's Office of "la Caixa", Deputy Secretary to the Board of Directors of Inmobiliaria Colonial (2005-2006), Secretary to the Board of Banco de Valencia (2013) and Deputy Secretary to the Board of Directors of "la Caixa" until June 2014. He was also a Trustee and Deputy Secretary of "la Caixa" Foundation until its dissolution in 2014, as well as Secretary to the Board of Trustees of "la Caixa" Banking Foundation until 2017.

### >> Other positions currently held

Trustee and Secretary to the Board of Trustees of Fundación del Museo de Arte Contemporáneo de Barcelona (MACBA). He is also Secretary of Fundación de Economía Aplicada (FEDEA).

### >> Areas of direct responsibility

- General Secretariat
- Legal Advice
- Governing Bodies Secretariat
- Investor and Corporate Governance Secretariat
- Corporate M&A



## Main Committees

The following is a description of the main committees in which CaixaBank's senior management is represented:

### ALCO COMMITTEE (assets and liabilities)

The ALCO Committee is responsible for the management, monitoring and control of structural liquidity, interest rate and exchange rate risks relating to CaixaBank's balance sheet.

It is also responsible for optimising the financial structure of the CaixaBank Group's balance sheet and making it more profitable, including the net interest margin and the windfall profits in the Profit from Financing Operations; determining transfer rates with the various lines of business (IGC/MIS); monitoring prices, terms and volumes of the activities that generate assets and liabilities;

and managing wholesale financing. All of this falls under the policies of the risk appetite framework and the risk limits approved by the Board of Directors.

As a result, it will take the appropriate decisions and may make recommendations to the various operating areas.

>> Frequency Monthly >> Sub-Committee of Management Committee

### REGULATION COMMITTEE

The Regulation Committee is the body responsible for defining the Group's position on issues related to financial regulation. Its functions include spearheading the activity to represent the Bank's interests, as well as the systematisation of regulatory activities, regularly assessing the initiatives carried out in this field. In addition, this Committee approves and reviews the Interest Represent-

tation Map in order to coordinate the participation of the Bank's executives in associations and forums at the national and international level.

>> Frequency Monthly >> Sub-Committee of Management Committee

### INFORMATION AND DATA QUALITY COMMITTEE

Oversee the coherence, consistency and quality of the information reported to the regulator and to the Group's management, providing a comprehensive view at all times.

>> Frequency Monthly >> Sub-Committee of Management Committee

### RECOVERY AND RESOLUTION PLAN COMMITTEE

Preparing, approving, reviewing and updating plans to minimise the impact of future financial crises on contributors.

>> Frequency Yearly >> Sub-Committee of Management Committee

### GLOBAL RISK COMMITTEE

Responsible for the overall management, control and monitoring of risks affecting the Group's Corporate Risk Taxonomy, together with their implications for solvency management and capital consumption.

The Committee therefore analyses the Group's global risk position and establishes policies to optimise their management, monitoring and control within the framework of its strategic objectives.

The GRC is responsible for adapting risk strategy to the RAF set out by the Board of Directors, coordinating measures to mitigate any breaches and reactions to early warnings of the RAF, as well as keeping CaixaBank's Board of Directors informed (through its Risk Committee) of the

main actions being carried out by the CaixaBank Group and the status of its risks.

The GRC is not responsible for the approval or rejection of new operations, renewals, renegotiations, refinancing or restructuring, reserved for the Permanent Committee, by express delegation of the Board of Directors.

>> Frequency Monthly >> Sub-Committee of Risks Committee

### CORPORATE RESPONSIBILITY AND REPUTATION COMMITTEE

CRRC is responsible for overseeing the corporate responsibility strategy and practices and proposing and presenting (for their approval by the corresponding governing bodies) general policies for managing corporate responsibility and reputation.

Its mission is to help CaixaBank gain recognition for its excellent reputation, strengthening the Bank's position through its socially responsible banking model.

Another of the CRRC's objectives is to monitor CaixaBank's strategy in terms of reputational risk as established by the Board of Directors in the Risk Appetite Framework (RAF).

>> Frequency Monthly >> Sub-Committee of Management Committee

Additionally, the CaixaBank Group Corporate Responsibility and Reputation Committee is responsible for coordinating responsible policies and positions and monitoring corporate responsibility strategies and practices within the Group. It meets quarterly.

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### CORPORATE CRIMINAL MANAGEMENT COMMITTEE

Manage any observations or reports made through any channel regarding the prevention of and response to criminal conduct. The Committee's main functions are: Prevention, Detection, Response, Report and Monitoring of the Model.

Frequency **Monthly** Sub-Committee of **Board of Directors**

### PERMANENT LENDING COMMITTEE

The committee responsible for approving loan, credit and guarantee operations, as well as investment operations that are specific to the Bank's corporate objective. Its approval level is defined in the Bank's internal regulations. In September 2018, it was assigned new functions: "To officially approve loan, credit and guarantee operations, as well as investments operations in general that are specific to the Bank's corporate objectives, up to a limit of 200 million euros per operation. Exceptionally, for reasons of ur-

gency, as determined by the committee itself, it may approve in collaboration with a Managing Director and for internal purposes, operations for greater amounts, up to a maximum limit, reporting on the operations approved by this means to the Executive Committee of the Board of Directors at the next meeting held by the Committee."

Frequency **Weekly** Sub-Committee of **Executive Committee**

### TRANSPARENCY COMMITTEE

This committee determines all transparency-related aspects of the design and marketing of financial instruments, banking products and investment and savings insurance plans.

It is tasked with ensuring the transparent marketing of the Bank's products by defining and approving policies covering marketing, the prevention of conflicts of interest, the safeguarding of customer assets and enhanced execution of transactions. It also validates the classification of new financial instruments, banking products

and savings and investment plans on the basis of their risk and complexity, in accordance with the provisions of MiFID and banking and insurance transparency regulations.

Frequency **Monthly** Sub-Committee of **Management Committee**

### DIVERSITY COMMITTEE

Its mission is to create, promote, monitor, and recommend actions to the corresponding bodies to increase diversity, focusing on the representation of women in management, talent loss mitigation, and other areas of diversity that are a priority for the Bank. This includes functional, generational and cultural diversity.

Frequency **Quarterly** Sub-Committee of **Management Committee**

### ENVIRONMENTAL RISK COMMITTEE

This committee is responsible for analysing and, where appropriate, approving the proposals made by the various functional areas with regard to the strategic positioning of the Bank in relation to Environmental Risk Management, in addition to identifying, managing and controlling the risks associated with this area on the front line.

Frequency **Quarterly** Sub-Committee of **Management Committee**

### PRIVACY COMMITTEE

It reports directly to the Management Committee and it acts as the senior and decision-making body for all aspects relating to privacy and personal data protection within the CaixaBank Group.

Frequency **Bimonthly** Sub-Committee of **Management Committee**

### EFFICIENCY COMMITTEE

The mission of this committee is to improve the organisation efficiency. It is responsible for proposing and agreeing with the Divisions and Subsidiaries the proposed annual cost and investment budgets to be presented to the Management Committee for approval.

Frequency **Monthly** Sub-Committee of **Management Committee**



## Remuneration

CaixaBank establishes the Remuneration Policy for its Directors on the basis of general remuneration policies, committed to a market position that allows it to attract and retain the talent needed, and encourage behaviour that ensures long-term value generation and the sustainability of results over time.

Market practices are periodically analysed with salary surveys and specific ad hoc studies carried out by top-level specialists. Similar companies in the IBEX 35 and the

financial sector provide a comparable sample of the market sector in which CaixaBank operates and that of IBEX 35 companies. External experts are also consulted on certain issues.

In 2019, the remuneration policy for directors, which was submitted by the Board to the General Shareholders' Meeting for a binding vote on 5 April 2019 was approved with 97.19% of votes in favour. With this result and that of the advisory vote of the Annual Report on the Remu-

neration of Directors, it is understood that shareholders widely support the Bank's Remuneration Policy.

The nature of the remuneration received by the members of the Board of Directors of the Bank is described below:



### DIRECTORS

The system provided for in the Articles of Association establishes that the remuneration of CaixaBank directorships should consist of a fixed annual amount to be determined by the General Meeting, which remains in force until the General Meeting agrees to modify it. In this regard, the remuneration of the members of the Board, in their capacity as such, consists solely of fixed components.

Non-executive Directors (those that do not have executive functions) have a purely organic relationship with CaixaBank and, consequently, they do not hold contracts with the Bank to perform their duties, nor are they entitled to any form of payment should they be dismissed from their position as Director.

+

### EXECUTIVE POSITION (only applicable to the CEO)

In relation to members of the Board with executive duties, the Articles of Association recognise remuneration for their executive functions, in addition to the directorship itself.

Therefore, the remuneration components of these functions are structured in due consideration of the economic context and results, and include the following:

- Fixed remuneration according to the employee's level of responsibility and professional career, constituting a significant part of the total compensation.
- Variable remuneration in the form of an annual bonus linked to the achievement of pre-established targets and prudent risk management.
- Social prevision and other social benefits.
- A long-term share-based incentives plan linked to the strategic plan.

In the case of Directors with executive functions, strictly referring to the Bank's CEO, the nature of the components received is described below:

### Fixed component

The fixed remuneration, and any modifications thereto, of the Executive Director is largely based on his/her level of responsibility and professional career, combined with a market approach taking account of specific salary polls and ad hoc surveys undertaken by specialist companies, based on a peer group sample of comparable European banks.

### Short-term variable component

The Executive Director is entitled to variable remuneration in the form of a bonus determined on the basis of a target remuneration with a degree of fulfilment that is adjusted according to risk and performance measurement:

- 50% based on corporate targets with a degree of fulfilment [80%-120%] and which is determined based on the following concepts in line with the strategic targets:

#### >> SHORT-TERM VARIABLE COMPONENT

Item Objectifiable	Weighting	Strategic Line
ROTE (Return on Tangible Equity)	10%	Generating an attractive return for shareholders while remaining financially sound
Core cost-to-income ratio	10%	Generating an attractive return for shareholders while remaining financially sound
Variation in problematic assets	10%	Generating an attractive return for shareholders while remaining financially sound
RAF (Risk Appetite Framework)	10%	Generating an attractive return for shareholders while remaining financially sound
Quality	5%	Offering the best customer experience
Conduct and compliance	5%	Setting the benchmark for responsible management and social commitment

- 50% based on individual targets, with a degree of fulfilment [60%-120%], is distributed globally among challenges linked to strategic objectives. The final valuation may fluctuate +/-25% to reflect the qualitative assessment and the exceptional challenges that may arise throughout the year.

In line with the objective to have a reasonable, prudent balance between fixed and variable remuneration components, the amounts of fixed remuneration paid to Executive Directors are sufficient and the percentage of variable remuneration in the form of a bonus in addition to annual fixed remuneration is low, not exceeding 40%.

### Long-term variable component

On 5 April 2019, the General Meeting approved the implementation of an Annual Conditional Incentives Plan linked to the 2019-2021 Strategic Plan for a group of 90 recipients including the CEO, members of Senior Management and other key executives of the Group.

#### >> LONG-TERM VARIABLE COMPONENT

Target Item	Strategic Line
Core cost-to-income ratio	Generating an attractive return for shareholders while remaining financially sound
ROTE (Return on Tangible Equity)	Generating an attractive return for shareholders while remaining financially sound
CX (Customer Experience Index)	Offering the best customer experience
RAF (Risk Appetite Framework)	Generating an attractive return for shareholders while remaining financially sound
TSR (Total Shareholder Return)	Generating an attractive return for shareholders while remaining financially sound
GRI (Global Reputation Index)	Setting the benchmark for responsible management and social commitment

This programme allows a number of CaixaBank shares to be received after a certain period of time, provided the strategic targets are met and subject, among other things, to the evolution and positioning of certain strategic parameters.

### Contributions to long-term savings schemes

Furthermore, as a fixed remuneration component, contracts of Executive Directors contain pre-established contributions to pension and savings plans.

15% of the contributions paid to complementary pension schemes will be considered a target amount (the remaining 85% is considered a fixed component). This amount is determined in accordance with the same principles established for variable remuneration in the form of a bonus, with eligibility to be determined solely on the basis of individual assessment parameters, and it is contributed to a Discretionary Pension Benefits Policy.

The remuneration of the Group's Senior Management, particularly that of a variable nature in relation to the corporate strategic challenges, is based on the remuneration of the CEO. The Annual Report on the Remuneration of Directors and note 9 to CaixaBank's 2019 consolidated financial statements provide further details on remuneration paid to the Executive Director and Senior Management.


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# Context and outlook for 2020

## Economic context

### Evolution of economic overview and markets

**Decrease in the rate of economic growth:** estimated growth rate of 2.9%, below the 2018 figure, due to the maturity of the global economic cycle, industrial shock and geopolitical factors.

- **China continues its gradual slowdown:** reported growth for 2019 is 6.1%, below the 6.6% of the previous year.
- **The trade dispute between the United States and China intensifies up until the summer and it starts to get back on track at the end of 2019:** trade flows and global activity are now feeling the effects of the trade tensions and, even if a deal is reached, it is unlikely to be sufficient to eliminate uncertainty in this context.
- **The US economy continues to perform well:** estimated growth rate of 2.3% for 2019, a solid pace given the trade tensions and the loss of momentum from the fiscal stimulus of 2017-18.
- **Greater trade tensions between the US and the European Union:** a ruling by the World Trade Organization in favour of the US concerning subsidies to Airbus from the EU results in tariffs imposed by the US on EU products. The extension of these tariffs to new products is not ruled out.
- **Weaker growth in the euro zone:** the slowing trend began in 2018 became more pronounced in 2019 (estimated growth of 1.1%), mainly due to a downturn in foreign dynamism and the difficulties faced in the manufacturing sector (particularly intense in the automobile industry).
- **Political uncertainty in Europe:** in 2019, concern about a possible disorderly Brexit has been a source of uncertainty. Following the exit agreement reached with the EU, which eliminated this possibility, there is now concern about the complexity of reaching a satisfactory agreement that regulates the new relationship between the UK and the EU.
- **Volatility persists in financial markets:** the slowdown in global growth combined with the escalation in trade tensions between the US and China are key factors in 2019. The alleviation of trade tensions allows for a reduction in volatility and supports the evolution of stock markets and sovereign interest rates towards the end of the year.
- **The Federal Reserve goes back to monetary normalisation:** against a backdrop of limited infla-


**2019 GLOBAL GDP GROWTH (EST.):**
**+2.9%**

**WEAK MANUFACTURING AND GEOPOLITICAL VOLATILITY**

tionary pressures and the prospect of an economic slowdown, the Fed has lowered rates three times and, in order to tackle possible liquidity problems in the market, it is starting a new round of asset purchases.

- **The ECB confirms a new monetary stimulus package in response to the economic slowdown:** interest rate cut (10 bp), new asset purchases, lower interest rates for TLTROs (long-term refinancing operations that provide financing to credit institutions) and the package is expected to remain in place until inflation reaches its target.

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## 2020 global outlook

- **Slight rally in global growth mainly thanks to emerging markets:** estimated growth rate of 3.2%, although this is still below the historical average (3.8%).
- **US growth rate will slow:** the late stage of the economic cycle and the uncertainties associated with the trade tensions will hang over economic activity. Nevertheless, extreme scenarios, like a recession, are unlikely.
- **Euro zone growth will remain very contained:** the structural changes taking place in the automobile sector, the global risks to trade and uncertainties surrounding Brexit will continue to be apparent.
- **Very dovish monetary policy in the euro zone:** no major changes to economic policy are expected in 2020 which will remain lax to support economic activity.



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## Evolution of Spain

- **The economy is approaching more moderate levels of growth:** as the economy moves into a more mature phase of the cycle and the foreign sector is suffering from the deterioration of the global context, the pace of growth is slowing, although it remains substantial.
- **Spain continues to make positive progress:** in spite of the slowdown, growth remains above the majority of developed economies.
- **Consumers are more cautious:** the softening of the economic outlook and the slowdown in employment growth translates into an increase in savings and a reduction in consumer growth.
- **Contrast between the services and manufacturing sectors:** the manufacturing sector is suffering from the deterioration of global trade flows and difficulties in the automotive sector, while the services sector is holding a better position.
- **The real estate market stabilises:** after years of growth, both house prices and supply and demand are showing signs of stabilising.
- **New lending is slowing:** this trend was mainly due to the sharp slowdown in new mortgage lending operations, temporarily affected by the entry into force of the new mortgage law in the middle of



>> **2019 GDP GROWTH**  
**+2.0%**

>> **GRADUAL SLOWDOWN IN GROWTH**

last year. In this respect, the data relating to the last months of the year already show some recovery in the mortgage market.

- **The economy remains sound:** after six straight years of notable growth, the economy has not yet accumulated any macroeconomic imbalances. Private sector debt remains contained, the current

account is in surplus and the competitive gains of recent years are maintained.

- **The political situation, a factor to keep an eye on:** after a year dominated by elections in 2019, the new coalition government is a stabilising factor.

## 2020 outlook for Spain

- **Shift towards more sustainable growth rates:** for 2020 the estimated growth rate is 1.5%, a slower pace than in previous years, but more in line with the economy's growth potential.
- **Internal demand, a pillar of growth:** the positive dynamic in the labour market and the expected notable growth in income, boosted by the wage increase, will lead to a slight rally in consumption and support investment development.



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## Evolution of Portugal

- **Positive rate of growth:** despite the slowdown, due to a certain decrease in investments and exports, the economy maintains a satisfactory rate of progress.
- **Employment growth, a key factor behind the good climate of confidence:** the labour market, which is already close to full employment, is a key factor behind the positive development of domestic demand.
- **Improved macroeconomic imbalances reflected in the country risk premium:** the positive evolution of the public deficit and good economic data have led to a lower country risk premium.
- **A new status quo government is formed:** the public accounts are expected to continue improving.



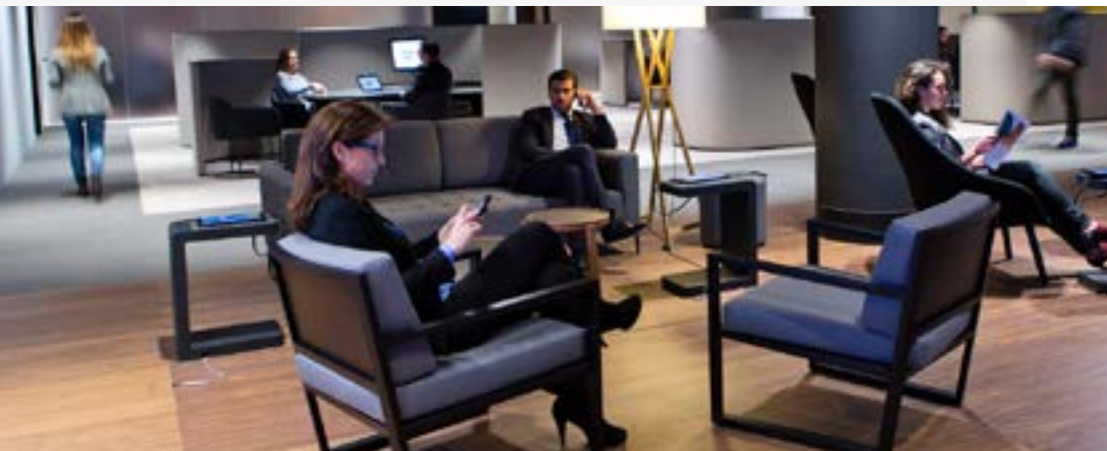
**2019 GDP GROWTH (EST.):**  
**+1.9%**



**MODERATE SLOWDOWN RHYTHM OF ACTIVITY**

## 2020 outlook for Portugal

- **Slight slowdown in growth:** economic activity is expected to grow at a slightly weaker rate of 1.7%, due to the lower rate of growth in domestic demand. The main sources of risk will be external, including the swing towards protectionism in the US and the slower growth of its main trading partners.



### >> CAIXABANK IN THIS ENVIRONMENT

In the context of risks and opportunities arising from the macro-economic environment, the Group maintains robust levels of capital and liquidity, proven by compliance with internal and external stress tests and reported on in the capital and liquidity self-assessment processes (ICAAP and ILAAP, respectively).<sup>1</sup>

The Group also manages the effect of a persistently low interest rate environment through a strategy of diversifying income sources towards products that are less sensitive to interest rates, the development and improvement of the range of products and services more suited to this environment, and the continued improvement of the Group's efficiency and productivity.

<sup>1</sup>ICAAP, Internal capital adequacy assessment process. ILAAP, Internal liquidity adequacy assessment process.

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## Regulatory context

CaixaBank is actively involved in the debate related to the development of regulatory and supervisory standards in the financial sector. In doing so, the Bank seeks to contribute to the establishment of a robust and coordinated legislative, regulatory and supervisory framework, which helps to preserve financial stability and benefit economic growth and well-being of consumers, customers, shareholders and employees.

Involvement in regulatory debate means ongoing dialogue with the relevant authorities and institutions, sharing views on consultations and regulatory proposals by means of position papers and impact analysis documents, either at the request of these public authorities or on CaixaBank's own initiative. CaixaBank generally shares its opinions in collaboration with different associations that represent the sector, in order to try to reach a consensus within the industry. To this end, CaixaBank is a member of a broad range of associations. In the field of banking, most of its activity is channelled through the Spanish Confederation of Savings Banks (CECA) at the national level, the European Savings and Retail Banking Group (ESBG) at a European level and the Institute of Inter-

national Finance (IIF) at an international level. Additionally, Banco BPI is a member of the *Associação Potuguesa de Bancos* (APB), which in turn is a member of the *European Banking Federation* (EBF). In the field of insurance, VidaCaixa's participation at a national level in the Spanish Union of Insurance and Reinsurance Companies (UNESPA), through which it is represented in the European Insurance and Reinsurance Federation (Insurance Europe), and in the European Insurance CFO Forum (CFO Forum) at the European level.

At the regulatory level, there are increased efforts to minimise errors in the provision of advice on legal matters or regulatory interpretation, to reduce the lawsuit management shortcomings and to improve the management of the requirements from regulators/supervisors and of the penalty proceedings that may be brought. Greater concern is also placed on personal data privacy and protection and in compliance with regulations and standards related to the activities carried out by employees or agents that may harm the interests and rights of customers.

### >> MAIN INITIATIVES MONITORED BY CAIXABANK DURING THE YEAR THAT HAVE AN IMPACT ON THE GROUP



#### SUSTAINABLE FINANCE

- Sustainability-related disclosures in the financial services sector
- EBA action plan on sustainable finance
- Regulation proposal for the establishment of a framework to facilitate sustainable investment
- Regulation on EU climate transition benchmarks, EU Paris-aligned benchmarks and sustainability-related disclosures for benchmarks



#### TAXATION

- Draft bill on Tax on Financial Transactions
- Tax on Specific Digital Services
- Measures to Prevent and Combat Tax Fraud
- Amendment to the General Tax Law to incorporate the DAC6 directive into Spanish law



#### INNOVATION AND DIGITALISATION

- EBA Guidelines on Cloud outsourcing
- EBA Guide on managing ICT and security risks
- Initiatives on crowdfunding service providers
- FinTech action plan
- Royal Decree-Law on payment services and other urgent financial measures (PSD 2)
- Spanish regulatory sandbox



#### FINANCIAL STABILITY AND STRENGTHENING OF THE FINANCIAL SECTOR

- European Covered Bonds
- Banking Recovery and Resolution Directive (BRRD 2)
- Capital Requirements Directive and Regulations (CRD 5/CRR 2)
- Directive on the prevention of money laundering and terrorism financing (AMLD 4)
- EBA Guide on loan origination.
- International Financial Reporting Standard
- Benchmarking Regulations
- Regulations on the minimum loss coverage for non-performing exposures.



#### CONSUMER PROTECTION AND TRANSPARENCY

- Markets in Financial Instruments Directive (MIFID2/MiFIR)
- Consumer Credit Directive (CCD)
- Organic Law on the Protection of Personal Data and guarantee of digital rights (LOPD)
- Regulatory law on real estate loan contracts (LCI)
- International Financial Reporting Standard
- Amendment to the Order on transparency and protection of customers of banking services.
- Royal Decree-Law on payment accounts, payment account switching and comparability of fees (PAD)

## Technological, social and competitive context



- >> The **digital innovation** offers new opportunities to be a faster and more efficient organisation and to transform customer relations.

In turn, the technological revolution is significantly altering the competitive framework in which financial institutions operate. As such, digitalisation is leading to the appearance of new competitors such as *Fintechs* and digital platforms called *Bigtech*, with disruptive potential in terms of competition and services. Specifically, these new competitors tend to be more agile and flexible, have a light cost structure, and are able to take advantage of different technologies to offer the customer a comfortable and simple user experience at a lower cost. Likewise, for now, most of these new entrants have a highly specialised approach to specific financial services. This differs from the traditional model, characterised by the joint provision of financial services, and can lead to a fragmentation of the value chain, with impact on margins and cross-selling.

However, the Company believes the new entrants also represent an opportunity as a source of collaboration, learning and stimulus for the fulfilment of the digitalisation and business transformation objectives established in the Strategic Plan. CaixaBank regularly monitors the main new entrants and the movements of BigTech towards the banking industry. In addition, CaixaBank has Imagin as a top-level value proposal that it will continue to develop. With respect to the competition from Bigtech, CaixaBank is committed to improving the customer experience and modernising the relationship model with the added value of the responsible use of data.



- >> **Demand for long-term savings products will continue growing** in the context of greater demands for household financial planning and the low rate environment. Since 2014, long-term savings products, which include pension plans, investment funds and savings insurance, have grown by around 45%. This is explained by the low interest rate environment that has led to the search for more attractive returns in a context where the return on deposits is zero. This growth has been reinforced by the banks' strategy of increasing fee income with the management and marketing of these products. In the coming years, the demand for these savings products will continue due to the growing need for financial planning, whether to obtain attractive returns on low-risk products or savings products that complement public pensions.



- >> The **volume of cybercrime events and their severity has increased**, making this a higher regulatory priority on the supervisors' agenda.

CaixaBank is aware of the importance and existing threat level, and constantly monitors the technological environment and applications in terms of information integrity and confidentiality, system availability and business continuity, through planned reviews and continuous audit (with monitoring of defined risk indicators). CaixaBank also carries out the relevant analyses to adapt the security protocols to new challenges and has defined a new strategic information security plan to remain at the forefront of information protection, in accordance with the best market standards.




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>> The **Society is increasingly demanding socially responsible banks** that concern themselves with the social and environmental well-being of the territories in which they have a presence. Thus, it is expected that the areas of financial inclusion and education, of compliance culture and environmental risk management will become more relevant in the financial sector.

In this regard, measures related to the management of ESG risks have been given a greater focus throughout this year. One notable example is the far-reaching actions set out in the European Commission's Green New Deal, which will be translated into specific legislative initiatives. From the point of view of the business in the environmental area, these initiatives could materialise in elements such as potential exposure to sectors with intensive carbon emissions or high exposure to risks associated with the energy transition.

In anticipation, the principles and values that form the foundation of CaixaBank are closely aligned with ESG principles, although the increasing level of demand for sustainability in the sector leads to greater potential reputational impact.

Against this backdrop, CaixaBank actively monitors the developments and initiatives in the aforementioned fields, participating, for example, in the debate within the sector on the European directives in the Spanish legal system. CaixaBank is also a signatory and is committed to multiple initiatives and working groups to address, among other aspects, the improvement of management and reporting in these areas.

Similarly, within the framework of a rigorous, responsible and transparent decision-making process, the Group takes into account the ESG implications deriving from its admission and investment policy. In this sense it strives to optimise the risk/return ratio and avoid, minimise, mitigate or remedy, insofar as possible, those factors that could entail risk for the environment or community.



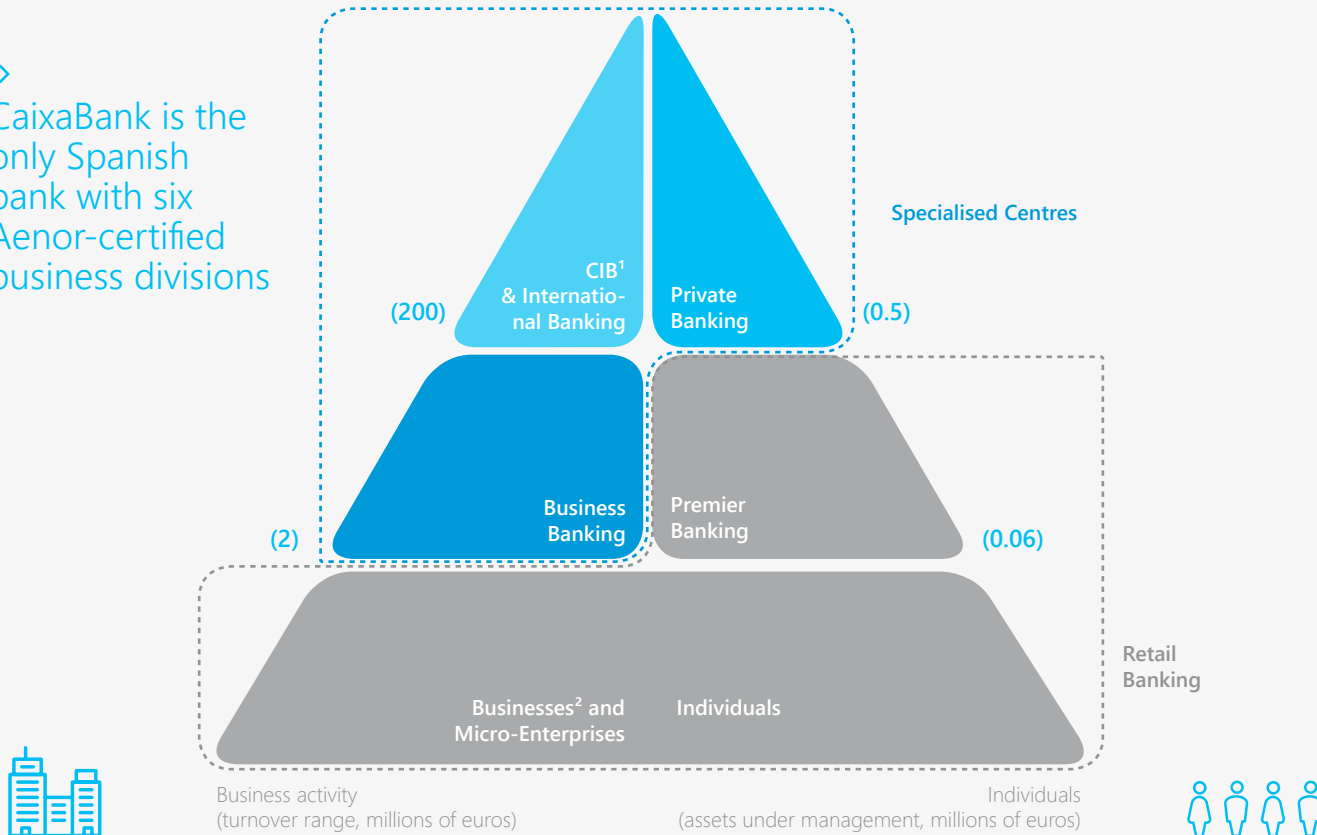
# Business model

A business model that covers all financial and insurance needs.

CaixaBank has a universal banking model, offering a wide range of products and services adapted to the customers' needs through a business platform that combines physical branches and the digital world.

Segmentation, key to better meeting our customers' needs

» CaixaBank is the only Spanish bank with six Aenor-certified business divisions



<sup>1</sup> Corporate & Institutional Banking

<sup>2</sup> Includes the self-employed, professionals, farmers and shops



## Personal, business and microenterprise banking

The value proposal of Retail Banking is based on an innovative and unique omnichannel service offer aimed at individuals, businesses and entrepreneurs; all this while constantly striving to improve the customer experience.

The BusinessBank proposal is aimed at small businesses, entrepreneurs, self-employed workers and shops. It includes all the day-to-day solutions related to security, protection, internationalization and financing that they need, always with support from expert managers.

### Main indicators

» **8 million**  
relational customers<sup>1</sup>

» **85.5** (scale 0-100)  
retail banking experience index

» **27.1%**  
market share of direct payroll deposits (+30 bp en 2019)

» **4.8 million**  
omnichannel customers<sup>1</sup> (branch, ATMs and digital)

» **33.4%**  
penetration of self-employed workers (+13 bp en 2019)

» **24.1%**  
market share of businesses<sup>2</sup> (+50 bp en 2019)

<sup>1</sup>Includes all segments.

<sup>2</sup>For business turnover < EUR 1 million

### Milestones in 2019

Development of value proposals through four life experiences, **helping the customer,**

**to think about the day to day,** with the best omnichannel offer.

**to enjoy life,** making financing easier to help their dreams and projects become a reality.

**to sleep soundly,** with the most comprehensive protection solution on the market.

**to think about the future,** with solutions to make systematic savings easier.

Launch of a new branch concept, **All in One**, one of the largest flagship bank branches in Europe. Presenting a modern, transparent and personal bank with a fresh and innovative feel.

We continued with **the store branches model** reaching 458 offices by 2019, with the goal of reaching more than 600 by 2020.



Opening of **28 specialised BusinessBank centres**, in addition to the 14 already in place in 2018, with the strategic goal of reaching 70 in 2020.

Making the best **deals with partners like Samsung, Arval, Securitas Direct**, etc. In 2019, we reached **15,000** renting cars for individual customers, **160,000** mobiles, **130,000** televisions, more than **50,000** security systems and **40,000** Protección Senior systems.

**Improvement of the omnichannel experience** with:

- the whole mortgage process through Casa Fácil
- new 100% digital customer registration process via mobile
- new facial recognition method at ATMs

## New products / services launched in 2019

### MYBOX LAUNCH

a new proposal with protection solutions. MyBox products are designed for customers' piece of mind, with exclusive coverage and unique advantages.

**+320,000 MyBox premiums**

### NEW NÓMINA 15 SERVICE

through which 50% of a customer's salary is paid in to their account on the 15th of each month. This service is for civil service customers, an increasingly significant segment for whom we are striving to be the leading bank.

### SOCIAL COMMERCE

an application that makes it possible to provide payment and product marketing solutions through social networks to businesses that do not have a website or virtual store and only operate on a face-to-face basis.

### NEW PRE-APPROVAL MODELS

allowing our customers to access instant financing with personalised conditions.

**+2 million customers with consumer loans**

**+4 million customers with pre-approved loans**

### PoS TABLET LITE

a solution for small businesses with basic point of sale management needs that wish to digitalise their business (type of PoS).

## Strategic challenges



Continue improving the customers' experience



Consolidate the customer omnichannel relationship



Enhance customer relations



Complete and competitive protection solutions

Flat monthly rate

Fixed fee for 3 years

Exclusive coverage

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## Premier Banking

The value proposal of Banking Premier is founded on three key pillars: a unique advisory model, certified professionals, and exclusive solutions for customers. This has enabled CaixaBank to reaffirm its leadership in the field of financial advice.

### Main indicators

» **87.5** (scale 0-100)  
premier banking experience index

» **67 %**  
advised customers

» **2,596**  
specialised managers

» **€134,651 million**  
in assets and securities under managed funds and securities

### New products / services launched in 2019

Throughout 2019, we consolidated our offer by launching a new **range of discretionary management products: Master Portfolios** made up of direct investment funds which bring together the management, analysis and monitoring capabilities of CaixaBank Asset Management with the knowledge and expertise of the best international fund managers.

### Milestones in 2019

- » **New Premier Store branches:** exclusive branches for Premier Banking customers. These are spaces for offering advice tailored to out customers' needs. They employ highly qualified teams of professionals who are commercially proactive and specialised in advisory services.
- » **Premier at inTouch centres:** Pilot schemes for remote advisory services for Premier Banking customers in all regional departments. Mainly aimed at customers with a digital profile or customers who already received InTouch management and have moved onto the Premier Business.





## Private Banking

Private Banking has specialised teams and more than 600 certified professionals with an average of over 15 years of experience working with the branch network to offer the best service.

Private Banking has 53 exclusive centres to guarantee that customers always receive a personal service. Different service models are offered to customer, from traditional financial advice to independent advice and broker services. In addition, the Social Value Project provides solutions in the fields of Philanthropy and Socially Responsible Investment (SRI).

### Main indicators

» **87.6** (scale 0-100)  
private banking experience index

» **94%**  
advised customers

» **€73,385 million**  
managed funds and securities

» **100%**  
of managers with the CNMV financial advisory accreditation

### Milestones in 2019

- Consolidation of the customer base and growth of the Private Banking business. Driving **advisory as a means of growth**, thanks to the strengthening of our TIME objective advisory model.

+€9,103 million in managed funds and securities compared with 2018 (+14.2%)
- Consolidation of **CaixaBank Wealth**: the first independent advisory unit integrated into a banking organisation in Spain.

€4,780 million wealth balance
- Ocean**, the first online third-party fund platform with personalised information and conditions for each customer according to their profile. In the Ocean platform, customers can view the details of their service based on their profiles (rates, fund offers, custody services). Access to nearly 2,000 funds with more than 140 managers.

Driving the **discretionary management model** with the launch of a new range of **Master portfolios**, made up of direct investment funds which bring together the management, analysis and monitoring capabilities of CaixaBank Asset Management with the knowledge and expertise of international fund managers. It is a more efficient, flexible and transparent service.

€12,077 million in discretionary portfolio management

Market leaders in discretionary management in Spain
- Specialisation**: specific value proposals and a team dedicated to groups that, by their nature, share the same asset management needs and objectives (non-profit organisations, religious institutions and professional athletes).
- We have the **broadest offer of alternative investments** on the Spanish market in terms of both balances and options. Throughout 2019, the Buy Out, Venture Capital, Debt, Infrastructures, Renewables, Circular Economy and Real Estate funds were distributed.

## Socially responsible investment and Philanthropy

### DONATIONS

+€1 million raised for various social causes by Private Banking customers throughout the year.

### SRI FUNDS

501% increase in average balance of our Private Banking customers in this type of products.

### SECOND EDITION OF THE PRIVATE BANKING CHARITY AWARDS

recognising our customers' contributions in the field of philanthropy in two categories: Best Track Record and Best Project. There were 68 nominations for the awards, which were presented in Madrid with great success and with significant media coverage for our customers.

### TRAINING AND OUTREACH

12 sessions were held with customers.

### 2ND ANNUAL SOCIAL VALUE PROJECT REPORT

a document intended to take stock of the development of our service that also strives to contribute to the development of philanthropy and Socially Responsible Investment of our country.

### CHARITY DINNER "A SPECTACULAR EVENING"

raised over €65,000 in contributions to the dinner and was attended by over 250 customers.

## Strategic challenges



Continue increasing the number of advisory customers.



Consolidation of the new business models and independent advisory.



Broaden the offer and marketing of SRI products.





## Business Banking

CaixaBank Empresas has consolidated its position as the favourite bank of Spanish companies. It adds a value proposal that offers innovative solutions and a specialised service, through its 125 business centres distributed across Spain, providing expert advice via videoconference or by activating new communication channels between customers and managers, such as the Muro de Empresas and Go&Business.

Business Banking presents an exclusive service model whereby a team of experts responds to the needs of each company. The Bank strives to continually improve its customer relations while also expanding its base of company customers to keep on promoting lending with the best service.

### Main indicators

» **86.6** (scale 0-100)  
business banking experience index

» **€40,969 million**  
investment

» **44.4 %**  
of Spanish companies are CaixaBank customers<sup>1</sup>

» **15.1 %**  
companies loans market share (+38 bp en 2019)

<sup>1</sup> With turnover between 1-100 million euros. Source: FRS Inmark.

### Milestones in 2019

- Opening of 5 new business centres.
- Consolidation of company business by sector. **CaixaBank Hotels & Tourism** continues to contribute to boosting and stimulating the sector's commercial activity.
- In 2019, CaixaBank became a member of the World Tourism Organization (WTO) as an Associate Member.
- Launch of **Real Estate & Homes** to offer products and services through a group of specialists in the real estate sector.
- Enhancing relationships by driving the commercial system with more visits and contacts through the digitalisation process.
- Launch of the platform **We.Trade** based on Blockchain technology.
- The **Company Customer Journey** is deployed to obtain an in-depth analysis of the omnichannel experience of Business customers.



**+25 %**  
» of our customers' contributions to the GAVI programme for child vaccination, totalling more than €1 million





## Strategic challenges



Focusing on innovation and customer service.



Ensuring the maximum degree of activation of all the commercial figures.



Capturing customers to continue to increase the market share.



Synergies with other segments to provide a comprehensive service to the customer.



Promoting the "la Caixa" Banking Foundation programmes: GAVI, the Vaccine Alliance (for child immunisation) and Incorpora (jobs for vulnerable people) as part of corporate responsibility of companies.



## CIB & International Banking

The CIB & International Banking service integrates three business areas, Corporate Banking, Institutional Banking and International Banking, as well as several product areas that provide services to customers, such as Capital Markets, Cash Management, Project Finance, Asset Finance, and M&A.

Corporate Banking's value proposition offers a tailor-made service to corporate clients, seeking to become their main bank. This involves crafting personalised value propositions and working with clients in export markets.

Institutional Banking serves public and private-sector institutions, through specialized management of financial services and solutions.

International Banking offers support to customers of the branch network, CIB, and Business Banking operating abroad, as well as local large corporations through 27 international locations throughout the world and 175 professionals.

### Main indicators



### International presence

<p>» 18</p> <p>Representation offices</p> <p>Milan, Beijing, Shanghai, Dubai, New Delhi, Istanbul, Singapore, Cairo, Santiago de Chile, Bogotá, New York, Johannesburg, Sao Paulo, Hong Kong, Lima, Algiers, Sydney, Toronto.</p>	<p>» 5</p> <p>International branches (7 offices)</p> <p>Warsaw</p> <p>Morocco with three branches:</p> <ul style="list-style-type: none"> <li>• Casablanca</li> <li>• Tangier</li> <li>• Agadir</li> </ul> <p>London</p> <p>Frankfurt</p> <p>Paris</p>	<p>» 2</p> <p>Spanish Desks</p> <p>Mexico City</p> <p>Vienna</p>
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### Milestones in 2019

- Creation of synergies following the integration of International Banking into CIB that have made it possible to **double the turnover in international branches** and to promote opportunities originating in countries covered by representative branches.
- Progress of international business with the development of our international Corporate Banking platform and commercial offer.
  - » +€2,914 million in investment in 2019 (+ 9.3%).
- Redefinition of the commercial strategy of international branches to align them with the CIB sector strategy.
- Prizes GTF London 2019 and The Airline Economics Dubai 2019, in recognition of the most complex and innovative operations in the global aviation industry, for the financing of 4 Royal Air Maroc aircraft.
- **External sessions.** Two sessions have been held in 10 countries, attended by 228 customers.

## New products / services launched in 2019

- STRENGTHENING COMMERCIAL OFFER**

with new confirming, factoring and guarantee capacities.
- CONTINUED GROWTH IN THE TRANSPORT SECTOR**

Automotive, aviation, rail and maritime, including new international investment customers.

**> €1,500 MILLION GRANTED IN 2019**
- RENEWABLE ENERGY**

Financing of several national and international projects during 2019.

- NEW WORKING CAPITAL PRODUCTS**
- NEW BOOKING MODEL POLICY**

which will allow for optimum flexibility in product developments in the future.

See section **Environmental strategy - Promoting "green" business**

## Strategic challenges

- Consolidating the international presence by attracting new customers and projects.
- Strengthening the relationship with existing customers for the development of new products.
- Positioning CaixaBank as the benchmark in socially responsible banking.





## BPI

BPI is a financial institution focused on commercial and retail banking operations in Portugal, where it is the fifth largest bank in terms of assets, with market shares of 10% in loans and deposits.

BPI's business is distributed into Personal Banking, Premier and Private Banking, Business and Institutional Banking and Corporate and Investment Banking. BPI offers a complete range of financial products and services, adapted to the specific needs of every sector, through a specialised, omnichannel and fully integrated distribution network.

BPI's product range is complemented with investment and savings solutions from CaixaBank's Asset and Insurance Management department and with the distribution of non-life and life risk insurance policies through Allianz Portugal, in which BPI holds a 35% stake. Since the beginning of 2020, BPI has been marketing life risk insurance policies for CaixaBank, following the conclusion of the distribution agreement for these insurance policies with Allianz Portugal.

Five strategic priorities guide BPI's activity: i. Sustainable growth in profitability; ii. Boosting the customer experience transformation; iii. Developing the bank's human resources; iv. Improving operational and organisational efficiency; v. Consolidating the bank's reputation based on the quality of customer service and social commitment.

### Main indicators

>> **1.9 million**  
customers

>> **€31,444 million**  
total assets

>> **477**  
branches

>> **€24,303 million**  
in loans and advances to customers  
(+4.4% compared in 2018)

>> **4,840**  
employees

>> **€34,344 million**  
total customer funds  
(+3.4% compared with 2018)

### Milestones in 2019

- Launch of the BPI Family and BPI Commerce value proposals that cover all communications regarding the products and services aimed at these segments.
- Expansion of the value proposition for customers in the strategic segments of agriculture and tourism and new international trade solutions.
- Strengthening Business Banking:
  - 2 new large company units
  - 2 new real estate business centres
- Redesign of the BPI App, now simpler and more intuitive
- Improvements in customer experience: commitment to the omnichannel network, the simplification of the main processes, new functionalities, and commitment to more efficient contact with managers through the digital channels
  - 100% of commercial managers have SmartPCs
- Reduction of the time spent on administrative processes in branches for commercial activity by centralising and digitalising processes
- Recognition:
  - Best large bank in Portugal 2020
  - Best large bank in Portugal 2020
  - Most trusted bank in Portugal 2019
- Digital innovation awards:
  - Financial Innovation Awards 2019 (Change team of the year, Best Technology Initiative Europe)
  - PayTech Awards 2019 (PayTech Team of the year)
  - Portugal Digital Awards 2019 (Best Digital Strategic Tool)
  - PWM Wealth Tech Awards 2019 (Best Private Bank, Digitally, Empowering, RMs, Europe)

## New products / services launched in 2019

### BPI APP

- The first bank in Portugal to allow its customers to consult balances and movements and initiate account transfers with other banks through *BPI Net* and its mobile application.
- Availability of the insurance catalogue.
- Possibility of making purchases and withdrawals without a physical card.

### LAUNCH OF CONTA VALOR COMMERCE, TPA COMMERCE AND SMART PoS

for the business segment.

### OFFER OF NEW SAVINGS SOLUTIONS

in the form of capitalisation insurance, depending on the investment time horizon and composition of the asset portfolios.

### iFACTORING BPI

digital solution launched at the end of the year for the factoring product that allows online access and consultation on digital BPI channels.

## Presence



Holding events aimed at reinforcing support and proximity to companies: *Encontros BPI com empresas, Negócios com o Mundo*, BPI Innovation Summit.



Launch of awards to support agriculture, tourism, innovation and entrepreneurship: first edition of the *Prémio Nacional do Turismo*, in association with *Jornal Expresso*, eighth edition of the *Prémio Nacional de Agricultura*, in association with *Cofina*; *Prémio PME Inovação COTEC-BPI 2019*; second edition in Portugal of the *Premios Empreendedor XXI*.



Sponsorship of the main national agricultural and tourism fairs: *Feira Nacional de Agricultura*, *Ovibeja* and *Bolsa de Turismo de Lisboa*.

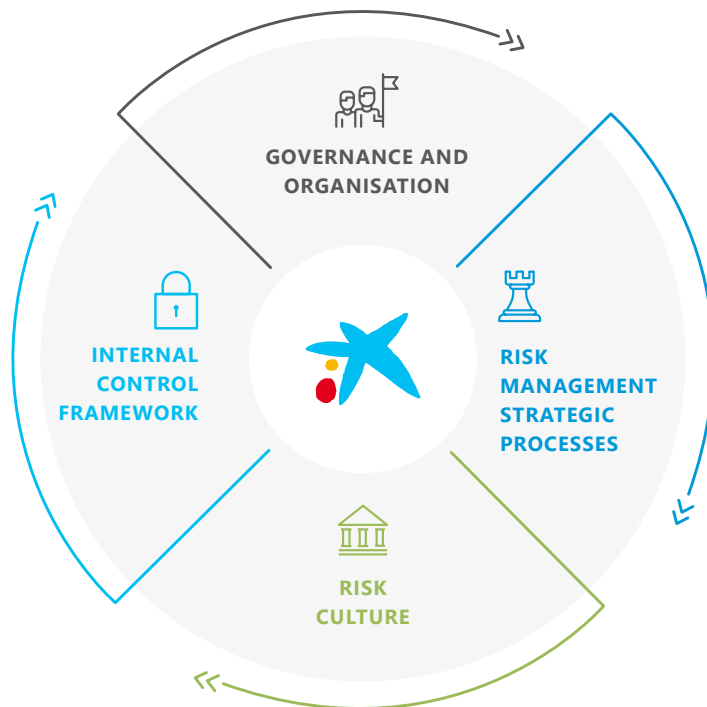


# Risk management

CaixaBank maintains a low average risk profile, comfortable capital adequacy and comfortable liquidity metrics, in line with its business model and the risk appetite defined by the Board of Directors.

The risk management systems implemented are adequate in relation to the approved risk profile and risk appetite and consist of the following elements:

## >> CORE ELEMENTS OF RISK MANAGEMENT AND CONTROL



### GOVERNANCE AND ORGANISATION

This is done through internal policies, rules and procedures that ensure the adequate supervision by the governing bodies, steering committees, and CaixaBank's specialised human resources.



### RISK CULTURE

The Risk Culture is based, among other things, on general risk management principles, employee training and performance-based evaluation/ variable remuneration of employees.



### STRATEGIC RISK MANAGEMENT SYSTEM

**Identification and assessment of risks. Risk Assessment:** A six-monthly risk self-assessment, covering all the risks included in the Risk Taxonomy. This involves the process of identifying the strategic events that relate to one or more of the risks which, based on their potential mid- to long-term impact in the context of the Strategic Plan, may require specific monitoring.

**Classification and definition of Risks. Risk Taxonomy:** List and description of the material risks identified in the Risk Assessment and reviewed annually. Facilitates monitoring and internal and external monitoring of risks.

**Risk Appetite Framework (RAF):** A comprehensive and forward-looking tool used by the Board of Directors to determine the types and thresholds of risk it is willing to assume in achieving the Group's strategic objectives concerning the risks included in the Risk Taxonomy.

**Risk planning:** Assessment, from a risk perspective, of the current, future and hypothetical balance sheet in stress scenarios.



### INTERNAL CONTROL FRAMEWORK

A structure based on the Three Lines of Defence model that provides a reasonable degree of assurance that the Group will achieve its objectives.

Note 3 of the 2019 consolidated annual financial statements provides additional information on risk management and the Group's internal control model.

The following is a summary of the most relevant aspects of management and intervention for the different risks identified in the Corporate Risk Taxonomy in 2019:

## >> BUSINESS MODEL RISKS



### Business



### Eligible own funds/Capital adequacy



### Liquidity and funding

#### DEFINITION

Obtaining results below market expectations or Group targets that, ultimately, prevent the company from reaching a level of sustainable returns that exceeds the of capital.

Risk caused by a restriction of the CaixaBank Group's ability to adapt its level of capital to regulatory requirements or to a change in its risk profile.

Risk of insufficient liquid assets or limited access to market financing to meet contractual maturities of liabilities, regulatory requirements, or the investment needs of the Group.

#### RISK MANAGEMENT

The management of this risk is supported by the strategic financial planning process, which is continually monitored to assess the fulfilment of the strategy and budget. After quantifying the number of deviations and identifying their cause, conclusions are presented to the management and governing bodies to evaluate the benefits of making adjustments to ensure that the internal objectives are fulfilled.

Management focuses on maintaining a comfortable capital situation in accordance with a medium-low risk profile to cover any unexpected losses. The objective of the new 2019-21 Strategic Plan is to reach a CET1 level of approximately 12% of RWAs and to obtain one additional percentage point (temporary) to cover any potential regulatory impacts forecasted over the next few years (such as the completion of Basel III and other regulatory modifications).

The management approach is based on a decentralised system (CaixaBank and BPI) with the segregation of functions aiming to maintain an efficient level of liquid assets; the active management of liquidity and the sustainability and stability of funding sources in both normal and stress scenarios.

#### KEY MILESTONES IN 2019

In 2019, the return on tangible equity (ROTE) has exceeded the cost of capital, excluding the impact of the Labour Agreement.

In a persistent low-rate environment, we have continued to promote the digital transformation and strengthen the CaixaBank business model, which has proved to be resilient in this context. The focus is on the insurance and asset management business, on business segments less sensitive to the interest rate (consumer credit) and on adapting the management of the liabilities and liquidity of customers. All of this while pursuing a cost containment policy compatible with a continuous investment in technology and in the transformation of the distribution model.

The CET1 is 12.0%, meeting the minimum requirements with ease, and the MDA buffer (*Maximum Distributable Amount*) is €4,805 million.

During 2019, active management has been carried out to prepare for the coverage of future MREL requirements (Minimum Required Eligible Liabilities): 5 issues of senior non-preferred debt (SNP) for an amount of €3,382 million and 1 issue of senior preferred debt (SP) for €1,000 million.

The positive evolution of the commercial gap, in addition to bond issues (€5,382 million) which exceed the maturities for the year (€2,135 million), total liquid assets have amounted to €89,427 million, with a LCR (liquidity coverage ratio, 12-month average) of 186%.

Institutional financing amounts to €32,716 million and has performed very well in 2019 due to the success in accessing markets with different debt instruments.

## >> RISKS AFFECTING FINANCIAL ACTIVITY



### Credit

#### DEFINITION

Risk of a decrease in the value of the CaixaBank Group's assets due to uncertainty about a customer's or counterparts to meet its obligations to the Group.

#### RISK MANAGEMENT

This is the most significant risk for the Group's balance sheet. It is derived from its banking and insurance activity, cash flow operations, and its investee portfolio, encompassing the entire management cycle of the operations. The principles and policies that underpin the credit risk management are:

- A prudent approvals policy based on: (i) an appropriate relationship between income and the expenses borne by consumers; (ii) documentary proof of the information provided by the borrower and the borrower's solvency; (iii) Pre-contractual information and information protocols that are appropriate to the personal circumstances and characteristics of each customer and operation.
- Monitoring the quality of assets throughout their life cycle based on preventive management and early recognition of impairment.
- Up-to-date and accurate assessments of the impairment at any given time and diligent management of non-performing loans and recoveries.

#### KEY MILESTONES IN 2019

In 2019, we enhanced the monitoring and control processes, continuing with the effectiveness of the recovery process, which has translated into continuous and sustained improvements in the credit quality metrics of the balance sheet, as has been the case in recent years.

The NPL ratio has fallen to 3.6% (compared to 4.7% as at 31 December 2018).



### Impairment of other assets

Reduction of the carrying amount of shareholdings and non-financial assets (tangible, intangible, tax assets and other assets) of the CaixaBank Group.

The management approach is based on monitoring the processes for evaluating asset impairment and write-down tests, in addition to compliance with the optimisation policies of shareholdings and real estate holdings in accordance with the strategic objectives.



### Market

The value decrease of the assets or value increase of the liabilities included in the trading portfolio, due to fluctuations in rates, exchange rates, credit spreads, external factors or prices on the markets where those assets/liabilities are traded.

Its management is focused on maintaining a low and stable risk below the established appetite limits.



## >> RISKS AFFECTING FINANCIAL ACTIVITY



### Structural rates

#### DEFINITION

Negative impact on the economic value of the balance sheet's items or on the financial margin due to changes in the temporary structure of interest rates and its impact on asset and liability instruments and those outside of the Group's balance sheet not recorded in financial assets held for trading.

#### RISK MANAGEMENT

This risk is managed by optimising the net interest margin and keeping the economic value of the balance sheet within the limits established in the risk appetite.

CaixaBank actively manages risk by arranging additional hedging transactions on financial markets to supplement the natural hedges generated on its own balance sheet by its deposits and lending transactions with customers.

#### KEY MILESTONES IN 2019

In 2019, CaixaBank held its balance-sheet position to increases in interest rates. The reasons for this positioning are of a structural and managerial nature.

Specifically, from a structural point of view, exceptionally low interest rates have continued to drive the movement of deposits from fixed-term accounts to on-demand accounts.



### Actuarial

Risk of a loss or adverse change to the value of the commitment assumed through insurance or pension contracts with customers or employees due to the differences between the estimate for the actuarial variables used in the tariff model and reserves and the actual performance of these.

The management principles and policies aim for long-term stability of the main actuarial factors that affect the technical development of the marketed insurance, classified into homogenous risk groups.

This is achieved through controlled management of the liabilities through reinsurance in order to mitigate the risk taken up to the tolerance limits.



## >> REPUTATIONAL AND OPERATIONAL RISKS



### Legal/Regulatory

#### DEFINITION

The potential loss or decrease in the profitability of the CaixaBank Group as a result of changes in the legislation, of the incorrect implementation of this legislation in the CaixaBank Group's processes, of the inappropriate interpretation of the same in various operations, of the incorrect management of a court or administrative injunctions, or of the claims or complaints received.

#### RISK MANAGEMENT

The aim of legal and regulatory risk management is to safeguard to Group's legal integrity, on the one hand, by monitoring, interpreting and implementing regulatory changes and, on the other, by managing the case-by-case defence of the Group in judicial and extrajudicial proceedings, and monitoring the impact of such proceedings on the Group's assets.

#### KEY MILESTONES IN 2019

In 2019, the Group participated in relevant consultative processes at European and national level –the finalisation of the Basel III agreements; the Consumer Credit Directive; the Distance Marketing of Financial Services Directive; the Benchmark Regulation (BMR); and other legislative amendments concerning transparency– as well as the implementation of standards such as Regulatory Act 5/2019 on real estate credit contracts and Royal Decree-Law 19/2018 on payment services and other urgent financial measures (PSD2), and others concerning technological risks.



### Conduct

The application of conduct criteria that run contrary to the interests of customers and stakeholders, or acts or omissions that are not compliant with the legal or regulatory framework, or with internal codes and rules, or with codes of conduct and ethical and good practice standards.

Conduct and compliance risk management is not just the responsibility of a single department, but of the entire CaixaBank Group. All employees must strive to ensure compliance with current legislation and to implement procedures to translate this legislation into their day-to-day work.

- Fostering a culture of good conduct, with two main levers:
  - Linking good conduct criteria to the variable remuneration by: 1) including indicators in the corporate objectives, such as customer due diligence and the correct formalisation of operations, and 2) undertaking and passing certain regulatory training courses. In both cases, the 2019 compliance targets were achieved.
  - Awareness-raising of good conduct through specific sessions with the network and the publication of communications on corporate channels.
- Strengthening anti-corruption and conflict of interest policies, procedures and controls.



### Technological

Risks of losses due to hardware or software inadequacies or failures in technical infrastructure, due to cyberattacks or other circumstances that could compromise the availability, integrity, accessibility and security of the infrastructures and data.

The management involves the identification, implementation and monitoring of the indicators linked to the various areas of Technological Risk.

CaixaBank is also aligned with the highest international standards with regard to information technologies (IT).

Deployment of the Technological Risk control framework in accordance with a new advanced control and monitoring methodology.

This methodology is aligned with the supervisor's guidelines on IT risk, including scenarios associated with cyber security such as cyber attacks, cyber espionage or information leaks, among others.

## >> REPUTATIONAL AND OPERATIONAL RISKS

### DEFINITION



#### Other operational risks

Losses or damages caused by errors or faults in processes, due to external events, or actions of third parties outside the Group, whether accidentally or intentionally. It includes, among others, risk factors related to outsourcing, the use of quantitative models, the custody of securities or external fraud.

### RISK MANAGEMENT

The management and control of this risk seeks to avoid or mitigate negative impacts on the Group, either directly or indirectly due to the impact on relevant stakeholders (e.g. customers), arising from internal processes and systems or from the actions of third parties.

### KEY MILESTONES IN 2019

During 2019, the Corporate Policy on outsource management was updated and implemented, in line with the new EBA Guide and best practices, strengthening corporate governance and control of risks in the contracting of services from third parties.

Furthermore, the Digital Transformation of the Business and the entry into force of new regulations and supervisory standards (e.g. PSD2) are requiring a greater focus on the prevention of external fraud and on operational resilience.



#### Reliability of the financial information

Deficiencies in the accuracy, integrity and criteria of the process used when preparing the data necessary to evaluate the financial and equity position of the CaixaBank Group.

The management approach involves monthly monitoring of the accounting close and the existence and monitoring of the adequate functioning of the Internal Control over Financial Reporting System (ICFRS), in addition to other metrics and policies related to financial information.



#### Reputational

The possibility that the CaixaBank Group's competitive edge could be blunted by loss of trust by some of its stakeholders, based on their assessment of real or purported actions or omissions carried out by the Group, its Senior Management or Governing Bodies, or due to the bankruptcy of related unconsolidated entities (step-in risk).

This management approach aims to achieve a satisfactory level on the main CaixaBank reputation indicators and to make progress in the monitoring of preventative measures and control.

In 2019, the crises communication management protocols were updated, with the implementation of procedures according to the severity of the crisis events and the creation of a Crises Communication Committee.

Likewise, the CaixaBank Global Reputation Index has also been thoroughly reviewed to ensure that the perceptions and weightings of its stakeholders are aligned with the expectations and reputational attributes of the new 2019-2021 Strategic Plan.



CaixaBank's DNA



Strategic  
lines



Non-financial  
information  
statement



Glossary



Independent  
Verification  
Report



Corporate  
Governance  
Report for 2019



## 02 Strategic lines

- 76** Offer the best customer experience
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- 86** Cybersecurity
- 87** Efficiency and Digitalisation
- 90** Foster a people-centric, agile and collaborative culture
- 93** Corporate Culture
- 98** Diversity and equal opportunities
- 103** Professional development and remuneration
- 106** Employee experience
- 110** Attractive shareholder returns and solid financials
- 110** Evolution of results and business activity
- 124** Liquidity and financing structure
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- 129** Dividend policy
- 130** A benchmark in responsible banking and social commitment
- 135** Responsible practices
- 144** Transparency
- 155** Financial inclusion
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# Offer the **best customer experience**

Trends changing customer behaviour include service customization; enhanced user experience; an increased importance of financial advice; increased interaction through mobile channels and other innovations.

One of the Group's strategic priorities is to offer the best customer experience. That is, to place the customer at the centre and build a more emotional relationship between the customer and the company. To do so, the Group has defined the following levers:



## Strategic priorities

- To be a benchmark
- Relationships based on closeness and trust
- Service excellence
- A value proposition for each segment
- A commitment to innovation



## Levers

- Continue to transform the distribution network to offer greater value to customers
- Strengthen the remote digital customer service model
- Agreements to expand the service offer and build an ecosystem that goes "beyond" banking
- Segmentation and a focus on customer journeys

## Main monitoring metrics 2019-2021 Strategic Plan

### 2019

>> **86.3**

Experience Index (IEX, scale 0-100)

>> **61.7%**

Digital clients

>> **11.9%**

Consumer credit on credit to individuals

>> **€1,643 million**

Insurance and pension income

### Objective 2021

>> **86.3 (2019)**

Experience Index (IEX)

>> **≈70%**

Digital clients

>> **≥12%**

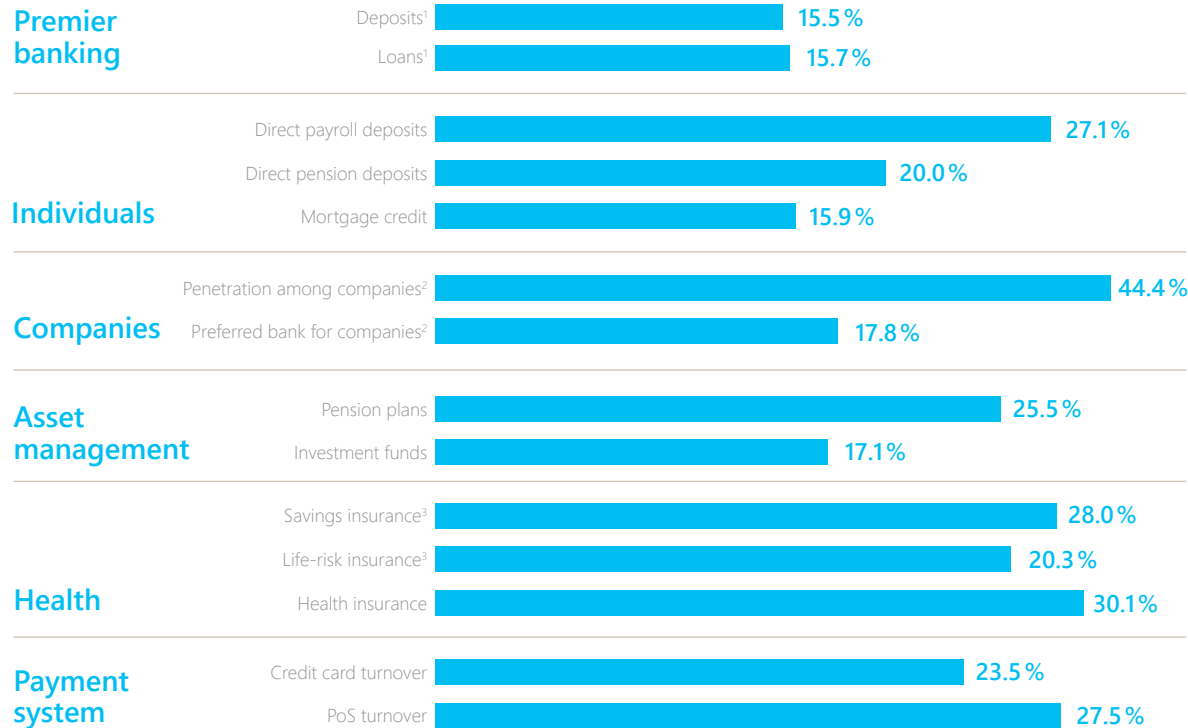
Consumer credit on credit to individuals

>> **≈€2,050 million**

Insurance and pension income



**>> CUSTOMER CONFIDENCE TRANSLATES INTO HIGH MARKET SHARES FOR MAJOR FINANCIAL AND INSURANCE PRODUCTS AND SERVICES**



<sup>1</sup>November 2019

<sup>2</sup>Businesses: companies with a turnover of €1-100 M Latest data for 2019 (bi-annual survey).

<sup>3</sup>September 2019.

**>> BPI INSTALMENTS**

Loans	10.2%
Consumer lending	14.0%
Deposits	10.2%
Direct payroll deposits	9.4%
Investment funds	20.3%
Insurance	11.1%

**>> Customer loyalty and satisfaction leads to sustained growth in market share**



**27.8%**  
Penetration among individual customers (Spain)

**24.4%**  
Primary bank for retail customers (Spain)

## A powerful platform on which value can be created through alliances

Today, CaixaBank is a financial supermarket with a competitive and extensive range of products and services to cover 100% of its customers' financial and insurance needs. With a view to offering customers the best value proposal while also prioritising effi-

ciency, CaixaBank establishes strategic agreements with other leading companies from different sectors, sharing knowledge and creating synergies.

### >> Daily Banking

Accounts, payments, transfers, bills, cards, donations, etc.



**€53,465 million**  
cards turnover

**477,651**  
PoS

Alliances to improve the value proposition with new services



### >> Financing

Mortgages and personal loans, consumer loans, guarantees, working capital lines, microloans, etc.



**11.9%**  
consumer lending on credit to individuals

**€725 million**  
microloans and other loans with social impact

**40,000**  
senior protection

Agreements with manufacturers to finance and distribute

**SAMSUNG**

**MedioMarkt**



### >> Insurance and protection

Life insurance, non-life insurance (health, home, car, funerals, etc.), Home and personal protection services, etc.



**€93,011 million**  
managed customer funds

**€12,060 million**  
premiums

### >> Long term savings

Savings and insurance, investment funds, pension plans, life annuities, *Unit Linked*, managed portfolios, securities and other financial instruments



**€159,762 million**  
insurance and assets under management

## Customer solutions

To continue to transform the distribution network to offer greater value to customers

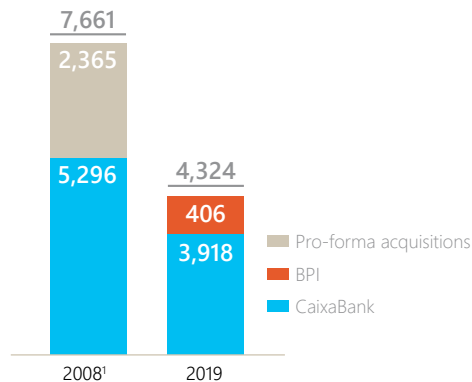
The growth of digital channels, especially the mobile channel, is one of the main changes in the financial sector in recent years, yet the key importance of branches remains. Despite the sustained growth of digital customers, the relevance and added-value of in-branch transactions/advisory services have increased. Customers continue to value the sense of proximity at their bank of choice (according to the 2018 FRS Inmark study for Spain).

The last decade has been an intense period of optimisation of the distribution network for CaixaBank, reducing the number of branches and increasing their efficiency, continuing a commitment to specialisation while developing digital and remote channels. Between 2019-2021, a reduction of more than 800 branches (508 in 2019) is predicted, mainly in urban areas, with the rural network remaining stable.

With a rating of **48%** the proximity of the branch network is the main reason for the choice of main bank.

(FRS Inmark, study 2019)

### Resizing the network - retail branches do not include specialised branches



<sup>1</sup> Pro-forma acquisitions: Banca Cívica, Barclays Spain, Banco de Valencia and Caixa Girona

### The largest physical network in Spain

**4,118** branches  
**9,111** ATMs  
**91%** of citizens have a branch in their municipality

... and in Portugal

**477** branches  
**1,380** ATMs

### At the forefront of banking transformation

**2** All in One branches

Innovative experiences beyond banking, with specialised attention to all value proposals in the same space

**458** Store branches

Advice centres that enable a more efficient and proximate organisation

### PE 2019-2021 Goals

**< 3,640** Spanish retail network

**> 600** Store branches in 2020



CaixaBank's DNA

Strategic lines

Offer the best customer experience

Customer solutions

Non-financial information statement

Glossary

Independent Verification Report

Annual Corporate Governance Report for 2019

1

6

14

## A close and specialised network

Our mission to provide the best customer experience has led to an increased level of specialisation and customisation, and, as a result, the creation of specialised businesses/branches where expert managers offer the specific and customised financial advice services that our customers deserve.



## AgroBank

AgroBank's proposal is based on 3 axes: the most complete offer of products and services in the sector, the specialisation of branches and equipment and a series of actions to boost the sector. It is aimed at all customers belonging to the agri-food sector, covering all links in the value chain, i.e. production, processing and marketing (excluding distribution).

AgroBank has signed agreements with Agro-food Cooperatives, the Spanish Wine Federation, the Spanish Wine Interprofessional Organisation and the Wine Technology Platform, among others.

**+350,000**  
clients

**919**  
Agrobank branches located in towns where the agricultural sector is the main or one of the main activities

**27.7%**  
penetration rate for self-employed farmers (+53 bp vs. 2018)

**€1,000 million**  
of new loans in the agricultural sector

### Milestones in 2019

- **New pre-approval templates** allowing our customers to access instant financing with personalised conditions.
- Launch of **Renewable energy agro-investment**: loans to finance investment in renewable energies for self-consumption in agricultural operations and processing industries.
- **Improvements in the Common Agricultural Policy assistance service** (carried out in our branches by external firms).

### Commitment and drive to the sector

- Presentation of the **first study of the agri-food sector**.
- Carrying out of **6 AgroBank technical seminars**, with more than 2,500 attendees.
- **The AgroBank Professorship**, in collaboration with the University of Lleida, with the aim of promoting the transmission of scientific and technical knowledge between the academic institution and professionals in the sector.
- **AgroBank magazine** (65,000 copies per year).
- Collaboration with the **Incorpora** programme.
- **Training of rural women** to access the governing bodies of cooperatives and to participate in the congress of rural women in Spain.

## | **dayone**

*DayOne* is a new concept in financial services, exclusively created to accompany both nationally and *scale-ups* active in Spain and with high growth potential. The Company has physical spaces that function as hubs for capturing talent and capital in Barcelona, Madrid and Valencia. It also has a client portfolio in Bilbao and Malaga.

The hubsserve as meeting points between founders of technology companies, partners helping them to grow, and investors interested in innovative companies with growth potential.

In addition to offering a specialised line of products and services for these clients, CaixaBank offers its network of contacts to attract investors in the search for capital for funding rounds. In addition, *DayOne* has designed a training and networking programme tailored to entrepreneurs.

## | **HolaBank**

This is the specialised programme aimed at international customers who spend long periods of time in Spain or want to settle here. Our value proposition consists of offering international customers comprehensive financial services. To do this, we have specialised centres and managers located in the main tourist areas.



### >> ENTREPRENEUR XXI AWARDS

To contribute to the development of innovative young companies with high growth potential. These awards are a recognised measure and reference for startups both nationally and, as of 2018, in Portugal.

#### In 2019

**€800 million**  
awarded in prizes

**854**  
participants in Spain

**139**  
participants in Portugal

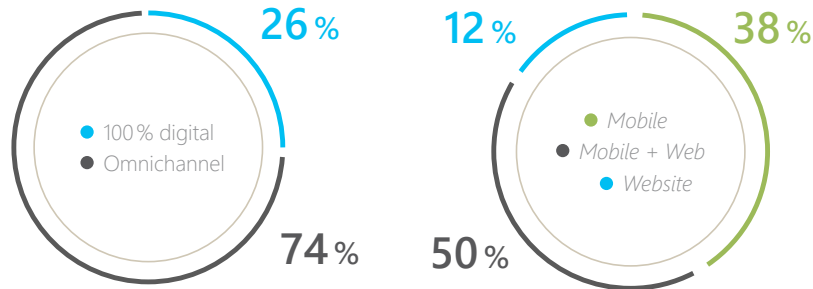
Awards for the best companies in 6 sectors:

- **Agri-food**
- **Health**
- **Senior services**
- **Mobility solutions**
- **PropTech** (services for the real estate sector)
- **Impact** (Projects linked to the SDGs). Solutions to climate change, reducing inequalities and hunger, promoting access to clean water and sanitation and sustainable cities, among others.

The impact sector has received the highest number of applications (241 applications, 24% of the total), followed by Health and Agri-food.

## CaixaBank customers require omnichannel services (digital and physical)<sup>1</sup>

>> +6.5 MILLION DIGITAL CUSTOMERS (+7% IN 2019)



>> **112%** greater margin of omnichannel customers with respect to physical customers

>> **71%** greater average integration of omnichannel customers with respect to physical customers

## To strengthen the remote digital customer service model<sup>1</sup>

The digital channel is becoming one that generates sales and has undergone sustained growth in recent years.

### Commercialisation through digital channels

**38.3%**  
Savings insurance

**36.7%**  
Consumer financing

### CaixaBankNow

CaixaBank Now brings all the bank's digital services together in one place. **Now Mobile** is an app featuring customisation and artificial intelligence which allows transactions to be initiated from a mobile phone.

### The highest level of digital penetration

**30%** penetration among digital customers (Spain)<sup>2</sup>  
**≈1.8 million** customers connecting daily (+21% compared to 2018)

### The mobile channel is key

**+79.0 million** purchases through mobile (+170% compared to 2018)  
**+1.9 million** credit cards stored in mobiles

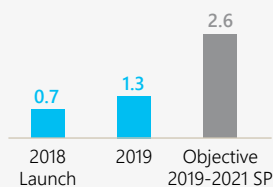


Incorporation of digital biometrics and facial recognition at ATMs.  
Best technological project of the year for ATMs with facial recognition - The Banker

## inTouch

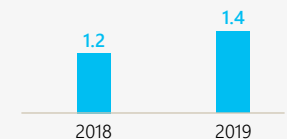
Remote service with personal managers, created for clients with a digital profile, low branch use and reduced time availability. Based on a remote service model with the advantage of having a personal manager. The InTouch model is an opportunity to grow a hybrid service model, generating efficiencies. The number of customers of the InTouch manager is 2.5 times that of physical branches.

### InTouch Customers (MM)



The first mobile-only bank in Spain, aimed at young people, CaixaBank is committed to compete with new banks and new market entrants. It has innovative functionalities, such as the chatbot Gina and a constant evolution of service.

### Imagin Customers (MM)



<sup>1</sup>All data refers to CaixaBank Spain (13.7 MM customers).

<sup>2</sup>Source: ComScore.

## Customer experience and quality

In 2019, CaixaBank deployed its VOZ360° programme, which is designed to ensure that the voices of customers and employees are integrated throughout the value chain. The objective is to obtain insights and recommendations to design high-impact action plans that improve the experience of both.



### Radar 360°

Understanding how **customers, non-customers and employees relate** to CaixaBank's products, services and channels, taking into account the external context and its variables.



### Knowledge

Using **agile methods of empathy and analysis to gain insights** adapted to the needs of each business.



### Action

Ensuring the **implementation of actions inspired by insights** that improve the experience of the customer and/or employee.



### Before

To understand the opinions of customers in their relationship with CaixaBank



### Now

To design products and services that meet the needs of customers and employees, to test them together and measure the experience immediately in the most important moments of interaction with CaixaBank.





>> THE VOZ360° MODEL HAS BEEN DEPLOYED IN 2019 THROUGH 3 LINES OF WORK:

## 01 Constant listening to the customer

- **Touchpoint** - An increase in the number of automated surveys at key times of interaction for customers and employees.
- **Listening dynamics** - Promoting different activities (workshops, interviews, etc.) that allow the voice of the customer and employee to be heard to produce qualitative information and to co-create and improve products, services and processes.
- **360° Customer Journey** - Identification of key customer and employee interactions in new segments, profiles and products that facilitate the analysis of emotions at these key moments.

## 02 Immediate action

- **360° transversal immersion** - Creation of agile, transversal and multidisciplinary working groups for different projects which take into account insights from customer and employee voices as a lever of transformation.
- **Close the loop (actions with clients)** - Beginning the process of managing experiences that customers have transmitted to us through surveys at different key times.
- **Aproximat-T Programme** - Employees of central services and subsidiaries visit branches to learn about their situation and customer needs on the ground and speed up changes.

## 03 Dissemination of VOZ to the entire organisation

- **VOZ360° Platform** - Development of an internal portal to spread the voice of the customer and to promote employee participation in activities and feedback.
- **Monitoring of Voz indicators** - Publication of the main indicators to reveal what customers and employees think in order to speed up changes.

414,555

users contacted in 2019



396

through Voz dynamics



97,085

through touchpoints



317,074

through surveys

>> MEASURING CUSTOMER EXPERIENCE

CAIXABANK SPAIN

>> **86.3**  
Customer Experience Index  
(86.3 Objective 2019)  
(Scale 0-100)

>> **71.5 %**  
NPS Star purchase financing

>> **87.7**  
Service Quality Index (IQS individuals)

>> **35 %**  
Committed customers<sup>1</sup>

>> **59.8 %**  
NPS Personal loan financing

>> **89.6**  
IQS Premier

>> **29.8 %**  
NPS - Net Promoter Score Retail<sup>2</sup>

>> **48.8 %**  
NPS New customer registration

<sup>1</sup> % of the total number of customers surveyed who assess experience, loyalty and recommendation with ratings of 9 or 10 across the board.

<sup>2</sup> The NPS measures recommendations by CaixaBank customers on a scale of 0 to 10. The Index is the result of the difference between % Promoter customers (ratings 9-10) and Detractor customers (ratings 0-6).

# Accelerate digital transformation to boost efficiency and flexibility

In recent years, the increasing use of digital channels by customers and the digitalisation of processes has led to an exponential rise in the number of transactions.

98,963

In 2019 million transactions processed

CaixaBank works to offer services that generates added value for our clients, placing them at the cutting edge of business technology to achieve maximum efficiency through high-quality services.

CaixaBank continues to focus on improving the flexibility, scalability, and efficiency of its IT infrastructure, an approach which enables us to improve cost efficiency, potentially diversify outsourcing, reduce time-to-market, increase the number of versions and have greater resilience.

## Main monitoring metrics 2019-2021 Strategic Plan

### 2019

>> 78%  
of fully automated regulatory reports

>> 30%  
transactions processed through the mainframe

>> 20%  
of IT personnel working in agile

### Objective 2021

>> 100%  
of fully automated regulatory reports

>> 25%  
transactions processed through the mainframe

>> 33%  
of IT personnel working in agile



## Cybersecurity

CaixaBank considers cybersecurity as one of the main priorities for the Group and a crucial component in protecting the information of the company, customers and employees against all types of internal and external threats.

In this regard, cybercrime and data protection are one of the risks identified in the risk self-assessment exercise carried out by the Group.

In order to correctly monitor and control risks related to cybersecurity, the Group carries out various actions to constantly review the technological environment and applications, including the integrity and confidentiality of information, systems availability and business continuity, to planned reviews and continuous auditing through the monitoring of risk indicators defined.

CaixaBank has:

A highly qualified team trained in an environment which involves **multi-localisation**

**36**  
Employees

**+50**  
Certifications

**24 hours**  
**x7 days**  
External Soc<sup>1</sup>

**60%**  
Outsourcing

An advanced and certified model of cybersecurity



With **ISO 27001 certification** and set up as an official CERT, the bank has a team of trained specialists ready to act **24 hours a day**.

**Robust governance**

**Information security policy**

In order to develop corporate principles on which to base actions in the field of information security.

Latest update: November 2018



A brand that has integrated all safety awareness initiatives aimed at employees and customers since 2015.

<sup>1</sup>Security Operations Center.

>> DURING 2019, WE CONTINUED TO DEVELOP INITIATIVES TO IMPROVE CYBERSECURITY IN ALL AREAS. A STRONG COMMITMENT TO:

Maintaining a team with sufficient resources



**+35%** compared to 2018  
Increase in Information Security staff



**+€50 million**  
Invested in Information Security in 2019

A fortnightly newsletter sent to employees and a quarterly one to customers

**98%**

of employees have completed the security course

**12**

Phishing simulations per employee

**48%**

0-clickers in phishing simulations

An active defence to prevent, detect and act on any threat



Framework TIBER-E

**6**

SIMULATIONS/YEAR (Network Team)

The robustness of our systems is tested with real controlled attacks

>> DURING 2020, WE WILL CONTINUE TO INVEST AND PROMOTE INITIATIVES THAT HELP US IMPROVE IN THIS AREA:



### I-BIDaaS

European Big Data Infrastructure & Cloud Analytics



### CONCORDIA

Pan-European X-sector Cyber Centre



### EU-SEC

Certification and continuous auditing framework Analytics

>> ALL THIS MAKES IT POSSIBLE FOR CAIXABANK TO GAIN THE MOST IMPORTANT ACCREDITATIONS AND BE AMONG THE MOST HIGHLY VALUED IN THE SECTOR IN TERMS OF SECURITY:

## Benchmarks

	CNPIC <sup>1</sup>	DJSI <sup>2</sup>	INCIBE <sup>3</sup>	BITSIGHT <sup>4</sup>
CABK	7.4	9.2	7.5	7.9
PEERS	7.2 <sup>5</sup>	7.2	6.8	7.9

(All securities in base 10)

<sup>1</sup> Cyber resilience report 2019

<sup>2</sup> Dow Jones Sustainability Index 2019

<sup>3</sup> Cyber exercises National Cybersecurity Institute

<sup>4</sup> '18

<sup>5</sup> Rating for Spanish financial institutions

<sup>6</sup> Financial institutions

## Certifications







CaixaBank's DNA

Strategic lines

Accelerating the digital transformation in search of efficiency and flexibility

Efficiency and Digitalisation



Non-financial information statement



Glossary



Independent Verification Report



Annual Corporate Governance Report for 2019

## Efficiency and Digitalisation

### Technological infrastructure

The continuous improvement of IT infrastructure is a pillar of the Group's management. The Group has two high quality operational Data Processing Centres (DPCs) and one under construction, each connected to one another to support and develop the Group's activities.

We also continue our focus on continuous migration to cloud solutions and processing, which allow us to significantly reduce operating costs by more than 50% and provide greater agility in the development of applications.

In this sense, the continuous improvement of IT infrastructure allows:



**>14,000**  
transactions per second



**400**  
applications managed in the internal cloud



**88.7%**  
relevant incidents resolved in less than 4 hours

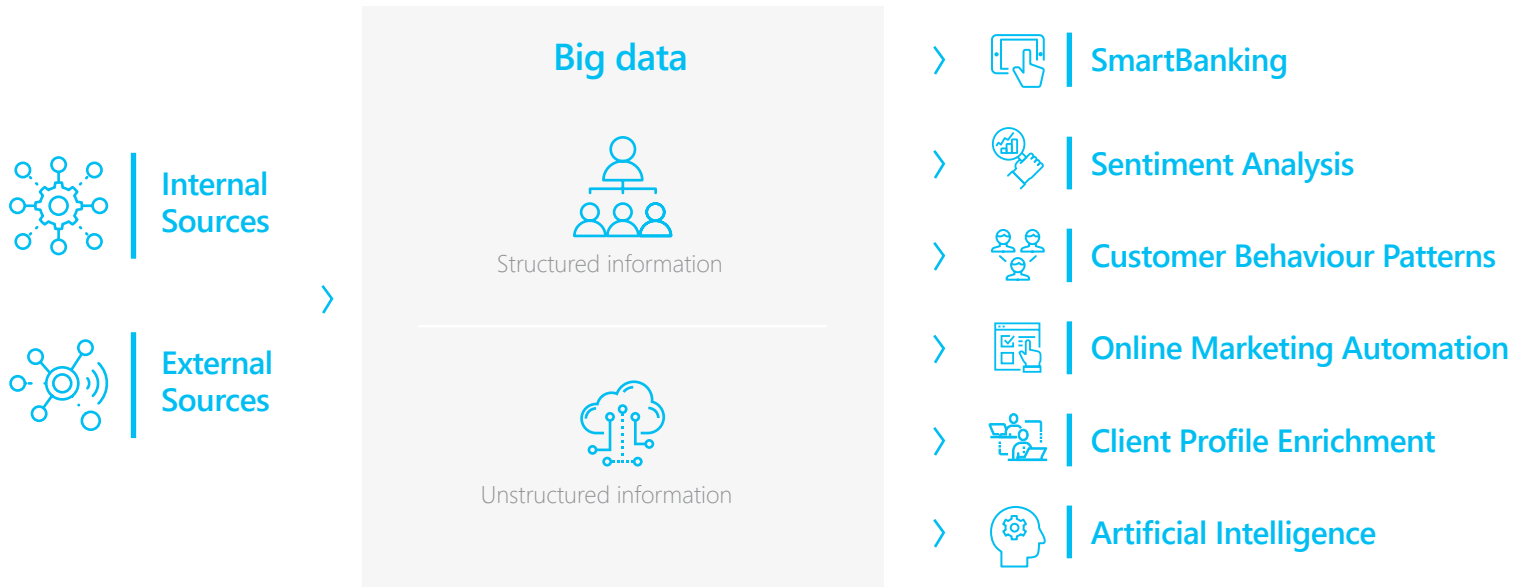
**€931 million**  
of investment in development and technology in 2019



## Big data

In an era marked by the mass data revolution, CaixaBank continues to evolve its Big Data model to ensure greater reliability and productivity in data processing.

### >> A BIG DATA MODEL THAT ALLOWS FOR GREATER ADAPTABILITY



CaixaBank has a single informational repository called *Datapool*, ensuring Information Governance and Data Quality and a significant increase in the use of information and knowledge.

**77.52 %** | Regulatory reports generated based on *Datapool*

**93 %** | of the areas are in big data projects

**650 TB** | of data managed daily

## Implementation of new technologies

Initiated in recent years, CaixaBank continues to promote the digitalisation of its processes through various projects and initiatives. Digital transformation and technological development are a strategic pillar of CaixaBank, which aims to improve efficiency and flexibility.

Digital transformation must allow for greater capacity to identify and adapt to the needs of customers and an improvement in processes, ensuring greater productivity and reliability.

In recent years, CaixaBank has been implementing robotics and artificial intelligence in its processes with the aim of automating back-office tasks and improving administrative processes in branches.

### >> FOR CAIXABANK, THE ADOPTION OF THE LAST TECHNOLOGIES IS KEY TO THE IMPROVEMENT OF PRODUCTIVITY

#### Robotics

**144** cases of robotics implemented

**66** robots in operation

#### Artificial intelligence

**3** cognitive assistants for administrative processes

**81** automated responses by virtual assistants with employees - Branch Channel

**4,782,790** conversations initiated by virtual assistant with employees - Branch Channel

### >> THE IMPLEMENTATION OF NEW TECHNOLOGIES IS KEY TO OPERATIONAL EFFICIENCY

At CaixaBank, the implementation of new technologies has made it possible to reduce the time spent on administrative processes in branches, such as the automatic management of incidents in the charging of bills.

**18.5 %** | time dedicated to administrative processes in branches

**-1.5 %** | in time spent on office administrative processes compared to 2018



#### A partnership with Salesforce to boost the digital transformation of banking services

CaixaBank continues to promote the creation of a network of strategic alliances that will contribute to the advancement of the technological transformation process. This agreement allows us to study how technological innovation allows us to better understand the needs of our customers. With this objective, a state-of-the-art CRM will be implemented and integrated into the international R&D programme "Salesforce Financial Services Cloud Design Partner Program" to experiment with new forms of knowledge and approach to banking customers.



#### Pioneers in the application of artificial intelligence

The combination of several technologies such as artificial intelligence, big data, natural voice processing and automatic learning has allowed the development of both chatbots and virtual assistants in different areas of the organisation, such as the customer and employee service phones.

# Foster a people-centric, agile and collaborative culture

Our strategic objective is to strengthen the corporate culture and keep people at the centre of the organisation, based on the following three axes:

- Promoting talent, ensuring that people can develop their potential with equal opportunities, based on meritocracy, diversity and empowerment.
- Defining and offering the best value proposition by improving employee experience.
- Promoting the attributes of agility and collaboration.



## Main monitoring metrics 2019-2021 Strategic Plan<sup>1</sup>

% of women in management positions from large branch sub-managers and up<sup>2</sup>



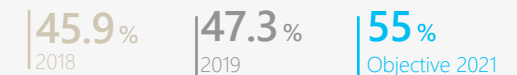
Assessment of employee perception of empowerment



% of employees with flexibility measures



% of professionals certified above and beyond compulsory MIFID II training



<sup>1</sup> Metrics relating to CaixaBank, S.A.  
<sup>2</sup> Branch A and B



CaixaBank's DNA



Strategic lines

Foster a people-centric agile and collaborative culture



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## CaixaBank Group



**45.6%**  
Male



**54.4%**  
Female



Average age  
**42.6 years**



Average length of service  
**15.5 years**

## CaixaBank, S.A.



**45.0%**  
Male



**55.0%**  
Female



**98.5%** Permanent contracts



Average age  
**43.3 years**



Average length of service  
**16.3 years**

## BPI



**43.9%**  
Male



**56.1%**  
Female



**97.6%** Permanent contracts



Average age  
**44.5 years**



Average length of service  
**16.9 years**

## >> GEOGRAPHICAL DISTRIBUTION OF STAFF



**30,583**  
Spain

**13**  
South America

**4,984**  
Portugal

**9**  
North America

**96**  
Rest of Europe

**19**  
Asia and Oceania

**32**  
Africa

Managing a value proposal to contribute to the objectives of the 2019-2021 Strategic Plan, through six lines of action that define the road map.

>> STRATEGIC LINES

	VALUE PROPOSAL	LINES OF ACTION
<p>① Offer the best customer experience</p>	<p>Accompanying the <b>transformation of the commercial model, reinforcing cultural, structural and training aspects</b></p>	<p>Supporting the new distribution model with highly trained professionals and the most efficient organisational structure</p>
<p>② Accelerate digital transformation to boost efficiency and flexibility</p>	<p><b>Promoting digitisation</b>, implementing new agile forms of work</p> <p>Adopting <b>efficient organisational models</b> aligned with <b>the Group's vision</b>.</p>	<p>Digital transformation, implementing agile and collaborative forms of work and systems, focusing on new customer behaviours</p> <p>Organisational transformation through organisational and corporate governance models that simplify the structure and improve efficiency with a customer vision at its centre</p>
<p>③ Foster a people-centric, agile and collaborative culture</p>	<p>Deploying the <b>Corporate Culture Plan</b> throughout the group</p>	<p>Strengthening the behaviours that define how we act at CaixaBank and that will ensure future success and the best experience for our employees</p>
<p>④ Attractive shareholder returns and solid financials</p>	<p><b>Restructuring the workforce</b> and implementing a <b>new labour agreement</b></p>	<p>Contributing to the bank's profitability and efficiency with new labour agreements and the relaxation of the employment framework in the future</p>
<p>⑤ A benchmark in responsible banking and social commitment</p>	<p>Ensuring that <b>we have a diverse and skilled team</b></p>	<p>Guaranteeing the best professional team, adjusted to the leadership model</p>

Under the provisions of the 2019-2021 Strategic Plan, the policies and processes described are of a corporate nature.





CaixaBank's DNA



Strategic lines

Foster a people-centric agile and collaborative culture

Corporate culture



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## Corporate Culture

Culture determines how an organisation works and the way people act. The world moves fast and therefore we must advance and adapt permanently to continue being a leading entity. It is necessary to strengthen those aspects that have led CaixaBank to success and adapt a series of behaviours that ensure the company maintains its leading position in a changing environment.

The Culture Plan prepares the organisation to respond to new challenges, business developments and the expectations and needs of customers and professionals that make up CaixaBank in 4 lines of action:



The Culture Plan facilitates behaviours that are in line with CaixaBank culture and are included in the concept "We are CaixaBank".



## People first

**Committed:** we encourage actions that have a positive effect on people and society as a whole.

**Close:** we listen and support everyone, providing solutions to their current and future needs.

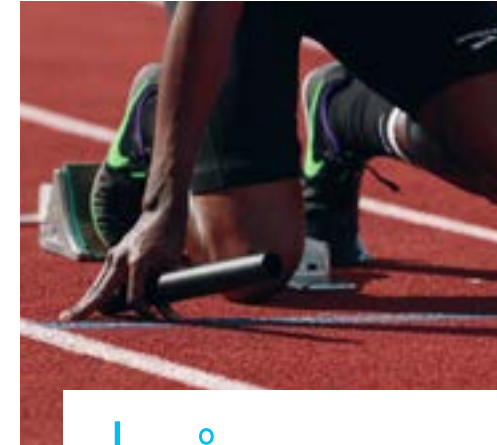
**Responsible and Demanding:** we act guided by criteria of excellence, thoroughness and empowerment with the aim of adding value to others.

**Honest and Transparent:** we build trust by being upright, honest and coherent.



## Collaboration is our strength

**Collaborative:** we think, share and work transversely as a single team.



## Agility is our attitude

**Agile and Innovative:** we promote change with foresight, swiftness and flexibility.



To strengthen the transmission of this plan, the following actions were carried out in 2019:

### a. Communication

- **The Culture and Leadership Book**, which defines each of the behaviours and accompanies thinking about them through quotes from famous people (1,200 copies distributed).
- **Redesign of the Culture site**, incorporating videos that allow us to understand how we see ourselves and how to apply our behaviours in our daily lives.
- **CaixaBank Talks** (spaces for debate and reflection) in the Territorial Directorates.
- **Culture Speech**, a support tool for managers to reinforce and share with teams and to help them be an example of the kinds of behaviours that define us.

### b. Commercial Culture Training

Face-to-face workshop for managers of retail banking and Central Services branches which integrates culture within the Leadership Model and the Commercial Model, developing knowledge and skills in a practical way for their day-to-day application in the office.

### c. Culture initiatives for the development of improvement proposals

35 initiatives have been identified by the work teams and presented to the Culture Committee (made up of various members of the Management Committee). In 2019, we worked on developing improvements along four lines of work focused on promoting culture, adapting the way we work at CaixaBank and turning the points of improvement identified in the Commitment Study into major opportunities. The most noteworthy initiatives being:



Giving autonomy to branch management



Promoting more efficient ways of working at the branch



Promoting cross-cutting projects and agility in decision-making and implementation



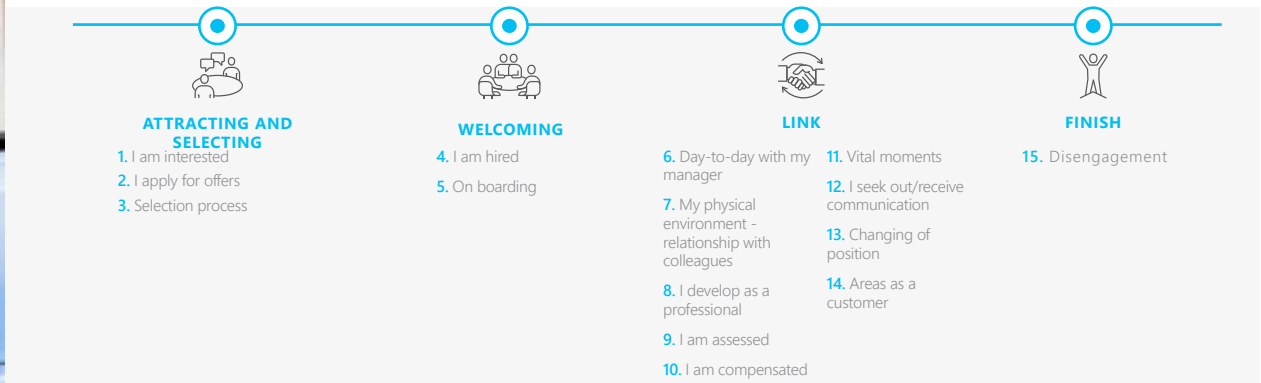
Encouraging participation and innovation





### d. Employee experience

In 2019, the employee's value proposal was defined, identifying key moments in the relationship between the Company and its employees to detect gap in relation to the desired experience and in accordance with the Corporate Culture Plan. We have worked proactively to generate an experience that sets us apart.



The active listening process, which aims to carry out an action plan and which is based on feedback received from employees on the factors that most influence their experience, has been carried out through:

- An annual commitment study
- A focus group with people from different areas of the organisation
- Touchpoints for more recurrent and specific interactions
- An external examination has developed a benchmark of best practices in the market

The 2019 action plan is focused on the **areas of onboarding** (contracting), **crossboarding**, (changing of position) and **evaluation**.

In the area of crossboarding, which involves **the changing of position**, we have worked on a predictive selection model, which provides more agile and proactive candidates suitable for each position, generating personalised opportunities and building a more attractive digital experience for candidates and managers. This project will increase transparency and comprehensive information of the process, in turn redesigning the communication model, favouring internal mobility and the development of professionals.

Just start with "To attract" the best external talent, a project of *Employer Branding* (RPO Digit & IT HUB) has been undertaken, positioning CaixaBank as an attractive brand for digital and tech profiles to generate a disruptive ecosystem of learning and talent.

With regard to **evaluation**, the Company is committed to a 360° evaluation model and to recurring feedback throughout the year. The Company is moving from a model with a single assessor, annual frequency and individual manager recognition. In its place it is one that features multiple evaluators (transversal inputs), which generate regular conversations throughout the year that incorporates informal acknowledgements.

The objectives of the 2019-2021 Strategic Plan and CaixaBank's corporate culture give rise to the following people management policies and principles.

CaixaBank promotes its policy of people management with respect for diversity, equal opportunities and non-discrimination on the basis of gender, age, disability or any other factor. The Group believes it is essential to ensure transparency in the selection and internal promotion of its professionals.



To ensure that talented individuals can develop their potential based on meritocracy, diversity, transversality and empowerment.



To offer the best value proposition for employees and renew it (new environments and spaces, methodologies and applications, evaluation and recognition systems...), improving their experience to increase commitment and promote well-being in a healthy and sustainable environment.



To promote the attributes of agility and collaboration, adapting structures and processes towards more agile and transversal work models.



To develop communication channels to encourage participation and collaboration.

All of this serves to achieve the satisfaction and motivation of staff in a positive work environment.

CaixaBank's DNA

**Strategic lines**

Foster a people-centric agile and collaborative culture

Diversity and equal opportunities

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## Diversity and equal opportunities



CaixaBank is committed and works to promote diversity in all its dimensions as part of its corporate culture, by creating diverse, transversal and inclusive teams, recognising people's individuality and differences and eliminating any exclusionary and discriminatory conduct.

To this end, the company has a solid framework of effective policies that guarantee equal access for women to management positions (internal promotion), and ensures fairness in recruitment, training and professional development, promoting policies of flexibility and conciliation and reinforcing an inclusive culture with principles set out in the **Diversity Manifesto**. To promote and disseminate gender, functional and generational diversity, the Company has developed the Wengage programme.

### Gender diversity

The **gender diversity programme** seeks to increase representation of women in management positions at CaixaBank, promoting the value of diversity and raising awareness of gender biases and stereotypes. Externally, we want to contribute to raising awareness of the value of diversity in society.

**46.8%** of women who access a management position for the first time (54.4% in 2018)

**44.6%** of women who gain a higher managerial position (42.2% in 2018)

**35.2%** of women in strategic managerial positions (32.2% in 2018)

N.B. information from CaixaBank, S.A.

At the internal level, the following objectives and the main initiatives implemented include:

#### AIMS

#### INITIATIVES

##### Strengthening the role of women in the Group

- Programmes of **female mentoring** (430 participants).
- **Women and Leadership**: a training programme carried out jointly with IESE (40 managers).
- **A programme promoted by ESADE** for management training.
- The inclusion of diversity modules in all development programmes.

##### Involving and raising awareness among all

- Publication and dissemination of the book **"Equal Communication: the challenges of interpersonal relationships, gender stereotypes in communication and socio-professional relationships"**
- Creation of audiovisual content in the form of **the "De Cerca" videos** and others of an informative nature with regard to diversity and equality.

##### Contribute from Human Resources processes

- Ensuring gender diversity in the pre-retirement programmes.
- Incorporating diversity into the internal processes of management promotion and into the talent committee.
- Extension of the Wengage programme to Group companies.

##### Visualising diversity

- **Networking** with the programme **"Breakfast with Talent"** (focused on submanagement positions).
- Dissemination of audiovisual content through the corporate intranet related to the Wengage diversity programme.
- The **"Think Tank"** meetings with **promoters of equality** and regional teams.

At the external level, equal opportunities and the value of diversity are promoted in three areas:

#### AREAS

#### INITIATIVES

##### Leadership and entrepreneurship

- **CaixaBank Talks**, spaces for discussion on equality issues organised in the Bank's branches with more than 1,000 attendees.
- Organisation of the **Women Business Award** and collaboration with the international **IWEC** prize to support women entrepreneurs.
- Sponsorship of women's events and congresses, businesses and leadership: **Global Mentoring Walk** organised with **Vital Voices, International Women's Forum Barcelona, Meeting of Managers** in Valencia, the prizes **e-Woman** and **Womanthon** for female development.

##### Innovation and education

- **2nd edition of the WONNOW Awards** organised together with Microsoft to support and strengthen the presence of women in STEM (Science, Technology, Engineering and Mathematics) careers.
- Workshops to raise interest in STEM careers for female audiences, together with GSMA.
- External events that promote diversity: travelling **Disney exhibition** at CaixaForum and a forum with the Aspen Institute for inclusive reflection.

##### Sport

- Support for women's sport through **sponsorships** of the Spanish women's football and basketball teams and other sports events (e.g. careers for equality).





CaixaBank's DNA



Strategic lines

Foster a people-centric agile and collaborative culture

Diversity and equal opportunities



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The **Equality Week** deals with three types of content: family responsibility, sport, and business and entrepreneurship, with a total of 11 events (including talks, debates, streamed workshops...) and with the participation of more than 20 speakers.



RECOGNITION



In 2019, CaixaBank was included within the **Bloomberg Gender Equality Index**, a worldwide seal of recognition of our efforts in transparency and advancing the progress of women in the business world. In addition, in 2019 CaixaBank renewed its **Certification as a Family-Responsible Company (FRC)**, obtaining a B+ rating (proactive company), awarded by the Fundación MásFamilia in recognition of the promotion of a balance between business, work and family through the implementation of policies and measures that support it. Also of note is the **Intrama TOP Diversity Company prize**.

ADHERENCE TO NATIONAL AND INTERNATIONAL PRINCIPLES OF PROMOTING DIVERSITY

EJE&CON

EJE&CON Association (Spanish Association of Executives and Board Members) and sponsor of the Survey on the Monitoring of the Code of Good Practices for Talent Management and the Improvement of Competitiveness in the Company, which is carried out in collaboration with the Fundación máshumano and the IESE Business School, whose aim is to periodically measure the degree of compliance with the recommendations of the Code by member entities.



UN Women and the UN Global Compact initiatives by which it makes a public commitment to align its policies to advance gender equality.



Voluntary agreement with the Women's Institute, which promotes greater representation of women in management positions.



Diversity Charter signed in 2011, which represents a voluntary commitment to promote equal opportunities and anti-discrimination measures.

CaixaBank's DNA

Strategic lines

Foster a people-centric agile and collaborative culture

Diversity and equal opportunities

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>> GENDER DIVERSITY IN NUMBERS<sup>1</sup>

Employees distributed by gender

	CaixaBank Group		CaixaBank, S.A.		BPI	
	2018	2019	2018	2019	2018	2019
Male	17,408	16,302	13,593	12,397	2,171	2,123
Female	20,032	19,434	15,848	15,175	2,717	2,717
<b>Total</b>	<b>37,440</b>	<b>35,736</b>	<b>29,441</b>	<b>27,572</b>	<b>4,888</b>	<b>4,840</b>

Employees by contract type and gender

CaixaBank Group	Full-time, fixed or indefinite-term contract		Part-time, fixed or indefinite-term contract		Temporary contract	
	2018	2019	2018	2019	2018	2019
Male	16,904	16,020	23	30	481	252
Female	19,394	19,101	45	23	593	310
<b>Total</b>	<b>36,298</b>	<b>35,121</b>	<b>68</b>	<b>53</b>	<b>1,074</b>	<b>562</b>

New hires by gender

	CaixaBank Group		CaixaBank, S.A.		BPI	
	2018	2019	2018	2019	2018	2019
Male	775	615	481	222	114	117
Female	833	510	528	209	142	127
<b>Total</b>	<b>1,608</b>	<b>1,125</b>	<b>1,009</b>	<b>431</b>	<b>256</b>	<b>244</b>

Employees dismissed by gender

	CaixaBank Group		CaixaBank, S.A.		BPI	
	2018	2019	2018	2019	2018	2019
Male	75	52	50	36	15	2
Female	44	40	23	24	8	7
<b>Total</b>	<b>119</b>	<b>92</b>	<b>73</b>	<b>60</b>	<b>23</b>	<b>9</b>

Unwanted turnover is 0.3%, calculated as total redundancies (excluding the restructuring plan and voluntary redundancies) over the average workforce.

<sup>1</sup>In 2019 information is reported from CaixaBank Group, in 2018 the information was reported from CaixaBank Group Spain.

Average remuneration<sup>2</sup> by gender

	CaixaBank Group		CaixaBank, S.A.		BPI	
	2018	2019	2018	2019	2018	2019
Male	65,066	65,857	69,126	70,318	40,556	41,431
Female	51,978	53,076	56,313	57,564	29,355	30,542
<b>Total</b>	<b>58,053</b>	<b>58,902</b>	<b>62,237</b>	<b>63,294</b>	<b>34,330</b>	<b>35,310</b>

<sup>2</sup>It includes 100% of fixed annualized remuneration plus variable remuneration.

The average remuneration of the Management Committee is 1,117,000 euros. This Committee is made up of 9 men and 2 women, so the average remuneration by gender is not broken down for reasons of confidentiality of this information.

Average remuneration of Directors by gender - CaixaBank S.A.<sup>3</sup> (in thousands of euros)

	2018	2019
Male	549	474
Female	154	113
<b>Total</b>	<b>439</b>	<b>385</b>

<sup>3</sup>It includes the remuneration derived from positions other than those of representation of the Board of Directors (Chairman and CEO).

The comparison of salaries is calculated as the average for women minus the average for men and is 19% (20% en 2018).

The gender pay gap is calculated by comparing wages between employees with the same length of service in the company, performing the same role or position and with the same rank. This allows similar jobs to be compared.

Salary gap

	CaixaBank Group	CaixaBank, S.A.	BPI
2018	1.64%	0.55%	5.17%
2019	1.69%	0.63%	5.30%

On May 8, 2019, a labour agreement was reached with labour representatives on restructuring for objective, productive and organisational reasons, and which contemplates the departure of 2,023 people (mainly as of August 1<sup>st</sup>, 2019).

The data on staff departures due to mass redundancy plans (restructuring plan and voluntary redundancy as of December 31<sup>st</sup>, 2019) are shown below:

**Departures by professional classification and gender**

	Male	Female	General total
Directors	258	63	321
Middle management	202	124	326
Other Employees	785	512	1,297
<b>Total</b>	<b>1,245</b>	<b>699</b>	<b>1,944</b>

**Departures by age and gender**

	Male	Female	General total
30-39 years	14	20	34
40-49 years	50	64	114
50-59 years	1,162	612	1,774
>59 years	19	3	22
<b>Total</b>	<b>1,245</b>	<b>699</b>	<b>1,944</b>

On 31 January 2020 an Incentivised Voluntary Termination Labour Agreement was reached, potentially affecting 376 employees, from the generation of 1962 and previous, that provide their services in Barcelona and Teruel.

**Functional diversity**

The **functional diversity programme** involves raising awareness, integration and support for employees with disabilities, based on respect for people and ensuring equal opportunities and no discrimination. The programme:

- Raises awareness among the company, promoting the values of diversity and non-discrimination
- Improves the work environment by changing people's attitudes
- Contributes to increasing commitment and pride of belonging

The initiatives of this programme include:

- Internal communication campaigns through the corporate intranet demonstrating the additional social benefits for this group.
- Promoting internal hiring through work exchanges and specific grant programmes in collaboration with Incorpora ("la Caixa").
- Promoting the contracting of suppliers at Special Employment Centres (SEC).

In January 2020, an agreement was reached with workers' legal representatives on an inclusive policy for people with disabilities.



**343**  
employees with  
disability in 2019  
(334 in 2018)

## Generational diversity

The **generational diversity programme** begins with the diagnosis of the situation in the Group, in which demographic evolution and impacts on structural indicators are analysed. This project includes internal interviews, benchmarking and design thinking sessions with professionals from different generations, who share knowledge and experiences with the aim of implementing the design of action plans.

In parallel, the Company collaborates with the **Generation and Talent Observatory**, which in 2019 carried out a global study of the characteristics of different generations making up companies today, focusing on the characteristics of leaders. This type of study will enable:

- Identification of the obstacles and levers of each generation in the Company.
- The design of a transversal action plan to boost the strengths of each generation.
- The design of actions to avoid loss of expertise when people leave the Company.
- The visualisation of generational diversity and the value of its differential characteristics.

### >> GENERATIONAL DIVERSITY IN NUMBERS<sup>1</sup>

#### Employees by age

	CaixaBank Group		CaixaBank, S.A.		BPI	
	2018	2019	2018	2019	2018	2019
<30 years	2,094	1,946	1,720	1,498	184	225
30-39 years	9,238	7,789	7,133	5,912	1,234	1,009
40-49 years	19,370	20,155	15,521	16,236	2,487	2,461
50-59 years	6,538	5,572	4,996	3,851	894	1,004
>59 years	200	274	71	75	89	141
<b>Total</b>	<b>37,440</b>	<b>35,736</b>	<b>29,441</b>	<b>27,572</b>	<b>4,888</b>	<b>4,840</b>

#### Employees dismissed by age

	CaixaBank Group		CaixaBank, S.A.		BPI	
	2018	2019	2018	2019	2018	2019
<30 years	4	8	4	5	0	3
30-39 years	38	18	21	10	7	3
40-49 years	47	49	33	33	5	3
50-59 years	24	15	15	11	7	0
>59 years	6	2	0	1	4	0
<b>Total</b>	<b>119</b>	<b>92</b>	<b>73</b>	<b>60</b>	<b>23</b>	<b>9</b>

#### Employees by contract type and age

CaixaBank Group	Full-time, fixed or indefinite-term contract		Part-time, fixed or indefinite-term contract		Temporary contract	
	2018	2019	2018	2019	2018	2019
<30 years	1,201	1,477	4	5	889	464
30-39 years	9,045	7,687	18	14	175	88
40-49 years	19,332	20,131	31	19	7	5
50-59 years	6,524	5,555	11	12	3	5
>59 years	196	271	4	3	0	0
<b>Total</b>	<b>36,298</b>	<b>35,121</b>	<b>68</b>	<b>53</b>	<b>1,074</b>	<b>562</b>

#### Average remuneration by age

	CaixaBank Group		CaixaBank, S.A.		BPI	
	2018	2019	2018	2019	2018	2019
<30 years	23,290	25,878	23,256	25,990	16,217	17,580
30-39 years	45,337	45,412	48,967	49,229	24,110	24,512
40-49 years	61,312	61,731	65,861	66,196	34,563	34,520
50-59 years	73,461	77,111	81,406	85,048	47,378	47,360
>59 years	92,732	92,300	153,515	148,917	63,050	68,524
<b>Total</b>	<b>58,053</b>	<b>58,902</b>	<b>62,237</b>	<b>63,294</b>	<b>34,330</b>	<b>35,310</b>



<sup>1</sup>In 2019 information is reported from CaixaBank Group, in 2018 the information was reported from CaixaBank Group Spain.





CaixaBank's DNA

**Strategic  
lines**Foster a people-  
centric agile and  
collaborative  
cultureDiversity and  
equal  
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## Equality Plan

To ensure equal opportunity, CaixaBank, S.A. and other Group entities have different equality plans that they share with the aim of promoting, disseminating and contributing to gender equality, incorporating policies to facilitate the work-life balance for their staff. Improvements have been made to a several key conditions in the collective agreement: improved paid leave for marriage, maternity and paternity, illness or death of a family member, moving house, etc. (2,555 employees accessed paid leave in 2019), reduced working hours to look after children under the age of 12 years or children with disabilities (1,691 employees requested reduced working hours in 2019), leaves of absence to care for dependents, gender-based violence, family relocations, solidarity, personal reasons, and study purposes (555 employees requested leave of absences in 2019)<sup>1</sup>.

In January 2020, CaixaBank S.A. signed new equality plan **with unions that contains substantial improvements** in relation to:

- Targets for the representation of women in management positions.
- Work-life balance: extension of leave on the death of a spouse or common-law partner with minor children and extension of paternity leave by 10 days progressively over 3 years, to encourage co-responsibility in the family. Flexibility is also extended to one hour, while respecting organisational needs.

For years CaixaBank has invested in disconnection policies that promote work-life balance for employees. The internal employment agreements contain rationalisation measures of training and commercial activity for employees. The number of activities that can be conducted outside of normal working hours established in the Collective Agreement are limited. Priority is always given to the willingness and motivation of employees. Focusing on digital disconnection, CaixaBank has a protocol whose most important aspects are:

- The right not to reply to communications after the working day has ended.
- No communications from 7pm to 8am the following day, nor on holidays, during leave or on weekends.
- No meetings that end after 6.30pm.
- The incorporation of good practices to minimise meetings and trips by encouraging the use of collaborative tools.

<sup>1</sup> Employee information from CaixaBank, S.A.



## Professional development and remuneration

### Development of potential

CaixaBank is committed to strengthening the critical professional skills of its professionals and their development. For that purpose, 100% of CaixaBank employees undergo evaluations to obtain a global perspective: performance and skills evaluation, with special emphasis in 2019 on the Management Feedback process to the members of the Management Committee with evaluations by their teams, colleagues and staff from different areas.

### Management and pre-management

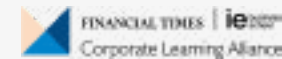
The company encourages professional development programmes at both management and pre-management level, with 2,819 participants taking part in 2019. Highlights include:

- Management programme **"Rethink"** focused on certifying leadership skills and promoting strategy and transversality in the Company, reinforcing the Transformative Leadership model, whose principles are:
  - To serve staff by helping them achieve results.
  - To promote innovation and creativity as levers of change.
  - To promote the personal and professional growth of staff.
  - To act as ethical references for stakeholders.
- Pre-management programme **"Progresa"** aimed at professionals from different areas and Regional Management Departments (branch managers, Central Service managers and Directors of Private Banking and Business Banking), which includes **coaching sessions**.

The **management training** includes two stages (incorporation and consolidation) and a third for high-potential groups. This programme offers incremental development through consolidation in a staff member's position and where the concept of "Certification" is incorporated through Universities and Business Schools.

- **Incorporation:** training aimed at developing leadership that is focused on oneself and on laying the foundations of the business. It is proposed for professionals newly accessing management roles. Programmes: **Prova, GPS, Certification C1**, sessions of **interview and transition coaching**.
- **Consolidation** (between 3 and 5 years in the position): focused on their role as leaders of others and drivers of change and strategy implementation. Programmes: **Certification C2**, programmes related to the **digital transformation** and sessions of **consolidation coaching**.
- **High-potential development:** Proposals to contribute to and promote the development of leadership in executives with high potential. **Programme TOP 200**.

>> PRINCIPAL STAFF INVOLVED IN THE CREATION AND DEVELOPMENT OF PROGRAMMES WITH CAIXABANK:



99.3%  
of management  
positions covered  
internally in 2019  
(CaixaBank, S.A.)

CaixaBank's DNA

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Foster a people-centric agile and collaborative culture

Professional development and remuneration

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### Young talent

The programme **CaixaBank Experience**, internationally recognised with a bronze medal at **Learning Awards 2019** as one of the best onboarding programmes in Europe and at a national level as **the best talent retention and attraction programme nationally** by the **Fundación Cegos**. It is a blended learning programme (face-to-face and online through virtaula and gamification) that comprises two years and monitors new employees during their integration to make them feel part of the Company. The programme has an integration phase, where new employees take a one-week face-to-face course at Barcelona's Corporate Services Centre as a welcome and explanation of the organisation, and an itinerary training phase online (with regulatory content in accordance with MIFID II requirements).

CaixaBank also has programmes to attract external talent, such as **Young Management Programme (YMP)**, **WONNOW** and **New Graduates** for *Corporate & Institutional Banking*. With the aim of continuing to promote young talent and to facilitate their acquisition, in 2019, the **New Graduates SS.CC Talent Programme was born**. This programme will make it possible to attract a portfolio of young talent to meet demand for transformation in the digital era and other positions.



### Ongoing training

**CaixaBank Campus** is the brand under which the Company's training is developed, promoting a culture of continuous learning where the figure of the internal trainer, as a learning facilitator, plays a key role. This model structures training in three main blocks:

- Compulsory training, required by the regulator.
- Recommended training that responds to business challenges.
- Self-training that responds to the individual needs of our employees.



Of CaixaBank staff, 18,074 professionals are certified in MiFID II and 6,548 are certified above MiFID II. Additionally, as a result of the new regulations of the Real Estate Credit Law, 9,863 employees are certified in this area.

The launch of the virtual English academy was a highlight of 2019 (*Education First*) as were the training itineraries for Transformation in the Digital Age, which is aligned with the new Strategic Plan and the objective of developing Digital Talent and deepening how the digital transformation impacts the relationship with the client, the business model and our way of working. It is structured into 4 blocks: The digital environment, Digital skills, Data Academy and Agile work methodologies.

## Appropriate and meritocratic compensation

In 2017, the CaixaBank Board of Directors approved the latest update of the **CaixaBank General Remuneration Policy**, which details the main characteristics of each element of remuneration. It can be accessed by all employees via the corporate intranet.

Remuneration at CaixaBank essentially features the following pay items:

- Fixed remuneration based on the employee's level of responsibility and career path. This accounts for a significant part of total remuneration and is governed by the collective bargaining agreement and the various internal labour agreements.
- A variable remuneration system in the form of bonuses and incentives to achieve previously established objectives and set up to prevent possible conflicts of interest, and, where applicable, to include qualitative assessment principles in line with customer interests, codes of conduct, and prudent risk management.

The principles of the General Remuneration Policy are applicable to all employees of the CaixaBank Group and, among other objectives, they seek to encourage behaviour that ensures the generation of value in the long term and the sustainability of results over time. Furthermore, the strategy for attracting and retaining talent is based on making it easier for professionals to participate in a distinctive social and business project, on the possibility of developing professionally and on competitive conditions in total compensation.

In 2020, the flexible remuneration programme will be implemented for all employees, allowing for tax savings and the personalisation of remuneration according to each person's needs. Total compensation will include a series of products such as: health insurance for family members, transportation cards, day care services and retirement savings insurance.

### >> PROFESSIONAL DEVELOPMENT AND REMUNERATION IN NUMBERS<sup>1</sup>

#### Employees by job classification

	CaixaBank Group		CaixaBank, S.A.		BPI	
	2018	2019	2018	2019	2018	2019
Directors	6,027	5,571	5,399	4,905	450	411
Middle management	7,968	7,000	6,522	5,852	649	647
Rest of employees	23,445	23,165	17,520	16,815	3,789	3,782
<b>Total</b>	<b>37,440</b>	<b>35,736</b>	<b>29,441</b>	<b>27,572</b>	<b>4,888</b>	<b>4,840</b>

#### Hours of training by job classification

	CaixaBank Group		CaixaBank, S.A.		BPI	
	2018	2019	2018	2019	2018	2019
Directors	397,664	703,195	391,607	685,150	1,991	11,882
Middle management	566,009	847,140	476,439	779,749	57,723	48,415
Rest of employees	1,577,976	2,037,365	1,247,136	1,706,423	216,036	229,107
<b>Total</b>	<b>2,541,649</b>	<b>3,587,700</b>	<b>2,115,182</b>	<b>3,171,322</b>	<b>275,750</b>	<b>289,404</b>

#### Average remuneration by job classification

	CaixaBank Group		CaixaBank, S.A.		BPI	
	2018	2019	2018	2019	2018	2019
Directors	94,534	97,444	92,868	95,513	85,533	95,839
Middle management	67,699	69,375	70,094	72,022	41,374	43,650
Rest of employees	45,853	46,497	49,918	50,927	26,654	27,361
<b>Total</b>	<b>58,053</b>	<b>58,902</b>	<b>62,237</b>	<b>63,294</b>	<b>34,330</b>	<b>35,310</b>

#### Employees by contract type and job classification

CaixaBank Group	Full-time, fixed or indefinite-term contract		Part-time, fixed or indefinite-term contract		Temporary contract	
	2018	2019	2018	2019	2018	2019
Directors	6,020	5,556	6	13	1	2
Middle management	7,960	6,995	3	3	5	2
Rest of employees	22,318	22,573	59	37	1,068	555
<b>Total</b>	<b>36,298</b>	<b>35,124</b>	<b>68</b>	<b>53</b>	<b>1,074</b>	<b>559</b>

#### Employees dismissed by job classification

	Grupo CaixaBank		CaixaBank, S.A.		Banco BPI	
	2018	2019	2018	2019	2018	2019
Directivos	17	15	9	14	5	0
Mandos intermedios	21	11	13	6	3	1
Resto de empleados	81	66	51	40	15	8
<b>Total</b>	<b>119</b>	<b>92</b>	<b>73</b>	<b>60</b>	<b>23</b>	<b>9</b>

<sup>1</sup>In 2019 information is reported from CaixaBank Group, in 2018 the information was reported from CaixaBank Group Spain.



CaixaBank's DNA



Strategic lines

Foster a people-centric agile and collaborative culture

Employee experience



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## Employee experience

Offering the best value proposition for employees to enhance their experience, increase engagement and promote well-being in a healthy and sustainable environment

The value proposal is structured in 4 pillars:

- We grow together
- We advance society together
- We innovate together
- We trust each other

## Work environment

CaixaBank prioritises generating a positive working environment in which teams feel motivated and committed. To achieve this goal, we pay close attention to the ideas and opinions of our employees, and develop an action plan through active listening to meet their requirements. For this reason, we believe that periodically assessing the social and work environment, the experience of our teams, and the quality of the service provided, helps to generate this positive environment.

The Company measures the commitment and satisfaction of its employees through the Commitment Study and the Service Quality Study, as well as through

monitors such as MercoTalento and the Employee Experience Measurement Index (IMEX).

The commitment study is carried out biannually across the entire staff. The 2019 Commitment Study will be carried out during the first quarter of 2020, with the possibility of preparing personalised improvement action plans for each organisational unit being a new development.

In 2019 the remote work in Central Services initiative has allowed an increase in flexibility and satisfaction.

## More agile and transversal work models

CaixaBank is committed to an agile and collaborative structure and for this reason is developing a project that aims to simplify the number of organisational levels that should allow the improvement of time to market and a reduction in reaction and decision times, while at the same time leading to an improvement in employee commitment, the possibility of developing internal talent, and increasing productivity and delivery quality.

At the Group level, the corporate model is being evolved and streamlined to improve control, governance and efficiencies through the creation of shared services.

In 2019, through the HR Business Partner project, the internal customer relationship model has been redesigned, achieving a service of greater proximity, agility, proactivity and quality.

The transition towards more agile work models is part of the agile transformation project that seeks to accelerate and adopt agile methodologies to increase flexibility and efficiency in providing solutions, focusing on the client and breaking silos through collaborative work. The main lines of work are the definition of the strategy and roadmap for agile transformation, and the implementation of agile methodologies at all levels through coaching and training in new roles, promoting transversality and circular relationships.



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## Labour standards and staff rights

CaixaBank places fundamental importance on compliance with labour standards, the rights of employees and their representatives, and all matters related to consensual frameworks with union representatives. In addition, the Collective Agreement on Savings Banks and Financial Institutions applies to the entire workforce of CaixaBank, S.A. There are also additional agreements to develop and improve the conditions of the Collective Agreement.

In general, most staff follow the working hours established in the Collective Agreement on Savings Banks and Financial Institutions, and specific working agreements are made with the Workers' Labour Representation when exceptional cases arise. CaixaBank, S.A. forms part of the Joint Standing Committee on the Interpretation of the Agreement, which aims to develop labour standards that are applicable to all employees in the sector.

CaixaBank, S.A. maintains and promotes total neutrality with the different union representations in the Company. The union representatives involved in the company committees are chosen every four years by means of an individual, free, direct, and confidential voting system. They are notified of any relevant changes that may arise within the Company.

In 2019, within the scope of the Collective Agreement, a framework agreement was reached on the registration of working hours with the legal representation of workers. In addition, in view of the expiry of the Collective Agreement on 31/12/2018, the negotiating table for the new agreement has been set up and negotiations have begun to establish the conditions for a new Collective Agreement for the Sector.



**In order to raise awareness and train staff in matters of Occupational Health and Safety, CaixaBank regularly offers training content on branch safety, occupational health and safety, emergency measures and first aid.**



**100%**

CaixaBank Group staff who have signed a collective agreement

## Promoting well-being in a healthy and sustainable environment

The Management team is acutely aware of the importance of reinforcing initiatives and measures to facilitate proper working conditions. Management is committed to:

- Fostering a culture of prevention at all levels of the organisation.
- Ensuring compliance with applicable law and other voluntary commitments to which it subscribes.
- Considering preventive aspects at the source.
- Implementing continuous improvement measures.
- Raising awareness and training staff.
- Maintaining an Occupational Risk Prevention management system in accordance with the requirements of the OHSAS 18001 standard, which is more demanding than the legal standard.

CaixaBank, S.A. has specific committees to guarantee the health and safety of its staff:

- **Single Occupational Health and Safety Committee.** This committee is responsible for establishing the aforementioned objectives and monitoring preventive actions, placing special emphasis not only on statutory audits, but also on other voluntary standards, such as the OHSAS 18001 certification (since 2005).
- **Occupational Risk Prevention Coordination Committee.** This committee establishes the policies related to occupational risk prevention, to improve the control, management, and monitoring of the health and safety requirements and to organise and conduct training.

## Healthy Company

The healthy company project reaffirms our commitment to the safety, health and well-being of staff, since:



It is structured along three axes:

### Safety

#### Safe and emotionally healthy work environments.

The Company aims to achieve excellence in preventative culture and safe work environments. To this end the transition to ISO 45001 certification is being examined, incorporating well-being as a global concept.

In the psychosocial area, an intervention programme has been carried out that assesses psychosocial effects and defines action plans for reducing stress factors.

As proof of its continuous improvement in prevention, CaixaBank has been internationally recognised with the **"Occupation Risk Prevention 2019"** award from the ORP International Foundation in light of its implementation of a comprehensive prevention management programme for staff abroad.

### Health

#### Promoting healthy lifestyles and balancing work and health as a priority.

CaixaBank has fitted out physical spaces to promote healthy activities and sports and has strengthened the occupational health and safety section on the corporate intranet with the aim of consolidating itself as a Healthy Company. To do this, we also offer individual and collective programmes to improve lifestyles and health management through the internal platform and **"Adeslas Salud y Bienestar"**.

CaixaBank's activities do not lead to the development in its workers of any of the occupational diseases classified as serious.

### Welfare programme

#### Forging a culture of flexibility with our work environments that promotes the well-being of staff, with benefits that facilitate their day-to-day work.

The Sustainable Performance School in Virtaula features content that contributes to improving the personal well-being of staff with training in health and nutrition, mindfulness, environment and positive thinking, among other topics.

With the expansion of measures to promote new environments and ways of working (remote, agile...) as well as studying formulas for active and healthy ageing of the workforce, it will be possible to achieve a more emotionally healthy workforce.



## >> WORK ENVIRONMENT IN NUMBERS<sup>1</sup>

### Workplace accidents - CaixaBank Group

	2018	2019
Total number of accidents	520	523

In 2019, serious accidents involved 2 women and 5 men, and non-serious accidents involved 345 women and 171 men.

### Frequency of accidents in the workplace - CaixaBank Group

	2018	2019
Accident frequency index <sup>2</sup>	1.93	1.77

<sup>2</sup>In 2019, the accident rate for women was 2.43 and 1.01 for men.

### Number of hours of absenteeism (manageable) - CaixaBank Group

	2018	2019
Hours of absenteeism (manageable)	1,775,752	1,684,796

2.82%

Manageable absenteeism rate (illness and accidents)

## Communication channels to encourage participation and collaboration

CaixaBank's internal communication focuses mainly on:

- Promoting and tackling the Strategic Plan challenges and business priorities.
- Transmitting our corporate values as a differentiating factor.
- Recognising and reinforcing good professional practices.
- Promoting the corporate culture and the pride of belonging.

CaixaBank has various communication channels open between staff and the Bank, including:

- The **"Personas" space**, a digital newspaper with a broad scope which, with almost 1.5 million accesses per month and an average of 2.5 news items per day, focuses on the leading role of people in the Company and on institutional information and milestones important for daily activity, from a strategic, motivational and business point of view.

Of particular interest in 2019 were the news, videos and testimonies included in the communication plans of the new **2019-2021 Strategic Plan**, – under the Culture programme **"We are CaixaBank"**, and the launch of the new *brand* claim **#Escuchar-HablarHacer (Listen, talk, do)**.

To advance participation and collaboration, during 2019, the new tool **PeopleNow** was tested, an evolution of "Personas" that will be implemented in the first half of 2020 throughout the Company. It is focused on user experience, which allows the integration of the different tools of Microsoft Office 365 and SharePoint to facilitate multidirectional communication and transversality within the organisation in a personalised and relevant way. The main objective is for the digital work environment to become an intelligent and modern space where collaboration, information and knowledge flow.

- The CanalCaixa magazine, a monographic publication with both paper and digital editions emphasises and spreads the values and culture of the Company through the testimonies of its people.
- The organisation and coordination of **internal events**, such as the **Management Convention**, and advice in employee events led by other areas of the bank.
- **FlashDirectivo** is an audiovisual channel which makes the CEO's main messages of the year available to all CaixaBank employees.
- **An enquiries and complaints channel** integrated into the corporate intranet.
- During 2019, 5 formal complaints were received regarding possible behaviours of workplace and sexual harassment. External managers determined that these claims of harassment were unfounded.
- As established in the Protocol, external managers investigated the five formal complaint and found three cases of non-harassment, filing these complaints, and two cases of non-harassment with recommendations for the implementation of measures to ensure mediation between parties.
- In 2019, in the Wengage Diversity section of the corporate intranet, the section on the Prevention of Harassment was further developed.
- In addition, training was held to disseminate the protocol for the prevention of harassment. During the training course in the Code of Ethics, the specific channel of the Harassment Protocol was highlighted.

<sup>1</sup>The data for 2018 have been restated to standardise the criteria used in 2019.



# Attractive shareholder returns and solid financials

## Evolution of results and business activity

### Business segmentation

For financial reporting purposes, the Group is split into the following business segments:

#### Banking and insurance business:

- Encompasses earnings from the Group's banking, insurance and asset management activities mainly in Spain, as well as liquidity management, ALCO, income from financing the other businesses and the Group-wide corporate operations. In addition, it includes the businesses acquired by CaixaBank from BPI during 2018 (i.e., insurance, asset management, and cards).
- It includes the stakes in BFA, which after reassessing the significant influence at 2018 year-end is classified as Financial assets at fair value with changes in other comprehensive income, and in Repsol, until completing its sale in the second quarter of 2019.

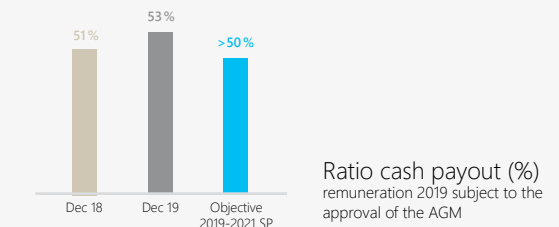
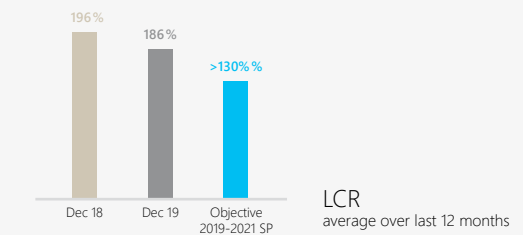
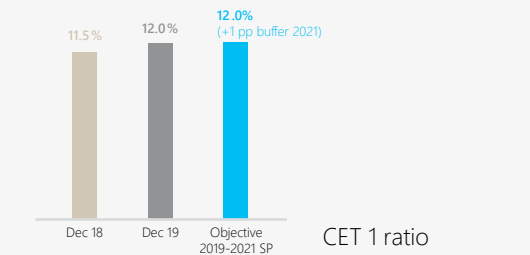
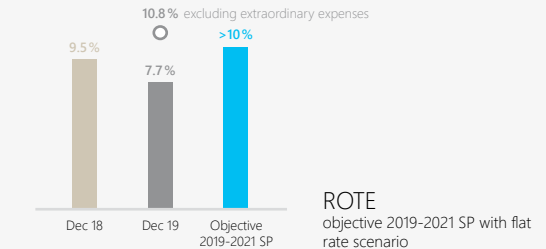
#### BPI:

#### Investments

- This line of business essentially encompasses earnings from dividends and/or equity-accounted profits from the stakes, as well as the gains on financial transactions, held in Erste Group Bank, Repsol, Telefónica, BFA and BCI, net of the related finance costs. From 1 January 2019, this segment also includes the 20% stake in Coral Homes after the sale of the real estate business at the end of December 2018. It also includes significant impacts on income of other relevant stakes across a variety of sectors.

The operating expenses of these business segments include both direct and indirect costs, which are assigned according to internal distribution methods.

### Main metrics for monitoring the 2019-2021 Strategic Plan



## Results

€ millions	2017		2018		2019 (breakdown by business segment)		
	Group	Group	Group	Banking and insurance	Investments	BPI	
<b>Net interest income</b>	<b>4,746</b>	<b>4,907</b>	<b>4,951</b>	<b>4,659</b>	<b>(124)</b>	<b>416</b>	
Dividend income and share of profit/(loss) of entities accounted for using the equity method	653	972	588	232	335	21	
Net fees and commission income	2,499	2,583	2,598	2,340	-	258	
Gains/losses due to financial assets and liabilities and others	282	278	298	239	35	24	
Income and expense under insurance and reinsurance contracts	472	551	556	556	-	-	
Other operating income and expense	(430)	(524)	(386)	(369)	-	(17)	
<b>Gross income</b>	<b>8,222</b>	<b>8,767</b>	<b>8,605</b>	<b>7,657</b>	<b>246</b>	<b>702</b>	
Recurring administrative expenses, depreciation and amortisation	(4,467)	(4,634)	(4,771)	(4,304)	(4)	(463)	
Extraordinary expenses	(110)	(24)	(979)	(978)	-	(1)	
<b>Operating income/loss</b>	<b>3,645</b>	<b>4,109</b>	<b>2,855</b>	<b>2,375</b>	<b>242</b>	<b>238</b>	
Allowances for insolvency risk	(799)	(97)	(376)	(573)	-	197	
Other charges to provisions	(912)	(470)	(235)	(238)	-	3	
Gains/(losses) on disposal of assets and others	164	(735)	(167)	(169)	-	2	
<b>Profit/loss before tax</b>	<b>2,098</b>	<b>2,807</b>	<b>2,077</b>	<b>1,395</b>	<b>242</b>	<b>440</b>	
Income tax	(378)	(712)	(369)	(332)	71	(108)	
<b>Profit for the period</b>	<b>1,720</b>	<b>2,095</b>	<b>1,708</b>	<b>1,063</b>	<b>313</b>	<b>332</b>	
Profit/loss attributable to minority interests and others	36	110	3	3	-	-	
<b>Profit/loss attributable to the Group</b>	<b>1,684</b>	<b>1,985</b>	<b>1,705</b>	<b>1,060</b>	<b>313</b>	<b>332</b>	
Cost-to-Income Ratio	55.7 %	53.1 %	66.8 %				
Cost-to-income ratio excluding extraordinary expenses	54.3 %	52.9 %	55.4 %				
ROE <sup>1</sup>	6.8 %	7.8 %	6.4 %				
ROTE <sup>1</sup>	8.3 %	9.5 %	7.7 %				
ROA	0.5 %	0.5 %	0.4 %				
RoRWA	1.1 %	1.3 %	1.1 %				

<sup>1</sup> The calculations for ROTE and ROE of 2019 include the valuation adjustments in the denominator, resulting in a restatement of the figures reported from previous periods. Furthermore, the accounting policy associated with the recording of the defined benefit commitments with employees has been modified, resulting in a restatement of the assets and ratios from previous periods.

CaixaBank's DNA


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### Evolution 2019 vs. 2018

The **attributable profit** amounted to €1,705 million in 2019, (-14.1%), with a trend marked by the recognition of the employment agreement carried out in the current year (+20.4% without this effect).

The **gross income** stood at €8,605 million, with a rise in core revenues<sup>1</sup> which reached €8,316 million in 2019 (+1.2%). The change in gross income (-1.8%) was affected by the reduction in the profits of subsidiaries accounted for using the equity method (-48.5%), as a result of the non-allocation of Repsol and BFA. Excluding the contribution from Repsol and BFA in both years, gross income grew by 3.0%.

There was an improvement in **other operating income and expense** due to lower property expenses, as a result of the sale of the corresponding business in 2018.

The evolution **allowances for insolvency risk** essentially relates to the extraordinary release of some €275 million in provisions in 2018.

The recording of the transaction to repurchase a 51% stake in Servihabitabit in 2018 gave rise to a loss of -€204 million (-€152 million recorded within Other provisions and -€52 million within gains/losses on disposal of assets and others).

The year-on-year change in **gains/losses on disposal of assets and others**, meanwhile, essentially relates to a -€453 million loss recognised in 2018 arising from the agreement to sell the stake in Repsol, and a further -€154 million due to the change of accounting classification of the stake in BFA.

### Evolution 2018 vs. 2017

The **attributable profit** for 2018 stood at €1,985 million(+17.8% versus 2017).

The **gross income** stood at €8,767 million (+6.6% compared to the previous year), boosted by the growth in core revenues which reached €8,217 million in 2018 (+4.2%) and higher income from investees.

The **recurring administration expenses, depreciation and amortisation** (+3.7%) grew at a rate lower than core revenues.

The change in **allowances for insolvency risk** (-87.9%) was driven by the normalisation of the asset quality indicators and the one-off release of provisions due to the improved recoverability of debt from a large borrower.

In **other charges to provisions** (-48.4%), the figure for 2018 includes the impact of the transaction to repurchase a 51% stake in Servihabitabit (in 2017, extraordinary negative impacts associated with early retirements and the reorganisation of the exposure in Sareb).

**Gains/losses on disposal of assets and others** includes extraordinary results in both financial years. In particular, the figure for 2018 includes the negative impact of the sale of Repsol and the accounting reclassification of BFA, while 2017 includes the positive result of the business combination generated in the acquisition of BPI.



<sup>1</sup>Includes net interest income, fee and commission income, income from the life-risk insurance business, the result of using the equity method for SegurCaixa Adeslas and income from the insurance investees of BPI.

## Net interest income

### Evolution 2019 vs. 2018

Net interest income in 2019 amounted to €4,951 million (+0.9% versus 2018). This was due to:

- Higher income from loans, mainly due to a rise in volume.
- Sound management of retail funding, which involved a reduction in cost due to the cancellation of retail subordinated debt in June 2018 and to the reduction of 4 basis points in the cost of maturity deposits.
- Savings in the costs of institutional financing due to a lower price. A higher volume of the fixed income portfolio.
- Greater contribution of the insurance business (savings products).
- The change also reflects the reduction in the returns from loans and from fixed-income securities.

### Evolution 2018 vs. 2017

Net interest income for 2018 stood at €4,907 million (+3.4% versus 2017). The growth was derived from:

- A 7 basis point increase in returns on loans due to the generation of higher rates and the client mix, with a greater weighting of more profitable segments that offset negative repricings in the mortgage portfolio. Doubtful loans and recoveries also contribute to the rise in the credit rate.
- The management of retail financing, which led to a 1-basis point drop in the cost of demand deposits.
- Savings in the costs of institutional funding, due to a lower price and the higher volume of the fixed-income portfolio which exceeded the impact of the decrease in fixed-rate returns and the increase in the surplus liquidity costs remunerated at negative interest rates.

€ millions	2019		2018		2017	
	Average balance	Type %	Average balance	Type %	Average balance	Type %
Financial Institutions	25,286	0.65%	21,241	0.83%	15,900	1.15%
Loans and advances (a)	213,298	2.24%	208,470	2.27%	209,185	2.20%
Debt securities	36,184	0.92%	34,723	1.05%	29,700	1.24%
Other assets with returns	61,643	2.84%	54,174	3.03%	49,984	3.55%
Other assets	67,431	-	65,193	-	68,136	-
<b>Total average assets (b)</b>	<b>403,842</b>	<b>1.75%</b>	<b>383,801</b>	<b>1.81%</b>	<b>372,905</b>	<b>1.87%</b>
Financial Institutions	36,076	0.67%	43,601	0.45%	47,488	0.40%
Retail customer funds (c)	214,136	0.02%	199,220	0.04%	188,068	0.04%
Wholesale marketable debt securities & other	28,343	0.87%	26,822	0.98%	27,057	1.11%
Subordinated debt securities	5,400	1.36%	6,346	1.73%	5,575	2.61%
Other funds with cost	70,437	2.04%	63,366	2.14%	59,158	2.48%
Other funds	49,450	-	44,446	-	45,559	-
<b>Total average funds (d)</b>	<b>403,842</b>	<b>0.52%</b>	<b>383,801</b>	<b>0.53%</b>	<b>372,905</b>	<b>0.60%</b>
<b>Customer spread (a-c)</b>		<b>2.22%</b>		<b>2.23%</b>		<b>2.16%</b>
<b>Balance sheet spread (b-d)</b>		<b>1.23%</b>		<b>1.28%</b>		<b>1.27%</b>

To help readers interpret the information contained in this report, the following aspects should be taken into account:

- According to applicable accounting standards, income resulting from the application of negative interest rates should be reported in the appropriate income classification. Financial intermediaries on the assets side includes the negative interest on the balances of financial intermediaries held on the liabilities side, the most significant being TLTRO II income. Conversely, the heading financial intermediaries on the liabilities side shows the negative interest on the balances of financial intermediaries on the assets side. Only the net amount between income and expense for both headings has economic significance.
- The "Other assets with returns" and "Other funds with cost" line items relate primarily to the Group's life insurance business.
- The balances of all headings except "Other assets" and "Other funds" correspond to balances with returns/cost. "Other assets" and "other liabilities" incorporate balance items that do not have an impact on the net interest income and on returns and costs that are not assigned to any other item.
- Until the fourth quarter of 2018, BPI's interest rate hedges were accounted for at net value in the Other liabilities heading. As of the first quarter of 2019, the presentation criteria has been unified with the rest of the Group's, and the impacts are recognised in the headings that include the hedged elements. The reclassification had a positive impact on Maturity deposits and Other liabilities and a negative impact on Debt securities and Loans and advances to customers.

## Net fees and commissions income

### Evolution 2019 vs. 2018

Fee and commission income reached €2,598 million, +0.6% compared to 2018.

- Fees from banking, securities and other services includes income on securities transactions, transaction processing, risk activities, deposit management, payment methods and investment banking. The annual growth (+0.8 %) was largely influenced by that of electronic banking.
- Fees from the sale of insurance policies decreased with respect to 2018 (-6.6%), affected by the launch schedule of new products.
- Commissions from investment funds, portfolios and SICAVs came to €538 million (-2.6%). This change was driven, among other factors, by the reduction in the average net assets managed during 2019 as a result of the markets' negative trend at the end of 2018, which recovered during 2019.
- Pension plan management fees stood at €222 million (+2.4%).

### Evolution 2018 vs. 2017

Fee and commission income reached €2,583 million in 2018 (+3.4% versus 2017).

- The change in fees from bank, securities and other services compared to 2017 was influenced by distribution agreements linked to consumer finance, as well as lower commissions in investment banking.
- Commissions from the sale of insurance policies grew by +19.0% in 2018 compared to 2017, following a significant sales push.
- Commissions from investment funds, portfolios and SICAVs in 2018 rose +12.6% due to the increase in assets under management during the first nine months of the year, prior to the episode of volatility.
- Pension plan management fees in 2018 increased +2.0% compared to the previous year, through a wide range of products.

€ millions	2019	2018	2017
Banking services, securities and other fees	1,500	1,488	1,521
Investment funds, portfolios and SICAVs	538	552	491
Pension plans	222	217	213
Insurance sales	213	227	274
Unit Link and other <sup>1</sup>	125	99	-
<b>Net fees and commission income</b>	<b>2,598</b>	<b>2,583</b>	<b>2,499</b>

<sup>1</sup> Includes income corresponding to Unit Linked and Flexible Investment Life Annuity products (the part managed). In 2017, they were included in the marketing of insurance products.

## Income from equity investments

The profits of subsidiaries accounted for using the equity method reduced by €401 million (-48.5%) compared to the previous year, mainly due to the profits of Repsol and BFA not being attributed to the Group in 2019 (€434 million attributed in 2018). Stripping out this impact, the change in this line item would have been positive (+4.0%).

In 2018, this line item registered an increase of +€319 million (+48.8%), driven by the evolution of the business and the greater contribution of BFA due to extraordinary impacts, including the devaluation of the Angolan currency.

€ millions	2019	2018	2017
Dividend income	163	146	127
Entities accounted for using the equity method	425	826	526
<b>Income from equity investments</b>	<b>588</b>	<b>972</b>	<b>653</b>

## Gains/losses on financial assets and liabilities and others

Trading income stood at €298 million in 2019 (+7.2%), which includes, among others, the materialisation of capital gains in fixed-income assets.

In 2018, this line item included the repricing of BPI's stake in Viacer as part of its divestment process and the result of the hedging transactions in connection with the subordinated bonds redeemed ahead of maturity, and the realisation of gains in fixed-income assets. The change with respect to 2017 was marked by the materialisation of latent capital gains in available for sale financial assets.

## Income and expense under insurance or reinsurance contracts

Income derived from the life insurance business amounted to €556 million, representing an increase of +1.0% in the year. In 2018, this income increased by +16.7% due to a sustained growth in commercial activity.

## Other operating income and expense

The change in Other income and operating expenses (-26.4%) was essentially affected by lower property expenses (Property Tax and maintenance and management costs from the portfolio of foreclosed assets), as a result of the sale of the real estate business in the fourth quarter of 2018.

The heading includes, among other items, income and expenses at non-real estate subsidiaries, income from rentals and expenses incurred in managing foreclosed properties and contributions, levies and taxes.

- Recording of the contribution to the Deposit Guarantee Fund (DGF) for €242 million (€228 million in 2018 and €214 million in 2017).
- This includes the contribution to the Single Resolution Fund (SRF) for €103 million (€97 million in 2018 and €90 million in 2017), including BPI's contribution of €7 million to the Portuguese Resolution Fund (Fundo de Resolução).
- Recognition of Spanish Property Tax (€16 million for 2019, compared to €48 million in 2018 and €50 million in 2017).

€ millions	2019	2018	2017
Contribution to the Single Resolution Fund / Deposit Guarantee Fund	(345)	(325)	(304)
Other real estate income and expenses (including Spanish Property Tax)	1	(147)	(200)
Other	(42)	(52)	74
<b>Other operating income and expense</b>	<b>(386)</b>	<b>(524)</b>	<b>(430)</b>

## Administration expenses, depreciation and amortisation

The recurring administration expenses and depreciation and amortisation stood at €4,771 million, +2.9%. The year-on-year performance was impacted by:

- Staff expenses, which increased by 1.4% in the year due to the organic increase of the workforce, although there was an improvement in the last two quarters following the labour agreement reached this year. The organic increase also explains the change between 2017 and 2018.
- Depreciation and amortisation expenses rose 34.9% as a result, among other factors, of the coming into force of the IFRS16, which involves the recognition and subsequent amortisation of leased property usage rights, which is mostly offset by a reduction in general expenses. Without this effect, the increase in the depreciation and amortisation expense would be approximately 1.5%. These fell between 2017 and 2018 due to the improvement in intangible assets in the fourth quarter of 2017.
- General expenses dropped by 3.5% due, among other factors, to IFRS16 coming into force. Excluding this effect (€154 million), expenditure grew due to the transformation of the distribution model (Store branches, InTouch remote customer service), greater expenditure on technology, and new regulatory requirements, just as was the case in 2018.

The Extraordinary expenses include the impact of the agreement reached with the employees' union representatives in the second quarter of 2019 regarding a plan of compensated terminations, as well as other measures that would provide further labour flexibility, with a gross impact of €978 million. The majority of the agreed departures were implemented on 1 August, with the consequent reflection on cost savings taking effect from the third quarter of the year. In 2018 and 2017, extraordinary expenses are associated with the integration of BPI (€24 million in 2018 and €110 million in 2017).

€ millions	2019	2018	2017
Gross income	8,605	8,767	8,222
Staff expenses	(2,978)	(2,937)	(2,875)
General expenses	(1,247)	(1,292)	(1,165)
Depreciation and amortisation	(546)	(405)	(427)
<b>Recurring administrative expenses, depreciation and amortisation</b>	<b>(4,771)</b>	<b>(4,634)</b>	<b>(4,467)</b>
Extraordinary expenses	(979)	(24)	(110)

## Allowances for insolvency risk and other charges to provisions

Allowances for insolvency risk stood at -€376 million (-€97 million in 2018). The change in the year was driven by one-off aspects in both periods, particularly the reversal of some €275 million in provisions in the third quarter of 2018 to update the recoverable value of the Group's exposure to a large borrower.

In 2019, this category includes aspects such as the negative impact of the recalibration of models in an environment of macroeconomic slowdown and the release of provisions following the revision of the expected loss associated with the credit risk adjustments applied in the acquisition of BPI, amounting to +€119 million (€179 million in the year as a whole).

€ millions	2019	2018	2017
Insolvency allowances	(376)	(97)	(799)
Other charges to provisions	(235)	(470)	(912)
<b>Allowances for insolvency risk and other charges to provisions</b>	<b>(611)</b>	<b>(567)</b>	<b>(1,711)</b>

The change registered in 2018, amounting to -87.9% compared to 2017, was the result of the standardisation process of asset quality indicators and the one-off aspects set out above.

**Other charges to provisions** primarily includes the amounts recognised to cover contingencies and impairment of other assets. This change was driven by exceptional aspects, particularly in 2018, as this is where the -€152 million loss was recognised corresponding to the difference between the repurchase price from TPG of the 51% stake in the real estate service firm and its estimated fair value at that time, and a further -€53 million in connection with early retirements and impairments due to the adjustments made to the recoverable value of certain assets, among other aspects.

2017 included, the recognition of -€455 million associated with early retirements and -€154 million for the write-down of the exposure in Sareb.

## Gains/ losses on disposal of assets and others

Gains/(losses) on disposal of assets and others includes the results of individual operations resulting from the sale and write-off of assets. The year-on-year change (-77.3%) essentially reflects extraordinary events in 2018:

- Real estate gains/ losses reflect the 49% impairment of the stake held at the time in Servihabitat so as to bring its book value in line with its new fair value (-€52 million). It also includes the formalisation of the sale of the real estate business (including expenses, taxes and other costs) for -€60 million.
- Other gains/ losses includes the negative impact derived from the agreement to sell the stake in Repsol (-453 million), the change of accounting classification of the stake in BFA (-€154 million), as well as the profit from the sale of BPI's purchasing business(+€58 million)

The main impact in 2017 is the business combination with BPI (+€256 million) and the write-down of obsolete assets.

€ millions	2019	2018	2017
Real estate results	(84)	(117)	6
Other	(83)	(618)	158
<b>Gains/losses on disposal of assets and others</b>	<b>(167)</b>	<b>(735)</b>	<b>164</b>





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## Unique aspects in 2019

- Realisation of gains from fixed-income portfolio amounting to +€235 million (Note 32).
- The labour agreement for the staff restructuring process, through incentivised voluntary redundancies with an impact of -€978 million (Note 23).
- The profit/ loss derived from the cancellation of cash flow hedges on 1.36% of the Group's stake in Erste Bank, with an impact of +€49 million (Note 15).

**Additionally in 2019, the following operations with an impact on the Group's equity were recognized (albeit with no impact on the income statement):**

- Modification of the accounting policy on certain defined benefit commitments with employees and/or their beneficiaries insured through the employee pension fund, with an impact on equity of +€449 million (Note 1).

The notes refer to the 2019 Consolidated Financial Statements.



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## Unique aspects of the 2018 financial year

- Realisation of gains from fixed-income portfolio amounting to +€128 million (Note 13), including the result linked to the cancellation of the associated provisions (Note 13).
- The agreement of incentivized voluntary redundancies with an impact of -€67 million (Note 23).
- A +€60 million profit on the sale of the stake in Viacer as part of a divestment process (Note 12).
- The result derived from the cancellation of the provision to cover subordinated debentures amounting to +€110 million (Note 15).
- The agreement for the sale of BPI's acquisition business to Comercia, with a +€58 million impact (Note 41).
- The agreement for the sale of the stake in Repsol, with a gross impact of -€453 million (Note 16).
- The repurchase agreement for 51% of Servihabitad Servicios Inmobiliarios, with an impact of -€204 million (Note 1).
- The agreement for the sale to Lone Star of 80% of Coral Homes, a company that has been provided with real estate assets, and the stake in Servihabitad Servicios Inmobiliarios, with a net total impact of -€48 million in expenses and taxes (Note 1).
- The loss of significant influence over BFA and reclassification of the shareholding to financial instruments valued at fair value with changes through other comprehensive income, with an impact of -€154 million (Note 16).

**Additionally, in 2018 the following operations with an impact on the Group's equity were recognised (albeit with no impact on the income statement)::**

- Initial application of IFRS 9, with a net impact of -€561 million charged to reserves (Appendix 7).
- Reduction of the minority interests as a result of the acquisition of an uncontrolled stake in BPI in order to obtain 100% by means of the agreement with Allianz and exercising the right of compulsory purchase (Note 7).

## Unique aspects in the 2017 financial year

- Profit of +€256 million linked to the business combination following CaixaBank's acquisition of a controlling stake in Banco BPI (Note 7).
- The agreement of incentivised voluntary redundancies with an impact of -€570 million (Note 23).
- The impairment of the exposure in Sareb amounting to €154 million (Note 13).
- The net loss of -€97 million derived from the sale of 2% of BFA to Unitel, with the corresponding loss of control over this shareholding, mainly due to the materialization of the foreign exchange losses previously recognised within equity (Note 16).

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## Balance sheet and operations

The assets stood at €391,414 million at 31 December 2019 (+1.3% in the year).

With regard to Shareholders' equity, the following change in accounting criteria led to a restatement of the comparative figures for previous periods.

The defined benefit commitments are implemented in the employee Pension Fund, which, under IAS 24, is a related party. To date, the Group did not use the exception permitted under IAS 19 to consider assets held by a pension fund for its employees as an asset of the eligible plan. For these purposes, the fund assets may include insurance policies where the fund acts as both policyholder and beneficiary.

As of 31 December 2019, the Group changed its accounting policy to consider the employee Pension Fund as an asset of the eligible plan, hence the rights which the eligible plan has over the policies subscribed that cover the defined benefit commitments are being considered.

This change of policy has led to a €1,617 million euro reduction in Provisions at the year end (now reported for the net amount), as well as an increase in the Liabilities relating to the insurance business of €1,196 million. This has an impact on *net deferred tax* of €135 million (including -€94 million for deferred tax assets and +€41 million for deferred tax liabilities), and an impact on Shareholders' equity of €286 million, recognised within *Other Comprehensive Income*. This entails a +18 basis point increase in CET1 capital.

In 2019, the allocation of capital to the Investments business was adapted to the Group's new corporate capital objective of maintaining a regulatory *Common Equity Tier 1 (CET1) ratio* of 12%, and considers both the consumption of own resources by risk-weighted assets at 12% (11% in 2018) and applicable deductions.

The allocation of capital to BPI is at sub-consolidated level, i.e., taking into account the subsidiary's own funds. The capital consumed in BPI by the investees allocated to the investment business is allocated consistently to the investment business.

The difference between the Group's total own funds and the capital assigned to the other businesses is attributed to the banking and insurance business, which includes the Group's corporate centre.

€ millions	31.12.17	31.12.18	31.12.19 (breakdown by business segment)			
	Group	Group	Group	Banking and insurance	Investments	BPI
Total assets	383,136	386,546	391,414	355,416	4,554	31,444
Total liabilities	358,270	362,182	366,263	334,333	3,533	28,397
Equity	24,866	24,364	25,151	21,083	1,021	3,047
Capital assigned to the businesses	-	-	100%	84%	4%	12%

N.B. The figures for 2017 and 2018 have been restated in accordance with the change in accounting criteria described above.



## Loans and advances to customers

Loans and advances to customers, gross stood at €227,406 million (+1.2%), while the performing portfolio grew by 2.4% in 2019. In the annual change by segment, the following trends are of particular note:

- Loans for home purchases (-3.5% in the year) remain marked by the deleveraging of households.
- Loans to individuals - other purposes was up 1.3% in 2019, driven by consumer credit (+13.8%).
- Loans to corporates and SME's (excluding real estate developers) increased by 7.2% in 2019.
- Loans to real estate developers fell -3.8% in the year, while the public sector remained at similar levels.

These same trends marked the trends of 2018 with respect to 2017.

<sup>1</sup> After a homogenisation of BPI's segmentation criteria with the Group's criteria, €527 million of developer loans were resegmented at the 2018 year end, mainly to financing for productive sectors (excluding real estate developers).

€ millions	31.12.17	31.12.18	31.12.19 (breakdown by business segment)		
	Group	Group	Group	of which: banking and insurance	of which: BPI
Loans to individuals	128,490	127,046	124,334	111,300	13,034
<i>Home purchases</i>	94,187	91,642	88,475	77,104	11,371
<i>Other</i>	34,303	35,404	35,859	34,196	1,663
Loans to businesses	83,463	85,817	91,308	81,835	9,473
<i>Corporates and SME's</i>	76,362	79,515	85,245	75,977	9,268
<i>Real estate developers<sup>1</sup></i>	7,101	6,302	6,063	5,858	205
Public sector	11,998	11,830	11,764	9,968	1,796
<b>Loans and advances to customers, gross</b>	<b>223,951</b>	<b>224,693</b>	<b>227,406</b>	<b>203,103</b>	<b>24,303</b>
Provisions for insolvency risk	(6,832)	(5,728)	(4,704)	(4,167)	(537)
<b>Loans and advances to customers (net)</b>	<b>217,119</b>	<b>218,965</b>	<b>222,702</b>	<b>198,936</b>	<b>23,766</b>
Contingent liabilities	13,983	14,588	16,856	15,281	1,575

## Customer funds

Customer funds rose to €384,286 million, up +6.9% in 2019, driven by the strength of the franchise and the recovery of the markets, among other factors.

The **on-balance sheet funds** reached €277,272 million (+6.4%).

- Demand deposits rose to €189,552 million (8.8%).
- Time deposits totalled €28,980 million. Their yearly performance was impacted by the issue of a retail note in the first quarter for €950 million with a 5-year maturity, which partially offset the reduction of deposits in a backdrop of rock-bottom interest rates on renewal of maturities.
- Liabilities under insurance contracts increased<sup>2</sup> (+7.5% in the year) thanks to developments in the product range and adaptation to customers' needs. Of particular note was the performance of Unit Linked products, growing 35.3% in the year.

The **assets under management** grew to €102,316 million. The annual change (+8.9%) was mostly driven by the recovery of the markets following the slump seen at the end of the fourth quarter of 2018.

- The assets managed in investment funds, portfolios and SICAVs stood at €68,584 million (+6.3% in the year).
- Pension plans totalled €33,732 million (+14.7% in the year).

**Other accounts** mainly includes temporary funds associated with transfers and collections.

€ millions	31.12.17	31.12.18	31.12.19 (breakdown by business segment)		
	Group	Group	Group	of which: banking and insurance	of which: BPI
Customer funds	196,611	204,980	218,532	195,723	22,809
<i>Demand deposits</i>	158,772	174,256	189,552	175,077	14,475
<i>Time deposits</i> <sup>1</sup>	35,793	30,724	28,980	20,646	8,334
Liabilities under insurance contracts <sup>2</sup>	51,213	53,450	57,446	57,446	0
Repurchase agreement and others	968	2,060	1,294	1,278	16
<b>On-balance sheet funds</b>	<b>248,792</b>	<b>260,490</b>	<b>277,272</b>	<b>254,447</b>	<b>22,825</b>
Mutual funds, managed accounts and SICAV's	66,882	64,542	68,584	63,189	5,395
Pension plans	29,669	29,409	33,732	33,732	0
<b>Assets under management</b>	<b>96,551</b>	<b>93,951</b>	<b>102,316</b>	<b>96,921</b>	<b>5,395</b>
<b>Other accounts</b>	<b>5,363</b>	<b>5,108</b>	<b>4,698</b>	<b>3,129</b>	<b>1,569</b>
<b>Total customer funds</b>	<b>350,706</b>	<b>359,549</b>	<b>384,286</b>	<b>354,497</b>	<b>29,789</b>

<sup>1</sup> Includes retail debt securities amounting to €1,625 million at 31 December 2019, of which €950 million correspond to the retail note issued in the first quarter of 2019.

<sup>2</sup> Excluding the impact of the change in value of the associated financial assets, with the exception of Unit Linked and Flexible Investment Life Annuity assets (the part managed).

As a result of the new accounting criteria for defined benefit commitments with employees, the balance of previous periods has been restated (+€1,067 million and +€1,248 million at 31 December 2018 and 31 December 2017, respectively).

## Credit risk quality

The **non-performing loans** fell by €2,401 million in the year, placing the NPL ratio at 3.6% (-108 basis points in the year). The active management of the non-performing portfolio, the standardisation of the asset's quality indicators, together with portfolio sales have enabled a sustained reduction in doubtful balances and in the NPL ratio in recent years.

The **allowances for impairment losses** at 31 December 2019 stood at €4,863 million. The change in the last three years has been largely down to the adjustments made to the recoverable value on credit exposures, the cancellation of debt incurred from the acquisition and foreclosure of real estate assets and the derecognition of assets and write-offs. The coverage ratio reached 55% (+5 percentage points compared to 2017).

(%)	31.12.17	31.12.18	31.12.19 (breakdown by business segment)		
	Group	Group	Group	of which: banking and insurance	of which: BPI
Loans to individuals	5.2%	4.7%	4.4%		
<i>Acquisition of property</i>	4.2%	3.8%	3.4%		
<i>Other</i>	7.9%	7.2%	6.7%		
Loans to businesses	8.3%	5.4%	3.2%		
<i>Productive sectors (exc. real estate developers)</i>	7.1%	4.7%	2.9%		
<i>Property developers</i>	21.7%	14.3%	8.0%		
Public sector	1.4%	0.4%	0.3%		
<b>NPL ratio (loans + guarantees)</b>	<b>6.0%</b>	<b>4.7%</b>	<b>3.6%</b>	<b>3.7%</b>	<b>3.0%</b>
<b>NPL coverage ratio</b>	<b>50%</b>	<b>54%</b>	<b>55%</b>	<b>53%</b>	<b>78%</b>

## Foreclosed real estate assets

The **net foreclosed available for sale real estate assets<sup>1</sup> in Spain** amounted to €958 million (+€218 million in the year), with a coverage ratio of 39% (accounting coverage ratio of 30%). In 2018, following the formalisation of the sales transaction of the real-estate business during the fourth quarter and the intense commercial activity this year, the portfolio of net foreclosed available for sale real estate assets fell by -€5,138 million, down to €740 million.

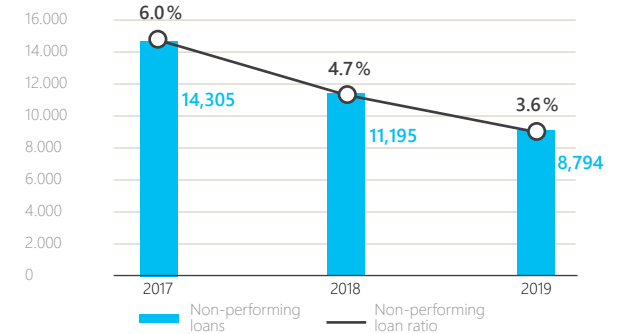
The portfolio of rental properties in Spain stood at €2,094 million net of provisions (-€385 million in the year). The rental portfolio in 2018 stood at €2,479 million net of provisions, -€551 million compared to 2017 following the sale of a portfolio of rental properties for €226 million.

The total sales<sup>2</sup> of real estate properties in 2019 reached €581 million. In 2018, sales amounted to €2,060 million (+28% vs. 2017).

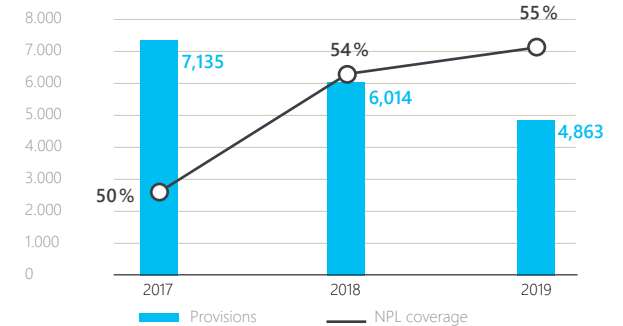
<sup>1</sup> Excluding foreclosure rights for auctioned properties (€142 million net at 31 December 2019 and €231 million at 31 December 2018).

<sup>2</sup>At sale price.

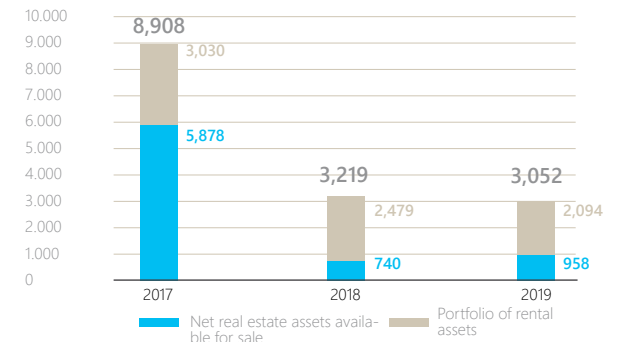
## >> NON-PERFORMING ASSETS



## >> COVERAGE



## >> FORECLOSED REAL ESTATE ASSETS



## Liquidity and financing structure

The Bank manages liquidity risk in order to maintain sufficient liquidity levels so that it can comfortably meet all its payment obligations and to prevent its investment activities from being affected by a lack of lendable funds, operating at all times within the risk appetite framework.

Note 3.12 "Liquidity risk" to these financial statements describes the Bank's strategic principles, risk strategy and risk appetite in relation to liquidity and financing risk.

Total liquid assets amounted to €89,427million at 31 December 2019, up €9,897 million in the year due to the improvement in the loan-deposit gap and the fact that new issues exceeded maturities.

€ millions	31.12.17	31.12.18	31.12.19
Total liquid assets	72,775	79,530	89,427
<i>Of which: balance available in non-HQLA facility</i>	19,165	22,437	34,410
<i>Of which: HQLA</i>	53,610	57,093	55,017
Institutional Financing	28,691	29,453	32,716
Loan to deposits	108 %	105 %	100 %
Liquidity coverage ratio	185 %	196 %	186 %
Net Stable Funding Ratio	-	117 %	129 %

€ millions Issuance	Total amount	Amount	Maturity	Cost <sup>3</sup>	Employment requests <sup>4</sup>	Issuer
Senior debt	1,000	1,000	7 years	1.195 % ( <i>mid-swap</i> +0.90 %)	2,250	CaixaBank
		1,000	5 years	2.47 % ( <i>mid-swap</i> +2.25 %)	2,400	CaixaBank
		50	10 years	2.00 % ( <i>mid-swap</i> +1.56 %)	Private	CaixaBank
Non-preferred senior debt	3,382	1,250	7 years	1.464 % ( <i>mid-swap</i> +1.45 %)	4,000	CaixaBank
		82	15 years	1.231 %	Private	CaixaBank
		1,000	5 years	0.765 % ( <i>mid-swap</i> +1.13 %)	2,250	CaixaBank <sup>5</sup>
Mortgage covered bonds	500	500	15 years	1.40 % ( <i>mid-swap</i> +0.442 %)	Private	CaixaBank <sup>6</sup>
Mortgage covered bonds (Portugal)	500	500	5 years	0.343 % ( <i>mid-swap</i> +0.25 %)	3,100	BPI

<sup>3</sup> Meaning the yield on the issuance.

<sup>4</sup> For the issuance of €1,250 million in senior non-preferred debt and the social issuance of €1,000 million in senior non-preferred debt, the maximum demand is indicated.

The *Liquidity coverage ratio* of the Group<sup>1</sup> (LCR) at 31 December 2019 stands at 186%, well above the minimum required level of 100%.

The *Net Stable Funding Ratio* (NSFR)<sup>2</sup> stood at 129% at 31 December 2019, above the regulatory minimum of 100% which will be required from June 2021.

The balance drawn down on the ECB facility at 31 December 2019 stood at €12,934 million, of which €3,909 million correspond to TLTRO II and €9,025 million to TLTRO III (during 2019, €24,274 million of TLTRO II have been repaid and €9,025 million TLTRO III have been drawn down).

CaixaBank maintains a solid retail financing structure with a *loan-to-deposits ratio* of 100%, and with institutional financing amounting to €32,716 million through various debt instrument issues during 2019. The public sector and mortgage covered bond issuance capacity of CaixaBank, S.A. amounted to €3,727 million as of the end of December 2019.

After the 2019 year end, CaixaBank has issued €1,000 million in 5-year senior non-preferred debt with an annual return of 0.43%, equivalent to *mid-swap* +58 basis points. The issuance has had a demand of over €2,100 million.

<sup>1</sup> Average last 12 months.

<sup>2</sup> Calculations applying the criteria established as per regulation (EU) 2019/876, to enter into force as of June 2021 (interpretation of the aforementioned criteria).

<sup>5</sup> In September 2019 CaixaBank completed its first issuance of a Social Bond, for an amount of €1,000 million in senior non-preferred debt.

<sup>6</sup> The Mortgage Covered Bonds correspond to 6 private placements with an average weighted cost of 1.40%.

## Capital management

€ millions and %	31.12.19	31.12.18	31.12.17
Common Equity Tier 1 (CET1)	12.0%	11.5%	11.7%
Tier 1 ratio	13.5%	13.0%	12.3%
Total capital	15.7%	15.3%	15.7%
MREL	21.8%	18.9%	16.8%
Risk-weighted assets (RWAs)	147.880	145.942	148.626
Leverage ratio	5.9%	5.5%	5.3%

## Evolution 2019 vs. 2018

The Common Equity Tier 1 (CET1) ratio reached 12.0% at 31 December 2019. Organic growth for the year was +37 basis points, regulatory and accounting changes had an impact of +2 basis points and market and other impacts made up +13 basis points.

These CET1 levels lay the foundations for achieving the capital objective set in the 2019-2021 Strategic Plan, which is to reach approximately 12% by the end of 2021, with an additional a 1 percentage point prudential buffer, to cover any future regulatory changes, including the end of the Basel 3 framework.

The *Tier 1 ratio* stands at 13.5%. Since last year, the Group has maintained 1.5% in AT1 instruments, in accordance with the provisions of Pillar 1 of the capital regulations.

The Total Capital ratio remained at 15.7%.

The leverage ratio stood at 5.9%.

With regard to the MREL requirement (22.5% of the RWAs at a consolidated level as of 1 January 2021), at 31 December CaixaBank had a RWA ratio<sup>2</sup> of 21.8% taking into account all the liabilities currently eligible<sup>3</sup> by the Single Resolution Board. At a subordinated level, including only Senior non-preferred debt, the MREL ratio reached 19.6%.

Similarly, CaixaBank is subject to minimum capital requirements on an individual basis. The CET1 ratio in this perimeter remains unchanged at 13.8%, with risk-weighted assets of €135,718 million.

BPI is also compliant with its minimum capital requirements. The bank's CET1 ratio at a sub-consolidated level stood at 13.4% at 31 December 2019.

The decisions of the European Central Bank (ECB) and the national supervisor required the Group to maintain requirements during 2019 of 8.78% for CET1<sup>4</sup>, of 10.28% for *Tier 1 ratio* and of 12.28% for Total Capital.

The Group's current solvency levels show that the applicable requirements would not imply any automatic limitation of those referred to in the solvency regulations on distributions of dividends, variable remuneration and interest to holders of additional Tier 1 capital securities (there is a margin of 325 basis points, i.e. €4,805 million until the *trigger* Group's MDA7 trigger). CaixaBank's dividends policy complies with the conditions outlined in the ECB recommendation published on 17 January 2020. Therefore, it does not present any limitations for the Company.

<sup>2</sup> See article 128 of the Capital Requirements Regulation (CRR) 575/2013.

<sup>3</sup> The pro-forma MREL ratio with the new € 1,000 million issue in *senior preferred debt* carried out in January 2020 would be 22.5%.

<sup>4</sup> Eligible liabilities include Non-preferred senior debt, preferred senior debt and other liabilities *pari-passu* this debt, at the discretion of the Single Resolution Board.

<sup>5</sup> Includes 0.03% as a countercyclical buffer due to exposure in other countries (mainly the United Kingdom).



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## Evolution 2018 vs. 2017

The fully-loaded *Common Equity Tier 1* (CET1) ratio *from a fully-loaded perspective* at 31 December 2018 was 11.5 %. Excluding the -15 basis point impact of the first-time application of the IFRS9 accounting standard and -14 basis points due to extraordinary movements during the year (purchase of non-controlling interests in BPI and the sale of 80 % of the real estate business), the change amounted to +54 basis points driven by the organic generation of capital, and -43 basis points primarily due to the volatility of markets and other impacts. These other impacts include the adjustment of requirements due to the credit risk of the doubtful mortgage portfolio during the third quarter, resulting from the TRIM (*Targeted Review of Internal Models*) process of the European Central Bank.

The fully-loaded *Tier 1 ratio* reached 13.0 %.

Total Capital, in *fully loaded terms*, stood at 15.3 %. This ratio includes the issuance of €1,000 million of *Tier 2* securities issued in April 2018, the redemption of an issue of *Tier 2* securities of €2,072 million in May (of which €1,574 million were eligible) and the redemption of another issue of *Tier 2* instruments of €750 million carried out in November (of which €738 million were eligible).

The leverage ratio reached 5.5 %.

With regard to the subordinated instruments to comply with the future MREL requirements, in October there was a €1,000 million issue of senior non-preferred debt . The APR ratio for subordinated instruments including, mainly, Total Capital and Senior non-preferred debt reached 16.9 % *from a fully-loaded perspective*.

According to the criteria in force in 2018 for phased-in implementation, regulatory capital and leverage stood at: 11.8 % for CET1, 13.3 % for *Tier 1 ratio*, 15.6 % for Total Capital and 5.6 % for *leverage ratio*.

CaixaBank is also subject to minimum capital requirements on an individual basis. The regulatory CET1 ratio in this perimeter reached 13.3 %, with risk-weighted assets of €132,684 million.

BPI also complied with its minimum capital requirements, reaching 13.2 % at the close of 2018.

The decisions of the European Central Bank (ECB) and the national supervisor required the Group to maintain, at 31 December 2018, ratios for CET1, *Tier 1* and regulatory Total Capital of 8.063 %, 9.563 % and 11.563 % respectively (including the progressive application of conservation and systemic buffers), which would rise to 8.75 %, 10.25 % and 12.25 % *from a fully-loaded perspective*.



## Key figures of the CaixaBank Group

€ millions and %	January-December			Change	
	2019	2018	2017	2019-18	2018-17
<b>Results</b>					
Net interest income	4,951	4,907	4,746	0.9%	3.4%
Net fees and commission income	2,598	2,583	2,499	0.6%	3.4%
Gross income	8,605	8,767	8,222	(1.8%)	6.6%
Recurring administrative expenses, depreciation and amortisation	(4,771)	(4,634)	(4,467)	2.9%	3.7%
Operating income/loss	2,855	4,109	3,645	(30.5%)	12.7%
Pre-impairment income stripping out extraordinary expenses	3,834	4,133	3,755	(7.2%)	10.1%
Profit/loss attributable to the Group	1,705	1,985	1,684	(14.1%)	17.8%
<b>Profitability indicators (last 12 months)</b>					
Cost-to-Income Ratio	66.8%	53.1%	55.7%	13.7	(2.6)
Cost-to-income ratio excluding extraordinary expenses	55.4%	52.9%	54.3%	2.5	(1.4)
ROE <sup>1</sup>	6.4%	7.8%	6.8%	(1.4)	1.0
ROTE <sup>1</sup>	7.7%	9.5%	8.3%	(1.8)	1.2
ROA	0.4%	0.5%	0.5%	(0.1)	-
RoRWA	1.1%	1.3%	1.1%	(0.2)	0.2

<sup>1</sup> The calculations for ROTE and ROE of 2019 include the valuation adjustments in the denominator, resulting in a restatement of the figure reported in 2018. In addition, in the fourth quarter the accounting policy associated with the recording of defined benefit commitments to employees was modified, and equity and ratios from previous periods were restated.



**>> OTHER INDICATORS**

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	December 2019	December 2018	December 2017	Change 2019-2018	Change 2018-2017
<b>Balance sheet and operations</b>					
Total assets	391,414	386,546	383,136	1.3%	(0.9%)
Equity <sup>1</sup>	25,151	24,364	24,866	3.2%	(2.0%)
Customer funds <sup>1</sup>	384,286	359,549	350,706	6.9%	2.9%
Loans and advances to customers, gross	227,406	224,693	223,951	1.2%	0.3%
<b>Risk management</b>					
Non-performing	8,794	11,195	14,305	(2,401)	(3,110)
Non-performing loan ratio	3.6%	4.7%	6.0%	(1.1)	(1.3)
Cost of risk (last 12 months)	0.15%	0.04%	0.34%	0.11	(0.30)
Insolvency risk provisions	4,863	6,014	7,135	(1,151)	(1,121)
NPL coverage ratio	55%	54%	50%	1	4
Net foreclosed available for sale real estate assets <sup>2</sup>	958	740	5,878	218	(5,138)
Foreclosed real estate assets held for sale coverage ratio	39%	39%	58%	-	(19)
<b>Liquidity</b>					
Total liquid assets	89,427	79,530	72,775	9,897	6,755
Liquidity coverage ratio (last 12 months)	186%	196%	185%	(10)	11
Net Stable Funding Ratio (NSFR)	129%	117%	-	12	-
Loan to deposit	100%	105%	108%	(5)	(3)
<b>Solvency</b>					
Common Equity Tier 1 (CET1)	12.0%	11.5%	11.7%	0.5	(0.2)
Tier 1 ratio	13.5%	13.0%	12.3%	0.5	0.7
Total capital	15.7%	15.3%	15.7%	0.4	(0.4)
MREL	21.8%	18.9%	-	2.9	-
Risk weighted assets (RWAs)	147,880	145,942	148,626	1,938	(2,684)
Leverage ratio	5.9%	5.5%	5.3%	0.4	0.2
<b>Stock market ratios<sup>1</sup></b>					
Book value per share (€/share)	4.20	4.07	4.10	0.13	(0.03)
Tangible book value (EUR/share)	3.49	3.36	3.39	0.13	(0.03)
Net attributable earnings per share (€/share) (12 months)	0.26	0.32	0.28	(0.06)	0.04
PER (Price/Profit; multiple)	10.64	9.94	14.02	0.69	(4.07)
P/B ratio (listed price/tangible book value)	0.80	0.94	1.16	(0.14)	(0.22)

<sup>1</sup> The balance sheet data for prior periods has been restated in accordance with the change in accounting criteria described previously, as have the profitability and stock market ratios.

<sup>2</sup> Exposure in Spain.

## Ratings

### >> CREDIT RATINGS

	Long-Term	Short-Term	Outlook
<b>MOODY'S</b> <sup>1</sup>	<b>Baa1</b>	<b>P-2</b>	<b>stable</b>
<b>S&amp;P Global Ratings</b> <sup>2</sup>	<b>BBB+</b>	<b>A-2</b>	<b>stable</b>
<b>FitchRatings</b> <sup>3</sup>	<b>BBB+</b>	<b>F2</b>	<b>stable</b>
<b>DBRS</b> <sup>4</sup>	<b>A</b>	<b>R-1(low)</b>	<b>stable</b>

Last confirmation date:

<sup>1</sup> At 17 May 2019

<sup>2</sup> At 31 May 2019

<sup>3</sup> At 27 September 2019

<sup>4</sup> At 29 March 2019

## Dividend policy

In accordance with the dividend policy approved by the Board of Directors on 31 January 2019, the remuneration of shareholders for 2019 will be a single cash dividend paid around April 2020 after the close of the financial year.

Furthermore, in the 2019-2021 Strategic Plan, CaixaBank reported its intention, in compliance with the dividend policy, to remunerate shareholders by distributing an amount in cash greater than 50% of the consolidated net profit, setting the maximum amount to be distributed charged to 2019 profits at 60% of the consolidated net profit.

On 31 January 2020, the Board of Directors announced its intention to propose to the Annual General Shareholders' Meeting the payment of a dividend of 15 cents per share, in cash, to be charged against the profit for 2019. This payment would represent 53% of the profit for 2019, in line with the Strategic Plan. The Board also agreed to set the maximum amount to be distributed against 2020 profits at 60% of the consolidated net profit.



# A benchmark in responsible banking and social commitment

One of CaixaBank's strategic priorities is to be an industry leader in socially responsible banking, by reinforcing responsible business management (with an emphasis on transparency with customers) and ensuring best practices in internal control and corporate governance.

## Main monitoring metrics 2019-2021 Strategic Plan

### 2019

- >> Inclusion in the DJSI for the **8th year in a row**
- >> Issuance of the **first social bond for €1,000 million** with the aim of reducing poverty and generating employment
- >> **€725 million new concession** MicroBank in 2019

### Objective 2021

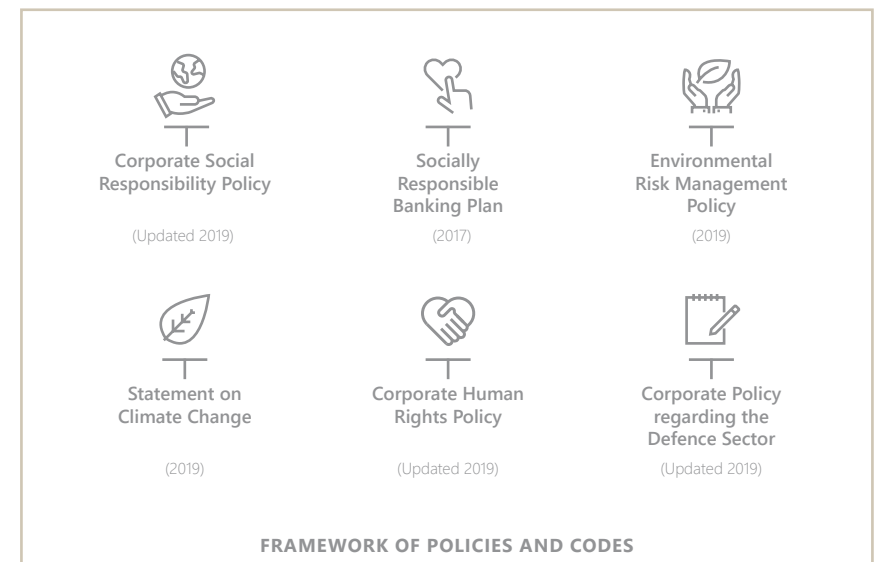
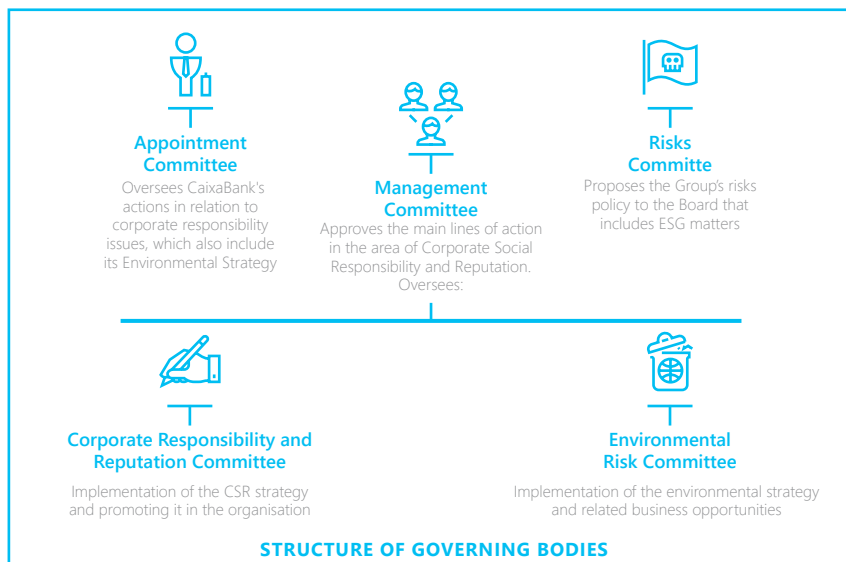
- >> Continued inclusion in the DJSI
- >> Issuance of **€1,500 million** of SDG bonds
- >> **≈€2,181 million new concession** MicroBank (2019-2021)

>> **COMMITMENT TO CORPORATE SOCIAL RESPONSIBILITY IS BASED ON A SOUND FRAMEWORK OF GOVERNANCE**

## MISSION AND VALUES >> 2019-2021 STRATEGIC PLAN

### BOARD OF DIRECTORS

Approves the CSR policy and strategy and oversees its implementation



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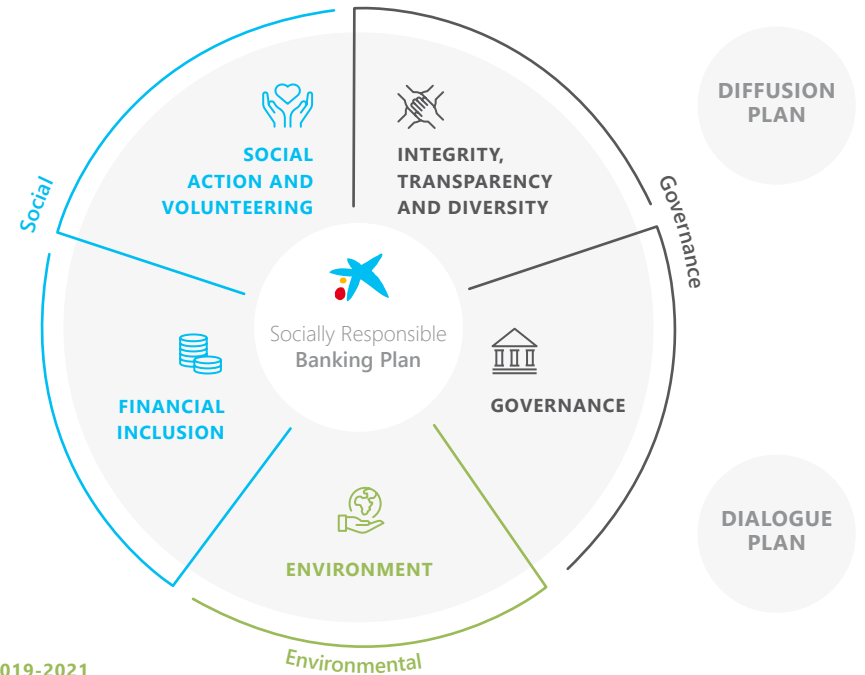
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The **Corporate Social Responsibility Policy** of CaixaBank, approved by the Board of Directors and monitored by top-level CaixaBank committees with the direct involvement of CaixaBank Senior Management, establishes the foundations for responsible activity and economic efficiency with a commitment to the socio-economic development of people and the country.

Through the Policy, CaixaBank assumes the following guidelines for the management and conduct of its activity: comprehensive, responsible and sustainable action; high quality service; economic efficiency; the adoption of a long-term view in decision-making; and constant innovation, which contributes as much as possible to the sustainable development of communities.

This commitment provides added value to the Company and to its stakeholders and affects the entire value chain of the organisation: economic and financial factors of the business, environmental responsibility, customer satisfaction, creation of value by shareholders and investors, the needs and aspirations of employees, the relationship with suppliers and contributors, and its impact on the communities and environments in which it operates.

In this context, **CaixaBank's Socially Responsible Banking Plan** (approved by the Board of Directors in 2017), based on the ESG criteria (Environment, Society and Governance), there are 5 core concepts that function as a guide and help us to focus on strategic priorities in the area of responsible management.



The Policy is a Group document that serves as a reference for all Group companies.

>> PRIORITIES 2019-2021

<b>INTEGRITY, TRANSPARENCY AND DIVERSITY</b>	> Boost initiatives for transparency with customers	> Strengthen the comprehensive approach	> Maintain support for dissemination regarding diversity and consolidate the Wengage programme
<b>GOVERNANCE</b>	> Consolidate corporate responsibility Governance with the Group vision	> Measure production with positive social or environmental impact and incorporate ESG criteria in the business	> Consolidate the management, measurement and monitoring of reputational risk
<b>ENVIRONMENT</b>	> To promote green production and issue sustainable bonds	> Advance in the measurement and management of environmental and climate risk	> Implement the Environmental and Energy Management Plan and renew certification
<b>FINANCIAL INCLUSION</b>	> To promote investment with social impact	> Strengthen and develop the Financial Culture Plan	> Maintain positioning in proximity and reinforce accessibility
<b>SOCIAL ACTION AND VOLUNTEERING</b>	> Continue to promote Decentralised Social Work with a focus on capilarity	> Consolidate the corporate volunteering plan	> Strengthen cooperation with "la Caixa" programmes

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For CaixaBank, it is essential to be part of the network of alliances and initiatives that are woven at a global, national and local level. CaixaBank contributes its vision, as a bank committed to society since its creation in 1904, and works to disseminate and raise awareness of these principles and values, demanding, at all times, the highest standards of management derived from these alliances and initiatives.

### SDG 17

A successful sustainable development programme requires partnerships between governments, the private sector and civil society. These inclusive alliances built on principles and values, a shared vision and shared goals, which place people and the planet at the forefront, are necessary at a global, regional, national and local level.



## PRINCIPAL ALLIANCES AND AFFILIATIONS



Partnership with the "la Caixa" Banking Foundation, the first Social Action Project in Spain and one of the largest in the world.



Body responsible for promoting the principles of the United Nations. CaixaBank has held the presidency of the Spanish Network of the UN Global Compact since 2012.



Promoting sustainable finance and the integration of environmental and social aspects in business (2018).



The pension plan management company, VidaCaixa (2009), the Group's asset management company, CaixaBank Asset Management (2016), and BPI Gestão de Activos (2019), are signatories.



Strives to fulfil SDGs by promoting high-impact investments. CaixaBank Asset Management holds the presidency of the Spanish National Board (2019).



MicroBank is a member of EMN, an association that promotes microfinance as a tool to combat social and financial exclusion in Europe through self-employment and the creation of micro-enterprises (2003).



Public commitment to aligning policies to advance gender equality (2013).



Principles that promote integrity in green and social bond markets (2015).



Financial Stability Board initiative to encourage the disclosure of climate-related risks in companies (2018).



Initiative to foster dialogue with companies around the globe with high greenhouse emission levels (2018).



Commitment to ESG risk assessment in the financing of projects of more than 7 million euros (2007).



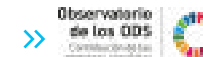
Founding partner promoting economic growth linked to a low-carbon economy through collaboration between the public and private sectors (2016).



Global and corporate initiative for companies committed to using 100% renewable electricity (2016).



CaixaBank is the first European bank to become an affiliate of this United Nations body responsible for promoting responsible, sustainable and universally accessible tourism.



Monitors compliance with the SDGs by Spanish companies (2017).



They strive to ensure enough private capital is allocated to sustainable investments. Members of the network of UN European sustainability centres.



Promotes the commitment of companies to improving society through responsible action. CaixaBank is on the Board of Trustees and the Advisory Board (2011).



Promotes the integration of social, environmental and governance aspects in the management of companies (2010).



Defending CSR and the fight against corruption in Spanish companies (2019).



Signatory to the Financial Education Plan promoted by the Bank of Spain and the Spanish Securities Market Commission (2010).



Spanish Association of CSR Professionals. CaixaBank is a member of the Board (2011).

## Sustainability indexes

CaixaBank is included in the main sustainability indexes

<p><b>DJSI World</b> <b>DJSI Europe</b></p> <ul style="list-style-type: none"> <li>Date of 1st inclusion: 2012</li> <li>Rating: 81 (0-100)</li> </ul>	<p><b>FTSE4 Good Global</b> <b>FTSE4 Good Europe</b> <b>FTSE4 Good IBEX</b></p> <ul style="list-style-type: none"> <li>Date of 1st inclusion: 2011</li> <li>Rating: 3.8 (1-5)</li> </ul>	<p><b>"Prime" Company</b></p> <ul style="list-style-type: none"> <li>Date of 1st inclusion: 2013</li> <li>Rating: C (D-/A +)</li> </ul>	<p><b>Eurozone 120 Index</b> <b>Europe 120 Index</b></p> <ul style="list-style-type: none"> <li>Date of 1st inclusion: 2013</li> <li>Rating: Robust</li> </ul>
<p><b>STOXX Global ESG Leaders</b></p> <ul style="list-style-type: none"> <li>Date of 1st inclusion: 2013</li> <li>Sustainability rating: 74 (0-100)</li> </ul>	<p><b>MSCI Global Sustainability Indexes</b></p> <ul style="list-style-type: none"> <li>Date of 1st inclusion: 2015</li> <li>Rating: A (CCC-AAA)</li> </ul>	<p><b>Ethibel Excellence Investment</b> <b>Ethibel Sustainability Index</b> <b>Excellence Europe</b></p> <ul style="list-style-type: none"> <li>Date of 1st inclusion: 2013</li> </ul>	<p><b>Carbon Disclosure Project</b></p> <ul style="list-style-type: none"> <li>Date of 1st inclusion: 2012</li> <li>Rating: A- (D-/A)</li> </ul>

## Dow Jones Sustainability Index

The Dow Jones Sustainability Index (DJSI) is a project for the continuous improvement of organisations. For CaixaBank, inclusion in the DJSI is a level one metric of the Strategic Plan.

In 2019, CaixaBank's results were considerably better than those for the previous year, with improvements in the three dimensions of sustainability (economic, environmental and social). In the following areas, CaixaBank scores well above average: anti-crime policies and standards of conduct (compliance); privacy protection; development of human capital; social action; and financial inclusion.

### >> CAIXABANK INCLUDED IN DJSI 2019, 14TH OF 25 SELECTED BANKS

	CaixaBank in 2019	Improvement v. 2018	Average for banks DJSI World	Best for banks in DJSI World
Score overall	81	+3p	81	86
Economic dimension	76	+3p	76	82
Environmental dimension	86	+5p	90	98
Social dimension	90	+5p	88	97

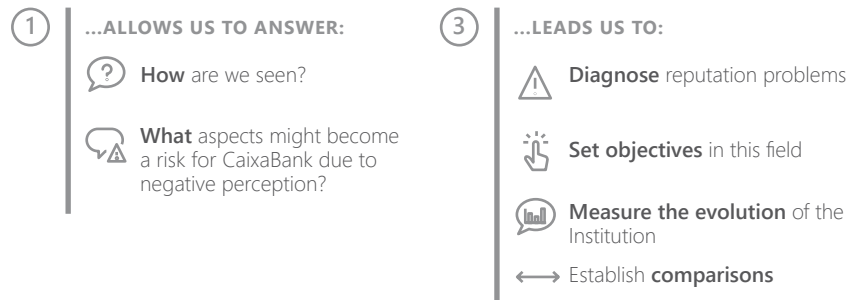




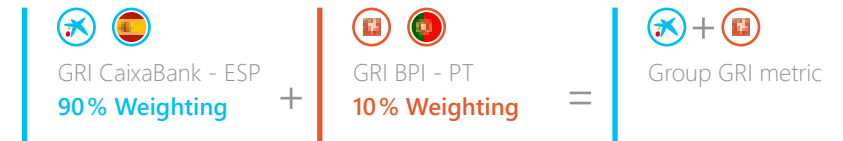
## Global reputation Index (GRI)

CaixaBank has developed a continuous system for measuring and analysing the Company's reputation, applying qualitative and quantitative criteria to monitor and manage its corporate reputation, reporting its status and evolution to the governing bodies on a regular basis.

### >> ASSESSING REPUTATION...



The GRI is a metric of the Strategic Plan, which includes the perceptions of stakeholders regarding the entity on a scale of 0 to 1,000 and it is considered to be part of *best practice* due to its multi-stakeholder approach. The GRI, together with the materiality study, allows us to capture the sensitivity of stakeholders to different aspects that may be critical for CaixaBank and that might impose stress on its future profitability and sustainability.



In 2019 the GRI indicators and weightings were updated to bring them into line with the new expectations that stakeholders have regarding financial institutions.



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## Responsible practices

The Code of Ethics and Action Principles and the Corporate Human Rights Policy, together with the Anti-corruption Policy (described in the section on *Responsible and Ethical Behaviour* in

this document), as the highest level standards in the hierarchical structure, establish minimum standards of conduct to carry on business within the law.

Below we list the main policies with regard to **ethics and integrity** approved by the Board of Directors:

Policy	Objective	Last update	Published on CaixaBank corporate website
Code of Business Conduct and Ethics	Manifiesto on the values and ethical principles that underpin our activity and should govern CaixaBank's operations.	January 2019	✓
Corporate Human Rights Policy	Minimum standard for carrying out activities legally.	October 2019	✓
Anti-corruption Policy	To prevent both the Company and its external partners, directly or through third-parties, from engaging in conduct that may be contrary to the law or to the basic principles of CaixaBank's activity.	January 2019	✓
Corporate Policy on Compliance with Criminal Law	To ensure that no criminal acts occur within the organisation.	October 2018	✓
Corporate policy on the prevention of money laundering and the financing of terrorism and managing sanctions and international countermeasures within the CaixaBank Group.	To actively promote the implementation of the highest international standards in this area, in all jurisdictions where the CaixaBank Group operates.	July 2019	✓
Corporate Policy regarding the Defence Sector	This policy regulates the conditions for maintaining business relations in the sector, as well as establishing restrictions and exclusion criteria.	December 2019	✗ <sup>1</sup>
Internal Regulations on Conduct Concerning the Securities Market	To foster transparency in markets and maintain the legitimate interests of investors at all times in accordance with Regulation 596/2014 of the European Parliament and the Securities Market Law.	July 2019	✓
General Corporate Policy on Conflicts of Interest	This policy allows us to prevent potential conflicts of interest that may arise in different fields and scenarios and deal with them if they should occur.	October 2018	✓
Corporate Privacy Policy	This policy sets out fundamental rights to data protection and privacy.	May 2018	✗ <sup>1</sup>
Code of Conduct regarding Data Communication	Designed to guarantee the proper use of the technical and IT resources owned by CaixaBank. It also aims to raise awareness among employees of the advantages of properly using the communications network and of security issues affecting IT and communication equipment.	May 2014	✗

<sup>1</sup>An extract of the Policy is available on the corporate website

CaixaBank works to understand the impacts on **human rights** of its activity. To this end, it has implemented periodic due diligence processes to assess the risk of non-compliance, based on which it proposes measures to prevent or remedy negative impacts and measures to maximise positive impacts. In 2020, a new due diligence process will be undertaken.

CaixaBank is firmly committed to the **prevention of money laundering and the financing of terrorism**. It is considered fundamental to establish the necessary measures and to revise them regularly in order to ensu-

re, as far as possible, that CaixaBank products and services are not used for any illegal activity. In this regard, it is essential to actively collaborate with regulators and security forces and to report all suspicious activities detected. To do this, CaixaBank has a risk management model for money laundering and the financing of terrorism that it implements in its activities, businesses and relationships, both nationally and internationally, to prevent this risk, to which it is exposed. According to the provisions of Spanish law, management of the prevention of the risk of money laundering is subject to annual review by an independent external expert.

No significant deficiencies were identified in the review carried out in 2019.

Respect for the fundamental right to data protection and privacy is reflected in our code of ethics, and is the pillar upon which one of our corporate values is based: trust. In this regard, there is a **Corporate Privacy Policy** in place, as well as internal regulations that concern confidentiality and the processing of personal data.

In order to guarantee a recurring assessment of risks in the area of personal data management and processing, the

company has a Privacy Committee and a PIA Committee (Privacy Impact Assessment), which are responsible for analysing and approving any new processing and for monitoring the implementation of the measures agreed.

A key element in the proper development and implementation of codes and policies is to promote and develop an effective culture of conduct throughout the institution. In order to promote and guarantee the strengthening of this culture, a communication and awareness strategy is upheld throughout the organisation. The main levers used in this strategy are:

• **Training**

- In 2019, the variable remuneration of all Caixa-Bank, S.A. employees was linked to satisfactory completion of certain compulsory training courses on legislation or areas of special sensitivity regarding conduct. This criterion has been extended to the rest of the Group, reaching a total of 29,707 employees with bonuses linked to training.

• **Communication**

- In 2019, in addition to training courses, awareness-raising sessions were held for the network of branches and specialised areas, while news, highlights and circulars were published on the intranet: a total of 313 awareness-raising actions.

• **Linking employees' variable remuneration to a series of aspects related to conduct risk.**

- Corporate challenges include compliance with an indicator reflecting variables related to conduct (customer due diligence and correct formalisation of operations), employee variable remuneration being reduced if the target is not achieved.

>> **MAIN TRAINING COURSES ATTENDED BY EMPLOYEES IN THE FIELD OF RESPONSIBLE PRACTICE**

	Linked to remuneration	Total employees who have passed the course
Insurance and Pension Plan Products	✓	28,398 employees
Customer Protection and Customer Service	✓	28,968 employees
Code of Ethics and Action Principles and Anti-corruption Policy	✓	33,858 employees
Conflicts of Interest	✓	28,063 employees
Action regarding Competition Law	✓	29,757 employees
Prevention of Money Laundering and the Financing of Terrorism	✓	33,174 employees

The **confidential channels for queries and reports**, through which staff can submit queries about the interpretation or practical application of codes of conduct and policies and report possible breaches, are an essential and accessible tool that can be used by all CaixaBank employees and Group subsidiaries. If complaints are put forward by customers, they will be processed through the customer service channels established by CaixaBank.

Complaints are resolved by means of a rigorous, transparent and objective procedure, with strict guarantees of confidentiality, anonymity and the prohibition of reprisals. In this regard, CaixaBank will work constantly to align its communication channels with best practices.

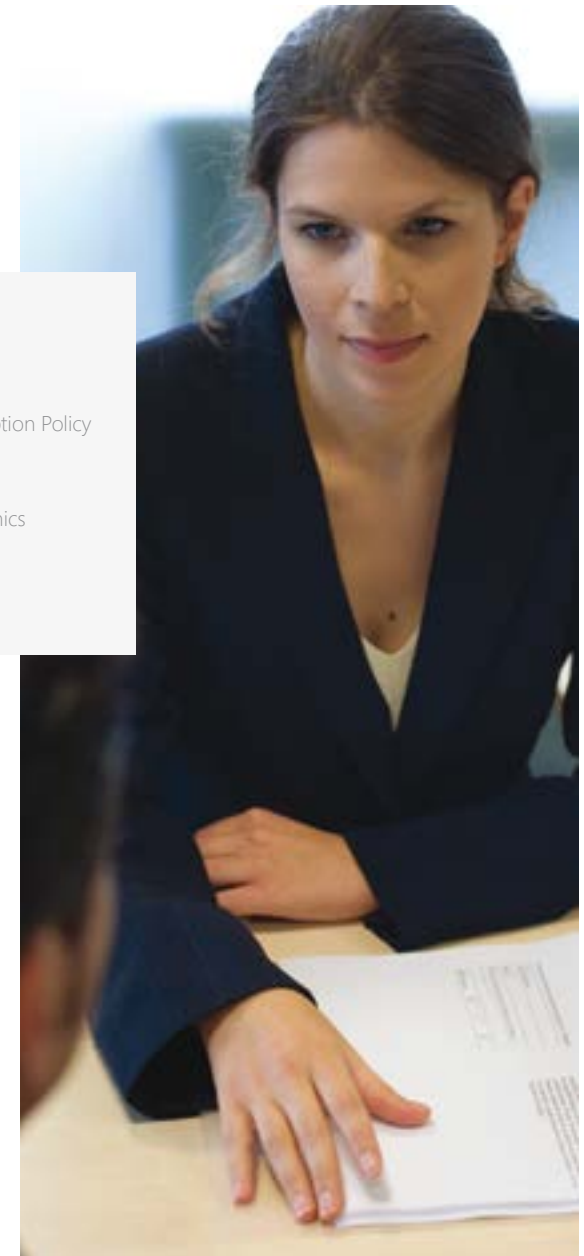
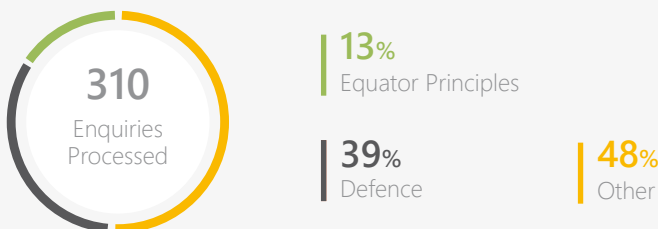
>> DETAILS OF CHANNELS FOR QUERIES AND REPORTS



If any employees of the CaixaBank Group engage in potentially fraudulent activities or corruption during the course of their work, such conduct will be considered an extremely serious breach of conduct under the current collective agreement, and the employees involved will incur the sanctions envisaged in the aforementioned agreement for such offences.

At CaixaBank, **Reputational Risk Response Service (RRRS)** supports the commercial network to channel queries about potential operations that may infringe codes of conduct. The RRRS' activity is regularly reported to the Corporate Responsibility and Reputation Committee.

>> QUERIES RESOLVED in 2019



## Socially Responsible Investment

The **Principles for Responsible Investment (PRI) initiative** is an international network of investors working together to implement six Principles for Responsible Investment. Its aim is to disseminate the implications of environmental, social and corporate governance factors (ESG) for investors and to help signatories to incorporate these considerations into their investment and decision-making processes. By applying these principles, the signatories contribute to the development of a more sustainable global financial system. PRI has the support of the United Nations.

### The six principles of PRI

Principle 1:	Organisations affiliated to the principles agree to incorporate ESG considerations into investment analysis and decision-making processes.
Principle 2:	Organisations undertake to be active owners, incorporating ESG issues in their investment policies (for example, by being active on the boards of companies in which they invest).
Principle 3:	Investors will seek appropriate disclosure on ESG issues by the entities in which they invest.
Principle 4:	Investors are committed to promoting acceptance and implementation of the PRI Principles among investors.
Principle 5:	Organisations agree to work together to implement the Principles more effectively.
Principle 6:	Organisations are required to report their progress in implementing the Principles.

VidaCaixa, the Group's insurance subsidiary, and CaixaBank Asset Management, its collective investment institution management company, have adhered to the PRI scheme since 2009 and 2016, respectively. Both companies have Socially Responsible Investment Policies and have an SRI Committee. In 2019, BPI Gestão de Activos joined the PRI initiative.

## How do we approach SRI?

1) Integrating ESG criteria to build up the investment portfolio			2) Improving the ESG positioning of companies in the portfolio and third-party fund managers	
Integration	Monitoring	Impact	Commitment - Engagement	Proxy voting
Include ESG criteria in analysis and decision-making aimed at improving risk management and profitability.	Have access to full information about companies' ESG performance, jointly with partners, to ensure transparency in management and the possibility of establishing investment criteria and filters.	Specific lines of action seeking to maximise returns with products having social or environmental impact.	Discussions and action with companies in the portfolio and third-party fund managers to promote ESG improvements in their management and in the dissemination of these matters.	Positioning on specific issues related to ESG through voting at Shareholders' Meetings.



Leading company in the insurance sector in Spain



**€12,060 million**

premiums and contributions marketed in 2019



**€93,011 million**

customer funds managed

### SRI Indicators

**312**

external managers contacted about ESG topics

**4**

exclusions

**€320.7 million**

Exposure to green bonds

**€151.5 million**

Exposure to social or sustainable bonds

### Engagement

**10**

Companies subject to engagement processes (directly)

**6**

Collective engagement (through investor groups, e.g. PRI)

### Proxy voting

**325**

General Shareholders Meetings voted during the year

**67**

Votes to support proposals for greater transparency or a general improvement in ESG performance

**13**

Votes against shareholder proposals because of disputes or shortcomings related to ESG issues



100% of investments take ESG criteria into account<sup>1</sup>

In 2019 and 2018, VidaCaixa received the A+ rating in the Strategy and Governance category, the maximum possible for PRI



**4.2 million**  
Individual customers

**1.1 million**  
Large companies and groups

**0.3 million**  
SMEs and self-employed



**28.1%**

market share of life insurance



**25.5%**

market share in pension plans

VidaCaixa is generally opposed to investing in companies or states that engage in reprehensible practices that contravene international treaties such as the United Nations Global Compact. Neither does VidaCaixa invest in the arms sector, in line with the Group's Policy on Defence.

<sup>1</sup> Does not include information on BPI Vida e Pensões. At 31/12/19, BPI Vida e Pensões' own portfolio and assets under management amounted to €7,648 million. VidaCaixa is working to transfer the same management criteria and SRI to its subsidiary in Portugal.



Leaders in asset management for 5 years running



**17.1%**  
Market share of investment funds in Spain



**€68,584 million**  
Assets under management



**€26,931 million**  
Discretionary management of portfolios



In 2019, CABK AM received the A+ rating in the Strategy and Governance category, the maximum possible for PRI

85.3% of investments take ESG criteria into account <sup>1</sup>

>> SOCIALLY RESPONSIBLE PRODUCTS

- **CaixaBank Selección Futuro Sostenible** will invest a minimum of 75% in collective investment institutions that follow sustainable investment criteria and are managed by companies of recognised international standing in the field of investment with ESG criteria: environmental, social and corporate governance.



**€136.1 million**  
of turnover *CaixaBank Selección Futuro Sostenible*

>> **New SRI fund**  
in 2019

- **MicroBank Fondo Ético FI**, is a mixed, ethical and socially supportive fund that combines the search for returns with criteria linked to social responsibility. It also has a charitable component, as MicroBank Fondo Ético FI transfers 25% of the management fee to non-profit organisations, while the "la Caixa" Foundation contributes an equivalent amount to an international cooperation project.



**€91.2 million**  
of turnover *MicroBank Fondo Ético*

>> **Award for Best Solidarity Fund**  
2019 from *Expansión-Allfunds*

- **MicroBank Fondo Ecológico**, is an international equity fund invested in a selection of ecologically responsible funds for sectors like renewable energies, ecological food, recycling or wastewater treatment, among others.



**€32.8 million**  
of turnover *MicroBank Fondo Ecológico*

<sup>1</sup> Cash assets under management in Spanish funds.

SRI Indicators

**80**

Third-party managers analysed with ESG requirements in our selection process

**3**

exclusions

Launch of the 2019-2020 ESG training plan in 2019 with the aim of having a third of the company trained with the EFFAS Certified ESG Analyst (CESGA) programme.

Engagement

**4**

Companies subject to engagement processes (directly)

**2**

Collective engagement (through investor groups, e.g. PRI)

Proxy voting

**276**

General Shareholders Meetings voted during the year

**9**

Votes against members of the Board (ESG-related reasons)

**37**

Votes in favour of shareholder proposals (ESG-related reasons)



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## Corporate Procurement

CaixaBank has a corporate procurement procedure organised and specialised by category (Facilities & Logistics, Works, IT, Professional Services and Marketing) with a transversal view of all Group purchases<sup>1</sup>. Its objective, in line with our business strategy, is to obtain the goods and services required in a responsible and sustainable manner subject to the time limits, quantity and quality required, at the lowest total cost and with the minimum risk for our business, according to unified performance criteria for the entire Group.

CaixaBank seeks to establish quality relationships with suppliers who share the same ethical principles and social commitment, having established criteria and control mechanisms, such as carrying out audits to ensure compliance with them. The continuous improvement of relations with suppliers is key to creating value in CaixaBank.

In 2019, **CaixaBank published its Principles of Procurement and the Code of Conduct for Suppliers** applicable to the suppliers of CaixaBank, S.A. and the companies in its Group with which it shares a procurement management model.<sup>2</sup>



## >> PRINCIPLES OF PROCUREMENT

They establish a balanced framework for cooperation between CaixaBank and its suppliers, which promotes stable business relationships, consistent with our values.

①

### Efficiency

Optimise the impacts of purchases with an emphasis on quality, service, cost, security of supply, sustainability and innovation.

②

### Sustainability

Disseminate ethical, social and environmental considerations in CaixaBank's network of suppliers and partners and promote the contracting of suppliers who implement best practices in ethical, social and environmental matters, as well as good corporate governance.

③

### Integrity and transparency

Guarantee equal opportunities, applying objective, transparent, impartial and non-discriminatory selection criteria. Totally reject corruption in any form, direct or indirect.

④

### Compliance

Formalise the terms of procurement by means of a contract that seeks a fair balance between the rights of CaixaBank and those of the supplier, to ensure that they are fulfilled in time and form by both parties.

⑤

### Proximity and monitoring

Implement mechanisms for ongoing assessment of supplier performance and promote dialogue, through an institutional communication channel.

<sup>1</sup> Applicable to Group companies with which it shares a procurement management model.

<sup>2</sup> The documents are available on the CaixaBank website: [https://www.caixabank.com/responsabilidad-corporativa/gobernanza/politicas-responsables\\_en.html](https://www.caixabank.com/responsabilidad-corporativa/gobernanza/politicas-responsables_en.html)



### Code of Conduct for Suppliers

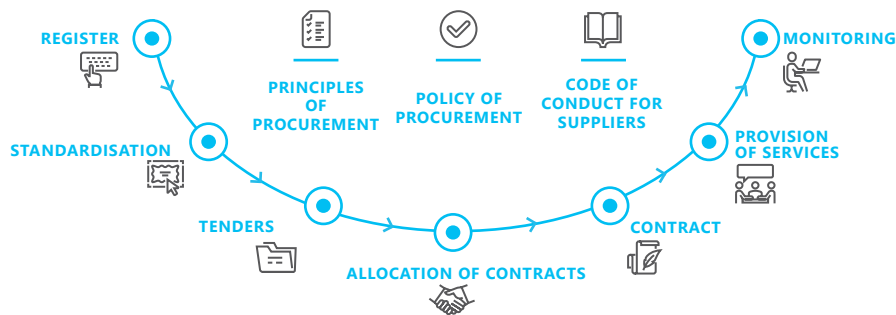
The **Code of Conduct for Suppliers** aims to disseminate and promote the values and ethical principles that will govern the activity of CaixaBank's suppliers of goods and services, subcontractors and third parties working with CaixaBank.

This Code sets out guidelines for the conduct of companies that work as suppliers will follow in relation to compliance with current legislation, ethical standards and measures to prevent bribery and corruption, security, the environment and confidentiality.

### Procurement policy

The **procurement policy** establishes the criteria to be followed when selecting and negotiating with suppliers.

### >> OUR PROCUREMENT PROCESS



Our procurement process consists of the following stages:

1. **Registration and new approval procedure (started in 2018)**
2. **Tender, award and formalisation of the contract**
3. **Provision of the service and tracking**

Throughout the process, the principles of procurement, the code of conduct and the procurement all apply. These determine the internal regulations to be applied.

### >> CORPORATE PROCUREMENT INDICATORS<sup>1</sup>

	2019
Number of management suppliers	3,006
Volume invoiced (million euros)	2,183
Suppliers approved (new procedure)	584
Average payment period to suppliers (days)	22.5
Volume negotiated through electronic trading (million euros)	574
% volume of management corresponding to local suppliers - Spain	> 95

### >> % OF TURNOVER NEGOTIATED BY CATEGORY OF PURCHASES



<sup>1</sup> All indicators refer to Corporate Procurement management. BPI, BuildingCenter and Grupo VidaCaixa are excluded, as they have their own procurement models and procedures. Suppliers whose turnover in 2019 is over €30,000 are included. Official bodies and property owners' associations have been excluded.

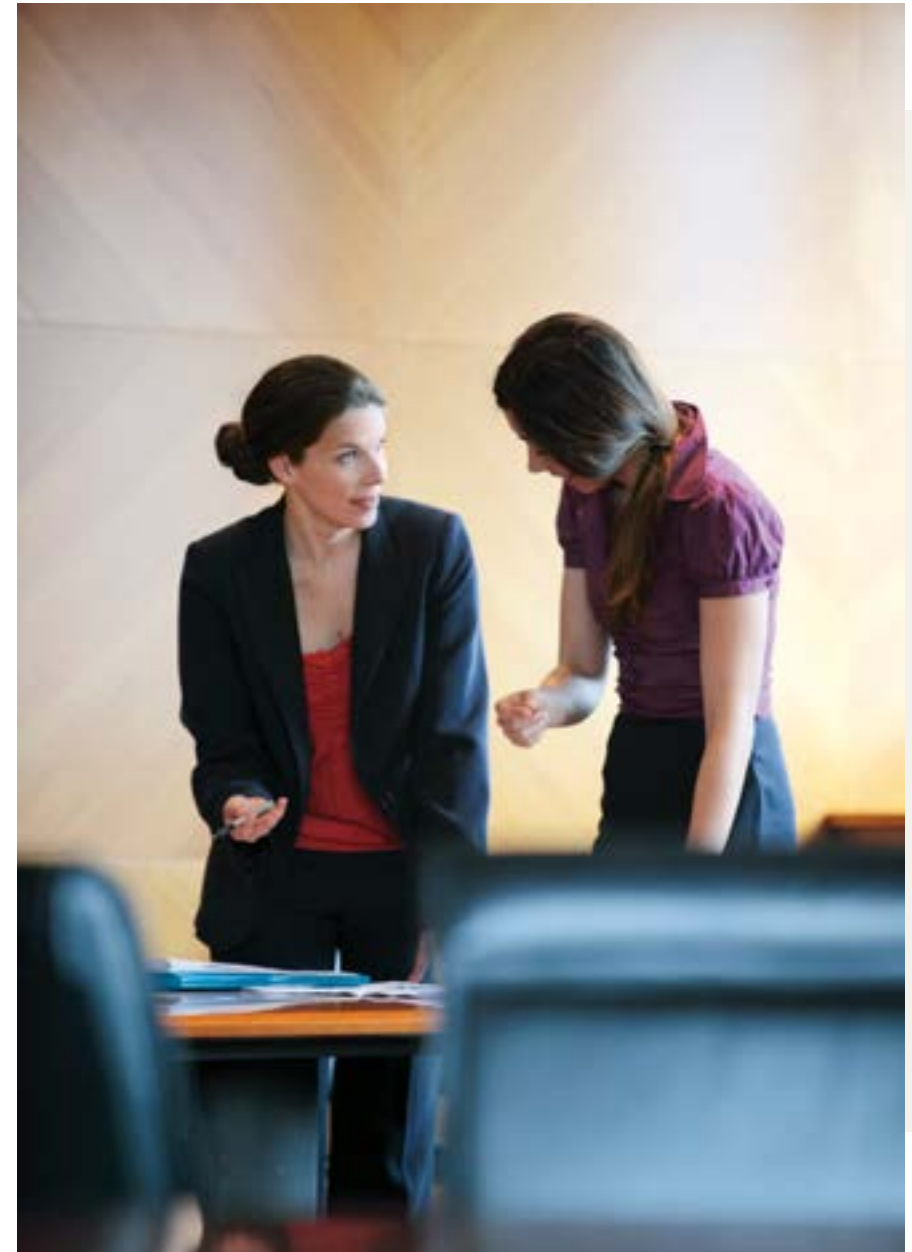


In 2019 the Supplier Audit Plan was launched. Through an on-site validation process, the Plan seeks to gather evidence to ensure that CaixaBank has the information necessary to generate a risk map for our main suppliers. As well as reducing risk with on-site evaluation, we seek continuous improvement in the management of our suppliers and aim to provide them with added value by assisting in their development.

Additionally, the management of procurement processes through electronic trading (€574 million) is an indication of CaixaBank's efforts to guarantee integrity in the contracting process. Electronic negotiation begins with the approval of all the suppliers involved in the process and ensures that during the process information will be transparent and the choice will be based on objective criteria.

In 2019, 12 audits were carried out, including all the categories of procurement (Facilities & Logistics, Works, IT, Professional Services and Marketing). Corrective measures have been defined.

Environmental criteria are also taken into account in the selection of suppliers for certain categories of procurement. The total number of CaixaBank suppliers with ISO 14001 certification is 858.



## Transparency

CaixaBank assumes its commitment to transparency to provide its customers with accurate, truthful, and comprehensible information about its operations, charges and procedures to channel complaints and deal with problems. Furthermore, CaixaBank makes all relevant financial and corporate information available to its shareholders.

### Strengthen the culture of transparency with customers

#### Design and marketing of products and services

The correct design of financial products and services, including financial instruments and banking and insurance products and services, and their proper marketing are a priority. The application of regulations that govern different products and services: (i) financial instruments (Markets in Financial Instruments Directive - MiFID); (ii) banking products and services (Guidelines of the European Banking Authority on governance procedures and the monitoring of retail banking products); and (iii) insurance products (Insurance Distribution Directive - IDD) ensures that CaixaBank has appropriate processes regarding the knowledge of its customers, in order to offer them products and services, in accordance with their financial needs, and to communicate clearly and accurately on the risks of their investments.

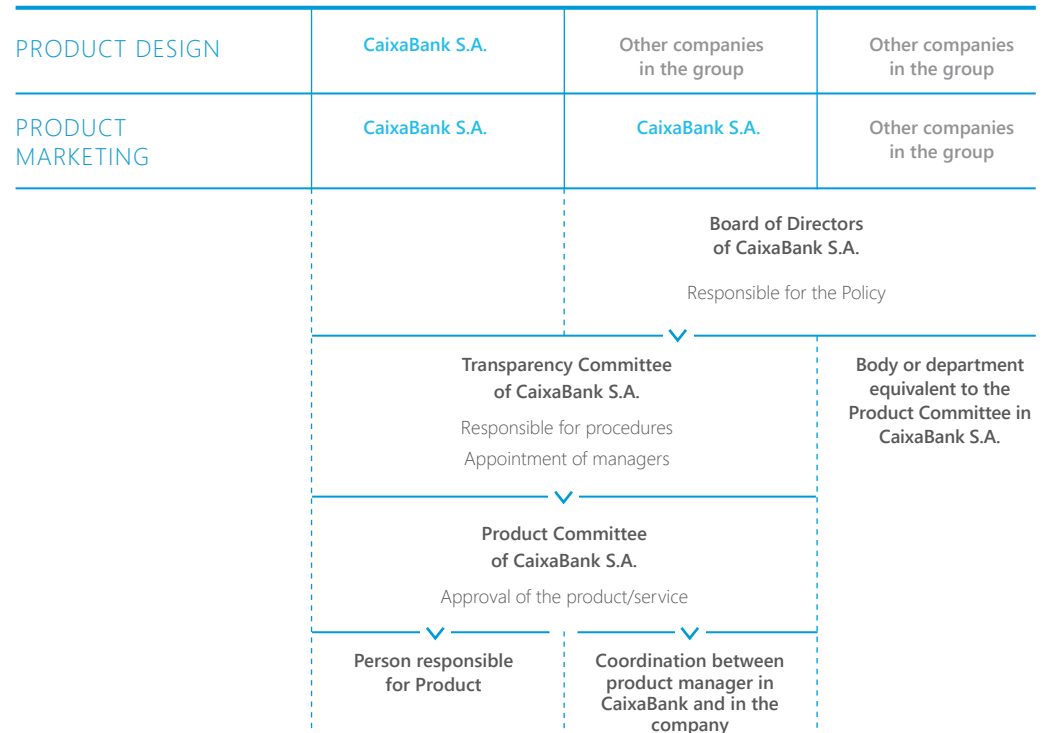
The **Product Governance Policy**, approved by the Board of Directors of CaixaBank and updated in July 2019, is intended to establish principles for approving the design and marketing of new products and services, and for monitoring the product's life cycle, based on the following premises:

- To meet the needs of customers or potential customers in a flexible manner.
- To strengthen customer protection.
- To minimise legal and reputational risks arising from incorrect design and marketing of products and services.

- To ensure the participation of all relevant areas in the approval and monitoring of products and services, as well as the involvement of senior management in defining and supervising the Policy.

The Policy applies to all companies controlled by the Group that act as manufacturers or distributors of banking, financial or insurance products.

### AREAS OF RESPONSIBILITY



**The Product Committee** covers the areas of control, support and business functions, ensuring a sufficiency of specialist knowledge in order to understand and monitor products, their associated risks and regulations regarding transparency and customer protection.



In 2019, a total of 218 products/services were analysed, 12 of which were initially rejected as they did not comply with the agreed principles.

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**Strategic lines**

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Employees' knowledge of products and services is key to ensuring that the information conveyed to customers is clear and complete. To ensure that employees have a proper knowledge of products and services, CaixaBank is committed to ongoing training for its staff. CaixaBank has 18,074 employees with financial advisory certification.



**Employees trained in 2019**

Financial guidance (MiFID)	2,030
Property loan law	9,863

The **CaixaBank Marketing Communications Policy** includes a detailed description of the internal mechanisms and controls in place to minimise the risks related to publicity. The Policy details relevant cases and the formal requirements that must be met by publicity issued by the organisation and companies in the Group.

The entity has also voluntarily joined **Autocontrol**, the association for self-regulation in advertising, which supports good advertising practice.



**Transparent contract project**

**AIMS**

- Transparency** Greater transparency when documents are signed by customers
- Clarity** Through clear, comprehensible language
- Trust** Improving the customer's experience and inspiring confidence when they sign
- Safety** And providing greater legal security for the customer and the organisation

**5 DOCUMENTS REVISED IN STAGE 1**

- CaixaBank current account**
- Imagin current account**
- CaixaBank Now**
- Revolving card**
- Consumer loans**

**METHODOLOGY**

- Simpler language
- New document format

**START OF STAGE 2**

- 5 contracts currently under review
- In 2020, the review of 10 new contracts will begin

## PERSONAL LOAN CONTRACT

### CURRENT



### NEW PROPOSAL

#### CONDICIONES DEL PRÉSTAMO

[Qué regulan estas Condiciones](#)

Estas condiciones regulan los siguientes aspectos:

- las condiciones económicas del préstamo (tipo de interés nominal y TAE)
- la forma de pago del préstamo
- el impago (retraso en el pago) y el interés de demora
- la compensación o pago de deudas
- el pago anticipado del préstamo
- la duración y desistimiento (renuncia) del contrato
- la resolución (cancelación) del contrato por incumplimiento
- quejas y reclamaciones.

#### 1. OBJETO

[En qué consiste este contrato](#)

- 1.1. Este contrato regula las **condiciones** en que usted recibe de CaixaBank el **importe total** que le hemos prestado y abonado en la cuenta que se indica en las Condiciones Particulares.
- 1.2. Usted, en calidad de «**deudor**», se compromete a **devolver el importe total prestado más los intereses** que pactamos aquí, tal y como se indica en este contrato.

#### 2. INTERÉS NOMINAL

[Qué es el Tipo de Interés Nominal \(TIN\)](#)

- 2.1. El **interés nominal** es el **precio que CaixaBank le cobra por prestarle dinero**. Por ello, usted tiene que devolver la cantidad prestada más el interés nominal que se cobra anualmente mientras dura el préstamo, según se indica en las Condiciones Particulares (interés nominal anual). Este interés nominal recibe la denominación TIN, se expresa en porcentaje (%) y se mantiene fijo e invariable anualmente mientras dura el préstamo.
- 2.2. La cantidad total que tiene que pagar en concepto de intereses por la cantidad prestada se indica en las Condiciones Particulares como «**Importe Total de Intereses**».

#### 3. CÁLCULO DE INTERESES DE CADA CUOTA

[Cómo se calculan los intereses de cada cuota](#)

- 3.1. El importe de los intereses que usted pagará en cada cuota se obtiene aplicando la siguiente fórmula:



### Customer Contact Centres

In November 2018, the implementation of the new style **Customer Contact Centres began** with the aim of bringing together many of the non-contact services that the Group<sup>1</sup> offers customers in order to provide a more efficient, effective and flexible service with 360-degree vision.

The CCC service manages queries, requests, suggestions and complaints from customers and non-customers reaching it by phone, through written channels (chat, WhatsApp, e-mail and letter) and also through social networks (Twitter)<sup>2</sup>. The unification of most help lines in a single number **(900 40 40 90)** aims to facilitate communication

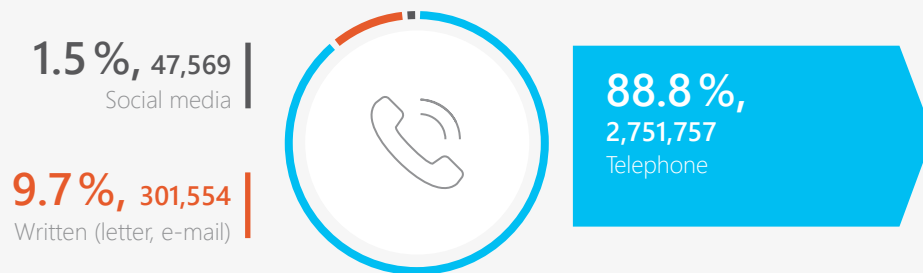
between customers and non-customers and the Group.

92% of calls received on the single line are correctly referred to the relevant service, using *Cognitive Technology*.

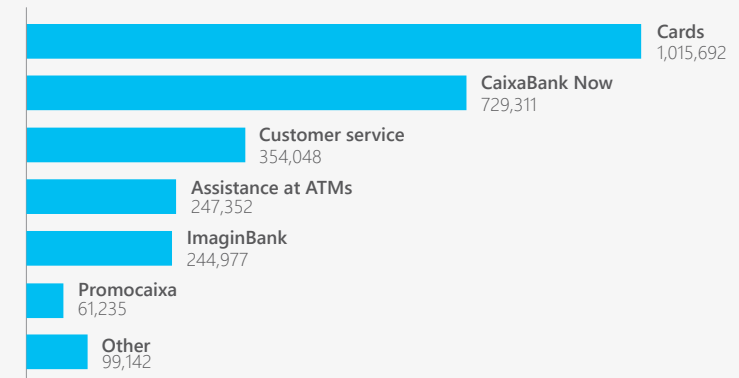
> 3 million

interactions in Customer Contact Centres (CCC) in 2019

#### >> BREAKDOWN OF CONTACTS IN 2019



#### >> REASON FOR THE INTERACTION TELEPHONE



CaixaBank Now digital banking customers also have a virtual assistant (Neo) at their disposal. In 2019, 2,989,594 interactions took place, 94.8% of which were resolved without being referred to staff, thanks to the *Cognitive Technology*.

The quality of the CCC service is constantly assessed through audits to ensure that customers receive satisfactory attention and their issues are resolved, in order to achieve the standards of quality and excellence set by CaixaBank.

The *Contact Centre services* for Banco BPI and Consumer Finance dealt with 909,653 and 1,462,014 interactions, respectively, in 2019.

<sup>1</sup> All the Group companies belong to the scheme, except Banco BPI and the Consumer Finance business.

<sup>2</sup> Complaints processed through the Customer Service or the Supervisor's Complaints Service are not included.

## Customer Service

The Customer Service Office is responsible for handling and resolving customer complaints and claims. This office has no connection with our commercial services. It performs its duties based on its independent judgement, with reference to customer protection regulations, regulatory requirements and best banking practices.

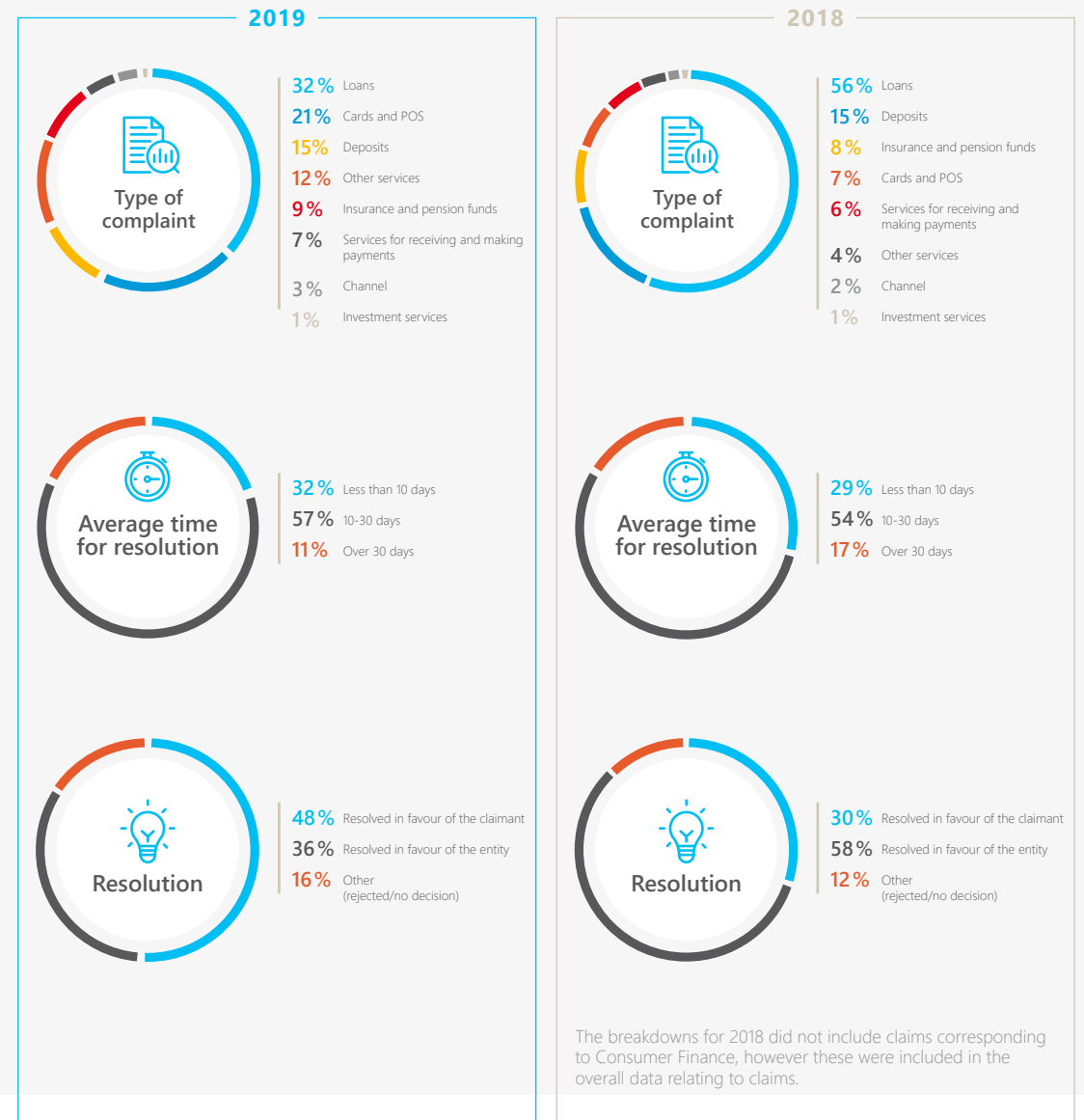
The details of all the complaints received, resolutions issued by the Customer Service Office and the Customer Service Team, and the reports issued by the Supervisory Claims Service, related to business operations in Spain, are presented in Note 42.2. "Customer services" of the attached consolidated annual financial statements.

### Complaints received

	2019	2018
Customer Service - CaixaBank	75,766	83,124
Submitted to Supervisor's complaints services	1,322	2,151
Bank of Spain	1,116	1,900
Comisión Nacional del Mercado de Valores (Spanish securities market regulator)	85	81
Directorate-General for Insurance and Pension Plans	121	170

BPI customer services received 11,490 complaints in 2019. During the year, 10,645 resolutions were concluded, of which 446 corresponded to 2018 (17,527 concluded in 2018). 16% of these were resolved in favour of the customer (13% in 2018).

## BREAKDOWN AND MANAGEMENT OF COMPLAINTS RECEIVED BY THE CSO



## Commitment to transparency with shareholders and investors

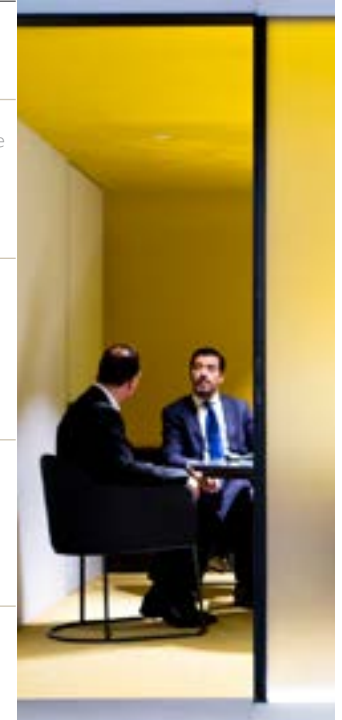
### SHAREHOLDERS

General Shareholders' Meeting	Held on <b>5 April in Valencia</b> . The shareholders approved the <b>management and results for 2018</b> , and the <b>proposals</b> made by the Board of Directors
Shareholder service (telephone, e-mail and video call)	1,600 contacts with shareholders
Annual opinion surveys	The Global Reputation Index and the Materiality Study, among others, reflect the views of shareholders
Shareholder Advisory Committee	Non-binding advisory body, a pioneering initiative in the IBEX 35  3 meetings and 1 volunteer project in 2019
Weekly, monthly corporate newsletter, e-mails and SMS/push with shareholder alerts	
Corporate meetings	45 meetings with 1,834 participants  68% increase in shareholders reached thanks to presence in Store branches  New virtual corporate meeting
Aula training programme	14 face-to-face courses and 16 webinars with a total of 2,588 participants



### INVESTORS AND ANALYSTS

Investor Relations Department	
Roadshows and talks with institutional investors	541 meetings with equity and fixed-income investors in the main financial centres
Annual opinion surveys	The Global Reputation Index and the Materiality Study, among others, reflect the views of investors and analysts
Meetings with analysts (financial and sustainability)	+300 analysts' reports published on CaixaBank, including sector reports with analysis of CaixaBank
Contacts with rating agencies	



## >> Programme **Aula**

Aula is a training programme on economics and finance aimed at CaixaBank's shareholder base. We are committed to financial training through face-to-face courses, webinars and video conferences.

Following its launch in 2010 and with the new Webinars Aula on-line seminars, CaixaBank's financial training for shareholders has become a benchmark within the IBEX 35. To date **more than 12,000** shareholders have participated in the programme's face-to-face and on-line sessions.



## Tax transparency

The social commitment that characterises CaixaBank's activity is reflected in **responsible tax management** which helps to sustain public finances and make the infrastructures and public services essential for progress and the development of society possible.

CaixaBank's fiscal strategy is aligned with the values that make up its corporate culture and its **low risk profile** in managing compliance with its tax obligations.

CaixaBank understands fiscal risk as the risk of negative effects for financial statements and/or the Group's reputation, arising from tax-related decisions by the organisation or by tax and judicial authorities. Legal/Regulatory Risk in the Risk Taxonomy covers this risk.

In all jurisdictions where CaixaBank operates, it is careful to comply with any tax obligations arising from its economic activity. Tax compliance mainly refers to management:

- i. the payment of its own taxes,
- ii. payment of taxes withheld and paid on behalf of third parties, and
- iii. information and cooperation, as required by government bodies.



CaixaBank Tax Strategy



Tax Risk Control and Management Policy<sup>1</sup>

Documents are available on the CaixaBank website:

[www.caixabank.com](http://www.caixabank.com)



<sup>1</sup>Periodically reviewed. Latest update January 2020.



CaixaBank's DNA


**Strategic  
lines**

 A benchmark  
in responsible  
banking  
and social  
commitment

Transparency


 Non-financial  
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## Voluntary Codes of Good Tax Practice

### Code of Best Tax Practice in Spain

CaixaBank is a voluntary member and participates actively in the Large Companies Forum. The Forum includes the Tax Agency (AEAT) and the main major taxpayers, whose aim is to extend and deepen their cooperative relationship through a forum where the main tax issues can be analysed jointly and sector by sector.

- Approved by the Large Companies Forum.
- It contains a series of recommendations, voluntarily assumed by both the Tax Agency and companies, to improve the tax system through:
  - Increased legal certainty.
  - Mutual cooperation based on good faith.
  - Legitimate trust.
  - The application of responsible tax policies in companies with the knowledge of their governing bodies.

### Code of Tax Practice for UK Banks

## Interpretation of tax rules

The payment of taxes is the result of compliance with the obligations imposed by tax regulations.

- CaixaBank takes the following into account:
  - The will of the legislator.
  - The underlying economic reasonableness, in line with the OECD (Organisation for Economic Cooperation and Development) tax principles embodied in the BEPS (Base Erosion and *Profit Shifting*).
- Our interpretation of tax regulations is verified by tax consultants of recognised standing, when the complexity or importance of the issue requires it, and we may request clarification from the tax authorities, if this is deemed necessary.
- Decisions on tax matters resulting from these interpretations are subsequently reviewed by CaixaBank's external auditors. In order to safeguard the independence of CaixaBank's audit, it does not employ the professionals who audit its accounts as tax advisers.
- As a corollary of the reasonableness of the interpretation of tax regulations to meet tax obligations, the tax inspectorate verifies compliance with these obligations.
- The low risk profile that characterises the CaixaBank Group's decisions on tax matters is reflected in the non-materiality of tax adjustments.

## Conclusion

The interpretation of tax regulations by CaixaBank results in fair and reasonable tax management in accordance with applicable tax legislation.

## Tax contributions handled by the CaixaBank Group

### >> OWN TAXES

#### Taxes paid by CaixaBank

##### Direct taxes

- Corporate income tax
- Business and property taxes

##### Indirect taxes

- Non-deductible VAT payments
- Duty on transfers of assets and documented legal transactions (ITP-AJD)
- Employers' social security contributions

### >> THIRD PARTIES' TAXES

#### Contribution to the collection on behalf of the tax authorities of taxes payable by third parties arising from their economic relationship with CaixaBank

- Personal income tax withholdings on salaries, interest and dividends received
- Employees' social security contributions
- VAT paid in to the Tax Agency

### >> TAXES COLLECTED

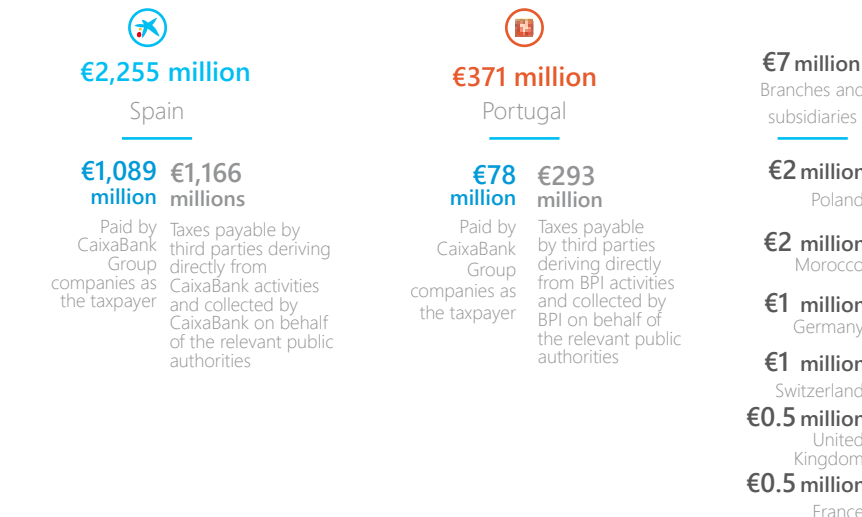
#### Contribution to the collection of taxes on behalf of the tax authorities of Spain, its autonomous regions and local authorities.

- Through the branch network, ATMs and on-line channels

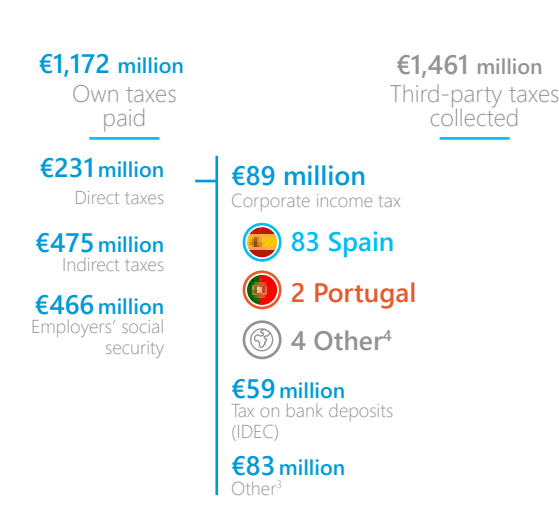
### >> OWN TAXES AND TAXES COLLECTED FROM THIRD PARTIES IN 2019<sup>1</sup>

**€2,633 million**

#### BY LOCATION



#### BY TYPE



€2,077 million

consolidated profit before tax

36%

Total tax rate<sup>2</sup>

<sup>1</sup> Based on the cash flows of all taxes related to banking activities, paid and collected, rather than the taxes accrued and disclosed in the annual financial statements.

<sup>2</sup> The total tax rate is measured as a percentage of all taxes paid divided by profit before all said taxes (1,170/(1,170+2,077))=36%.

<sup>3</sup> This mainly corresponds to Business Tax (€25 million) and Property Tax (€22 million)

<sup>4</sup> €3.3 million 1.2 Poland, 1.1 Switzerland, 0.8 Morocco and 0.2 Germany.

>> CAIXABANK AS A PARTNER ENTITY IN THE HANDLING OF TAX AND SOCIAL SECURITY CONTRIBUTIONS

Amount of public authority receipts and payments handled in 2019

**€79,200 million**  
Receipts

**€29,800 million**  
Payments

CaixaBank's role in combating tax evasion and fraud

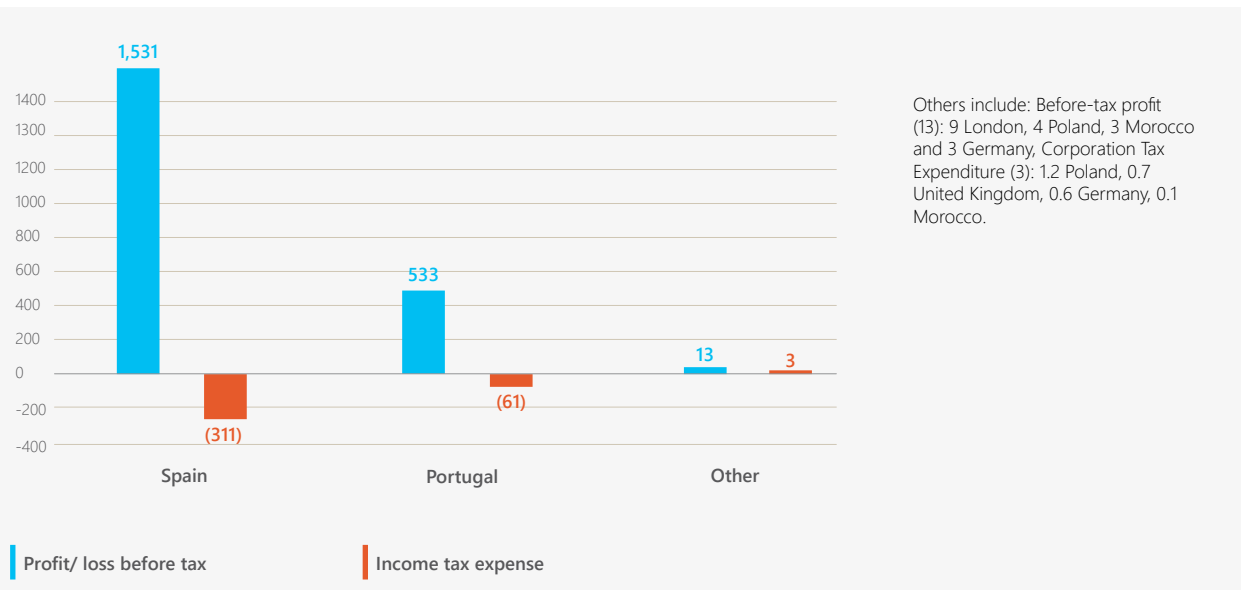
**3,200 applications**

Individual requests for information received from the Spanish authorities

**13,900 seizures**

processed on behalf of the Spanish authorities

>> DETAIL OF CAIXABANK GROUP'S PROFIT BEFORE TAX AND CORPORATION TAX ACCRUED IN 2019, DISTRIBUTED BY GEOGRAPHY IN MILLIONS OF EUROS



The cash outflow related to the corporate income tax expense does not correspond to the amount disclosed in the consolidated statement of profit or loss. This is mainly due to timing differences between when the cash flows occur and the period in which the corporate income tax accrues for accounting purposes. CaixaBank has unused tax credits dating back to the last financial recession affecting Europe.



### CaixaBank's stance on tax havens

As a general rule, CaixaBank avoids operating in jurisdictions classified as tax havens. Nor does it use tax structures that involve such territories or low and zero-tax territories when there is no real economic substance for such structures. Any investment in entities that are domiciled in territories classified as tax havens is subject to a prior report on the economic basis for the investment and the approval of the Board of Directors, confirming that the reason for locating the business in this territory is not to reduce CaixaBank's tax obligations or to make its activities less transparent.

CaixaBank's policy on tax havens is based on the principles set out in the Group's statutory documents:



Code of Ethics



Tax Strategy



Legal Risk and Control Management Policy

Tax risk is included in this policy

CaixaBank does not currently have any direct holdings in territories classified as tax havens.

### CaixaBank Group activity in Luxembourg

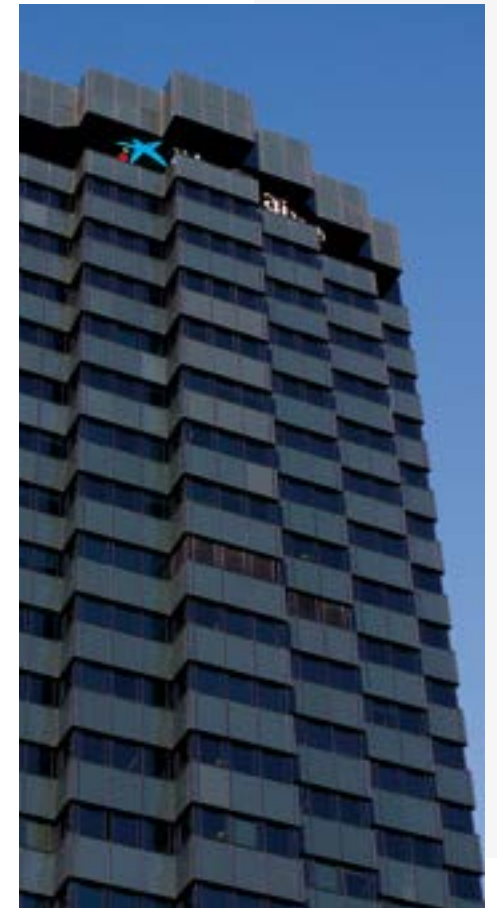
Luxembourg is a key jurisdiction for the financial sector for a number of reasons:

- The **efficiency** in financial matters: thanks to a specialist focus on investment products, financial services providers can offer attractive yields.
- Its high levels of legal **protection** based on the prompt application of legislation and a stable legal system.

For these reasons, the CaixaBank Group decided to expand and offer its investment services in Luxembourg in order to establish a presence in a key global market for investment management, reaching more international and domestic customers.

#### >> PRINCIPLES GOVERNING THE CAIXABANK GROUP'S ACTIVITIES IN LUXEMBOURG

- CaixaBank Group operations in Luxembourg are, like those of the entire Group, completely transparent and subject to the controls required of a regulated business, supervised by bodies that adhere to common European and international standards.
- CaixaBank has adopted the OECD's fiscal principles, as set out in the Base Erosion and Profit Shifting (BEPS) project. It does not use artificial corporate structures to transfer profits to low-tax jurisdictions. Any international expansion of its business, therefore, has real economic substance.
- The identities of our investors in Luxembourg are disclosed to the tax authorities to ensure they meet their tax obligations within a framework of complete transparency.



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## Financial inclusion

Financial inclusion is a key factor in reducing extreme poverty and promoting shared prosperity. It is vital, therefore, to make financial services available to everyone and to improve physical and technological accessibility to encourage the inclusion of people with physical or cognitive difficulties.

CaixaBank issued its first **Social Bond**<sup>1</sup> in September 2019, in line with its mission of: *"Helping to ensure the financial well-being of our customers while pursuing social progress"*. This initial issue funds loans designed to fight poverty, create decent jobs and boost employment in disadvantaged areas of Spain, in line with the United Nations' Sustainable Development Goals. The funds will support loans granted in the three years prior to the issue, while 25% will be used for new loans granted in the issue year.

<sup>1</sup> Sustainable Development Goals (SDGs) Framework, Sustainalytics Second-Party Opinion and Inaugural Social Bond SNP Issuance on corporate website, [https://www.caixabank.com/inversores-institucionales/inversores-renta-fija/bonos-ods\\_en.html](https://www.caixabank.com/inversores-institucionales/inversores-renta-fija/bonos-ods_en.html)

### SDG 1



Funding loans granted by MicroBank to individuals or families who live in Spain, whose total available income is 17,200 euros or less, to fund daily needs such as health care, education or household and vehicle repairs.

### SDG 8



Funding loans granted to self-employed workers, micro-businesses and small businesses operating in Spanish provinces with lower per capita GDP and/or a higher unemployment rate.

CaixaBank has also participated as *joint bookrunner* in the placement of 2 sustainable bonds totalling €1,350 million, in addition to the Bank's own social bond. In 2019, CaixaBank also participated in the placement of 4 green bond issues with a total volume of €2,550 million.



**€1,000 million**

5-year **Social Bond**  
(non-preferred senior debt)



**≈ €1,500 million**

Objective 2019-2021 SP  
SDG bond issues



**Enel**  
Sustainability-linked Bond  
**€750 million**

Maturity 2027-XS2066706909  
October 2019



**Basque Government**  
Sustainable Bond  
**€600 million**

Maturity 2029-ES0000106635  
April 2019



**CaixaBank**  
Inaugural Social Bond  
**€1,000 million**

Maturity 2024-XS2055758804  
September 2019



**FCC – Environment Services**  
Inaugural Green Bond  
**€600 million**

Maturity 2023-XS2081491727

**€500 million**

Maturity 2027-XS2081500907

**Joint Bookrunner**, December 2019



**Prologis**  
Green Senior Unsecured  
**€450 million**

Maturity 2029-XS2021462440

**Passive Joint Lead Manager**

June 2019



**Enel**  
Senior Green Bond  
**€1,000 million**

Maturity 2025-XS1937665955

**Joint Bookrunner**,

January 2019



MicroBank, the Group's social bank, is a leader in the field of social inclusion, using micro-loans and lending with a social impact. MicroBank's strategy focuses on meeting needs that are not always covered by traditional lending systems, while maintaining the rigour and sustainability criteria of any bank.

MicroBank in 2019

**€725 million**

granted in 2019 / Target SP 2019-2021 ≈ €2,180 million

**€773 million**  
in 2018

**99,328**

micro-loans and social impact loans granted

**116,789**  
in 2018

**20,174**

jobs created with micro-credit support

**9,002**

new businesses launched with micro-credit support

**€1,583 million**

outstanding portfolio balance at 31 December 2019

**2.3 %**

ROA

**2.1 %**  
in 2018

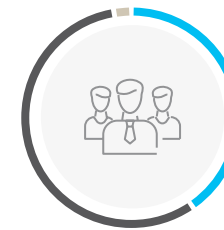
**5.4 %**

cumulative non-payment of matured loans

**4.3 %**  
to 31 December 2018

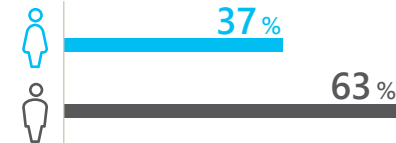
MicroBank customer profile

>> MICROBANK CUSTOMERS



>> ENTREPRENEURS

Average age of applicants: 42



>> FAMILIES

Average age of applicants: 44



## Goals

1. **Job creation:** launch or expansion of businesses through granting micro-credits to business people and micro-businesses.
2. **Encouraging business:** concession of financial support to self-employed workers, micro-businesses and social companies in order to boost the economy through the launch and consolidation of businesses, generating a positive impact on society.
3. **Personal and family development:** meeting the financial needs of people on low incomes through micro-credits and help to get through difficult periods.
4. **Financial inclusion:** giving new customers access to banking services through CaixaBank's extensive commercial network, as well as equal access to credit.
5. **Generating social and environmental benefits:** providing financial support to projects that have a positive and measurable impact on society.

## Main lending products

1. **Micro-credits:** collateral-free loans of up to €25,000 granted to individuals whose economic and social circumstances make access to traditional bank financing difficult.

### a. Families

- i. 79,789 operations in 2019 totalling
- ii. €412.7 million
- iii. with an average value of €5,172

### b. Businesses

- i. 16,812 operations in 2019 totalling
- ii. €203.6 million
- iii. with an average value of €12,110

2. **Other financing with social impact** Entrepreneurship and innovation, Social economy, Education and Health.

- i. 2,727 operations in 2019 totalling
- ii. €108.5 million
- iii. with an average value of €39,802

» The support of leading European institutions in the promotion of entrepreneurship and micro-businesses is key to the achievement of MicroBank's goals



European Investment Fund (EIF)



Council of Europe Development Bank (CEB)



European Investment Bank (EIB)



## Employment and Social Innovation (EaSI) programme

In July 2018, MicroBank signed a new partnership agreement with the EIF. This new initiative, covering losses due to insolvency, facilitates and encourages lending to companies and entities involved in the social economy.



# 141 operations

signed since October 2018  
(€17.6 million conceded)

The **612 companies** with which CaixaBank has signed partnership agreements to promote self-employment are also of vital importance. These partner entities help us to **better assess** the operations, based on their knowledge of the customer, **provide technical support to entrepreneurs, and contribute to extending the distribution network** for MicroBank products and services.



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## Local accessible banking

CaixaBank's understanding of financial inclusion also means local, accessible banking, with an unwavering commitment to stay close to its customers.

### >> CLOSE TO CUSTOMERS

CaixaBank is committed to maintaining its branch network and providing flexible services in towns and villages with a population of **less than 10,000 inhabitants** in order to ensure its financial inclusion model is sustainable. It is also committed to keeping branches open where it is the only bank operating.

**100%** Spanish towns and villages > 10,000 inhabitants with a CaixaBank presence (100% in 2018)

**94%** Spanish towns and villages > 5,000 inhabitants with a CaixaBank presence (94% in 2018)

**229** Spanish towns and villages where CaixaBank is the only bank (203 in 2018)

**91%** Residents (in Spain) have a branch in their municipality (91% in 2018)

**85%** of Portuguese towns and villages > 10,000 inhabitants with a BPI presence

### >> ACCESSIBILITY

CaixaBank uses a broad definition of accessibility, which means not just offering the greatest range possible of channels for accessing its products and services, but also striving to ensure that these channels can be used by as many people as possible. CaixaBank therefore works to **eliminate any physical and sensory barriers** that could prevent people with disabilities accessing its premises, products or services.

In order to continue offering the best possible service to its customers, CaixaBank is affiliated to the European Commission's APSIS4all programme. The aim of this programme is to develop the technologies needed to ensure that everyone, whatever their needs and preferences, can independently operate self-service terminals such as ATMs. The latest ATM model, which incorporates new technologies including NFC Contactless, has been developed with an interface that adapts to the needs of each user: bigger buttons, less text, high colour contrast, a voiced operating guide, option selection using a cursor instead of the touch screen, and help with sign language. This level of personalisation means the ATMs can be fully adapted to meet the needs of every user.

CaixaBank also applies accessibility criteria to all its mobile apps to facilitate their use by people with varying degrees of visual impairment. For example, adapting browsing for voice screen readers or designing screens with high colour contrast and accessible font sizes.



**87%**

Accessible branches



**69**

Branches where barriers have been removed in 2019

### >> NETWORK OF CAIXABANK ATMs



**100%**

ATMs with video screens providing help in sign language



**99%**

of ATMs are accessible



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## Providing easier access to housing

Mortgages granted to private individuals to buy their main homes represent the largest segment of the Bank's gross lending portfolio, totalling €88,475 million at 31 December 2019 (39% of gross loans to customers).

### Share of home loan market 15.9% in Spain

CaixaBank has an active policy for helping customers with housing problems based around two approaches: firstly providing swift, specialised attention to customers experiencing difficulties, and secondly, developing a social housing programme in partnership with "la Caixa".

The Bank is a signatory to the Spanish Government's Code of Good Practice on the viable restructuring of mortgage debt on the main home of families at risk of exclusion.

CaixaBank has a specialist team providing solutions to customers who are struggling to meet their home mortgage repayments. In 2013 it set up a **Customer Service unit for Mortgage Customers (CSMC)**, a free helpline for customers who have received a mortgage foreclosure notice.

The CaixaBank Group has a social housing programme



981

lieus in 2019  
(1,889 in 2018)



4,119

Calls handled by CSMC in 2019

1

10

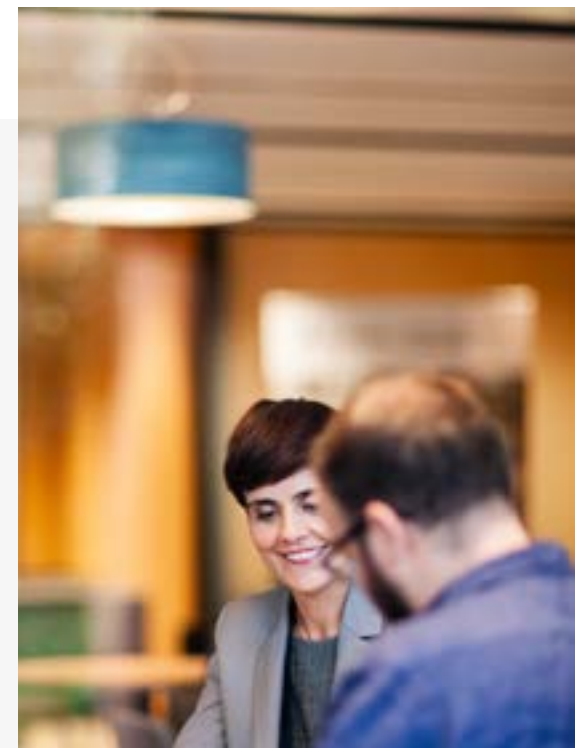
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covering the whole of Spain, aimed at people with fewer resources. It currently manages about 5,000 contracts in partnership with the "la Caixa", within the framework of two specific programmes:

- **2,416 contracts** - Centralised Social Rental Programme, for people whose income has declined. The rent is capped at €300, with a 50% subsidy.
- **2,464 contracts** - Decentralised Social Rental Programme, for people whose mortgage has been foreclosed or cancelled. In this case a subsidy is granted that reflects the person's ability to pay.

Within the framework of the social housing programme, CaixaBank maintains its commitment to the Government's Social Housing Fund and has signed collaboration agreements with various public administrations in the field of housing, making a total of 2,629 homes available.

In 2020 CaixaBank is launching a new management model with a Family Coordinator who will act as an intermediary between the Bank and tenants, helping people get back into work (through referrals to the "la Caixa" Incorpora programme) and providing social mentoring for the family.



## Promoting the financial culture

CaixaBank is aware of the importance of building up the public's financial knowledge, so that people can make better decisions and thus improve their own wellbeing. The Bank has set up or participates in a range of initiatives to improve the financial knowledge of children and young people, vulnerable sectors of society, customers, shareholders and society in general.

### On-line

**Financial culture website** <https://www.caixabank.es/particular/cultura-financiera.html>.

- "Finance for followers" programme in partnership with Twitter Spain (#Finanzasxafollowers). A series of 6 programmes with influencers in a range of spheres in 2018-2019. The 2019 clips generated a total of 10.5 million views.
- A new edition of "Finance for followers" on Instagram, to mark Financial Education Day, with the participation of 14 influencers, and a total of 440,000 views.
- #deTúatú campaign on CaixaBank's YouTube channel. Financial education videos using a friendly approach and simple language, with 1.0 million views.
- Economía Cotidiana (Daily Finances) podcasts by CaixaBank. Audio podcasts on financial subjects downloadable from the main platforms: ivowx, itunes, Podium Podcast and Spotify.
- New content for shareholders: 5 Aula Talks video conferences with 4,771 views, and 16 webinars with 1,702 participants.
- The CaixaBank Research Twitter handle (@Cbk\_Research) has 4,073 followers.



### Publications

- 654 reports published in 2019 by CaixaBank Research economists.
- "Operación AulaBank", a new comic in the "Las finanzas de Carlota" series, was published in 2019, with the aim of teaching young people about the social role of banks, with an initial print run of 162,000. Earlier comics in the series included "La bici de Lola", teaching children about the value of money and the importance of saving, and "Operación Cupcake", an introduction to how stock markets work.



### Face-to-face training

- 84 talks given by CaixaBank Research economists.
- Workshops on basic personal finances for vulnerable sectors of society.
- 128 workshops on basic personal finances for people with disabilities held in 2019 with 1,636 attendees.
- DialogA, talks in Store branches aimed at children aged 6 to 9 years, to help them learn how to save. 62 talks with 1,963 attendees.
- Courses and training materials for our shareholders.
- 30 sessions of the Aula programme for shareholders with 2,588 attendees.
- CaixaBankFuturo seminars on social planning and saving.
- 308 talks on planning for retirement with 6,445 attendees in 2019.

### Chairs

- The CaixaBank Chair for Corporate Social Responsibility at the IESE Business School to develop and promote responsible social and environmental principles and practices in businesses.

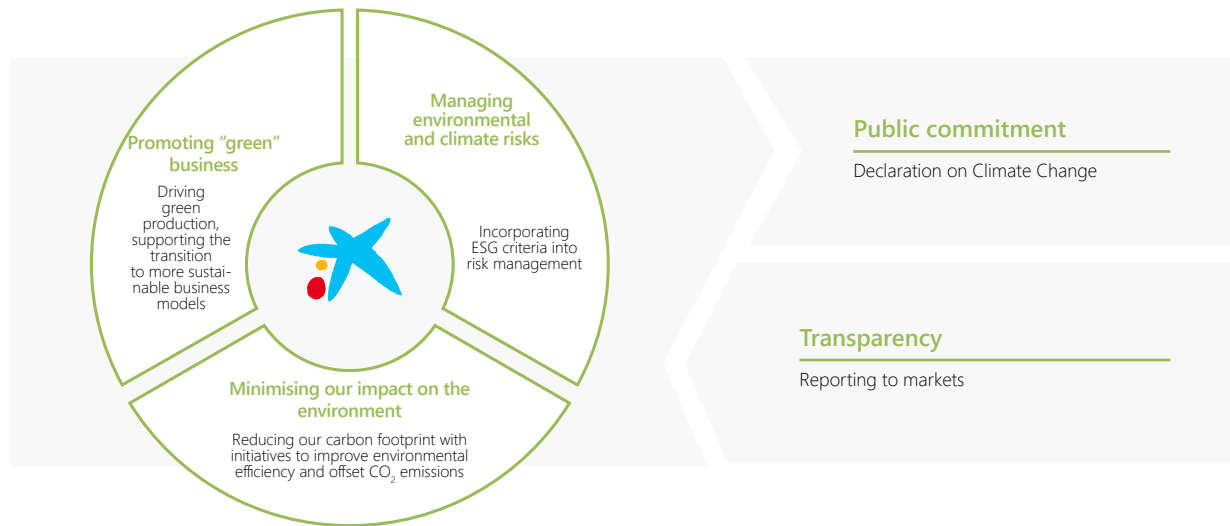
CaixaBank is also one of the entities participating in the Financial Education Plan, developed by the CNMV and the Bank of Spain.



## Environmental strategy

The environment is one of CaixaBank's strategic priorities and one of the five main planks of its Socially Responsible Banking Plan. The Environmental Strategy approved by the Management Committee in line with internal policies and standards, is composed, in turn, of five lines of action:

### ENVIRONMENTAL STRATEGY: Lines of action



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Transitioning to a low carbon economy that encourages sustainable development and is socially inclusive is essential, in CaixaBank's view.

1

In February 2019, CaixaBank published its **Declaration on Climate Change**<sup>1</sup>, which was approved by the Board of Directors, in which it undertakes to take the necessary measures to comply with the Paris Agreement. The Declaration on Climate Change is a declaration of intent based on the five lines of the Bank's Environmental Strategy.

The Declaration argues that climate change is one of the main challenges facing the planet, with impacts on the physical environment, society and the economy. It is a source of physical and transition risks, as well as opportunities for countries, businesses and people.



2

In December 2019, CaixaBank signed the **United Nations Collective Commitment to Climate Action**. Under this commitment, which was announced within the framework of the Principles for Responsible Banking, banks undertake to align their portfolios to reflect and finance the low-carbon, climate-resilient economy required to limit global warming to below 2 degrees Celsius.

CaixaBank is also a signatory to the Climate Commitment published by the Spanish Confederation of Savings Banks and the Spanish Banking Association.

3

In 2019 CaixaBank established its **2019-2021 Road Map** to roll out its Environmental Strategy.

The **2019-2021 Road Map** to roll out its Environmental Strategy, in line with the Bank's Strategic Plan, which was presented to the Risk Committee, includes the following areas of action:

### Environmental Risk Management Policy

To implement the Environmental Risk Management Policy and review risk concession procedures to take into account regulatory and market changes.

### Definition and roll out of the governance model

To implement a coherent, efficient and adaptable governance model for managing environmental and climate change risks that ensures the CaixaBank Group's targets are met within an appropriate framework.

### Risk Metrics

To develop indicators to measure the CaixaBank Group's compliance with its defined risk appetite, and ensure it meets current legislation on environmental risk management and climate change and the expectations of stakeholders.

### External Reporting

To establish an external reporting model to ensure information on the environment and climate change is publicly disclosed in accordance with the regulations applicable at all times.

### Taxonomy

To structure and categorise customers, products and services in accordance with environmental and climate change criteria in line with current regulatory requirements.

### Business opportunities

To ensure that CaixaBank takes advantage of current and future business opportunities related to sustainable financing and investment within the framework of the Environmental Strategy, including the issue of social and/or green bonds.

<sup>1</sup>The Declaration can be read here: [https://www.caixabank.com/deployedfiles/caixabank/Estaticos/PDFs/responsabilidad\\_corporativa/Declaracion\\_cambio\\_climatico.pdf](https://www.caixabank.com/deployedfiles/caixabank/Estaticos/PDFs/responsabilidad_corporativa/Declaracion_cambio_climatico.pdf)

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## Managing environmental and climate risks

CaixaBank is making progress on the management and analysis of environmental and climate risks in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and the European Commission's Guidelines on Non-Financial Reporting.

Conceptually, the risks associated with climate change are classified as either physical risks or transition risks. The first arise as a result of climate or geological events and changes in the balance of ecosystems and may be gradual or abrupt. They can cause physical damage to assets (infrastructure, properties), disruption to production or supply chains and/or may affect the productivity of economic activities (agriculture, energy production). Transition risks, meanwhile, are associated with the fight against climate change and the transition to a low-carbon economy. They include factors such as changes in regulations and standards, the development of alternative energy-efficient technologies, changes in market tastes or reputational issues affecting the sectors that cause the greatest damage.

CaixaBank actively manages environmental risks and those associated with climate change through the lines of action set out in its Road Map.

### Environmental Risk Management Policy

The Environmental Risk Management Policy was approved by the Board of Directors in February 2019. The main subsidiaries (BPI, Vidacaixa and CaixaBank Asset Management) have approved their own policies, aligned with that of CaixaBank, taking into account the specific nature of their businesses.

The policy established the Group's global principles for managing environmental risk. Environmental risk is one of the ESG (environmental, social and governance) risks and it is managed via the lines of action set out in CaixaBank's Environmental Risk Management Strategy.

The Environmental Risk Management Policy establishes criteria to be built into the Bank's procedures for accepting new customers and operations, with general and sector-based exclusions whereby CaixaBank will not assume credit risk linked to activities that could have a significant environmental impact. The following sectors are specifically excluded:



The Environmental Risk Management Policy is published on CaixaBank's corporate website

A questionnaire to assess and classify customers and operations forms part of the environmental risk analysis built into the credit process for business and corporate customers. The most complex operations are assessed by specialised analysts from the Corporate Directorate of Environmental Risk Management.

A number of additional processes have been established to assess ESG risks within the framework of applying the Equator Principles, which CaixaBank signed in 2007.



In 2019, the Corporate Environmental Risk Management Department evaluated 100 operations

## Equator Principles

### Scope

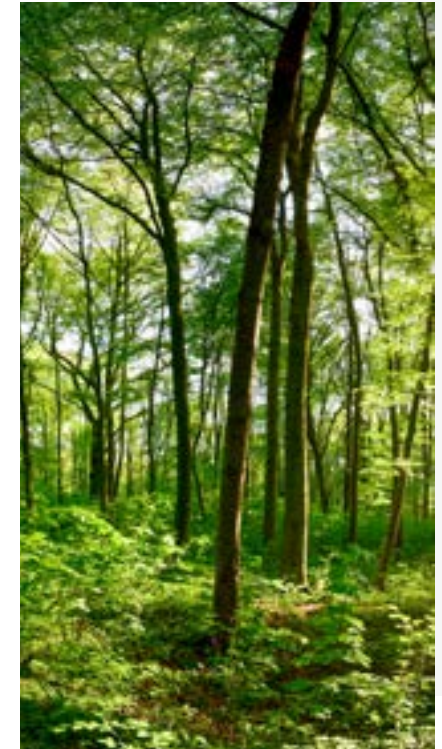
- Project finance and project finance advisory services where total project capital costs are US\$10 million or more.
- Project-related corporate loans with a total aggregate loan amount of at least US\$100 million and an individual commitment by CaixaBank of at least US\$50 million, and a loan term of at least two years.
- Bonds linked to projects in an amount of at least US\$10 million.
- Bridge Loans with a term of less than two years that are intended to be refinanced by project finance or a project-related corporate loan that meet the aforementioned criteria.
- CaixaBank voluntarily applies this procedure to syndicated operations with a term of 3 years or more and when CaixaBank's individual commitment is between €7 million and €35 million. The procedure also applies to other operations to finance investment projects with a minimum term of 3 years and a minimum amount of €5 million when the holder is a medium-sized, large or very large legal entity.

### Application

- Projects with high and irreversible risks and potential impact, where it is not deemed possible to establish a viable action plan, or projects that contravene the Bank's corporate values, are rejected.
- In other instances, an independent expert is appointed to evaluate each borrower's social and environmental management plan and system. Projects are classified as category A, B or C according to the risks and potential impacts detected in the due diligence process carried out by teams from the commercial and risk areas, together with external experts.
- Category A and certain Category B projects may have potentially significant adverse impacts. In these cases, an action plan must be drawn up to help prevent, minimise, mitigate and remedy the adverse social and environmental impacts.

In 2019, the Bank financed 15 projects with a total investment of €16,190 million, of which the Bank's individual commitment amounted to €1,412 million.

The assessment carried out to categorise the projects was performed with the support of an independent expert.



Project category	Operations financed			
	2018		2019	
	(no.)	€ million <sup>1</sup>	(no.)	€ million <sup>1</sup>
Category A (projects with significant potential environmental and social risks)	1	99	2	313
Category B (projects with limited potential ESG risks which are easy to mitigate)	7	504	13	1,099
<b>Total</b>	<b>8</b>	<b>603</b>	<b>15</b>	<b>1,412</b>

<sup>1</sup>The amounts disclosed may vary due to changes to the terms of the loans granted occurring close to the reporting date. The 2018 data have been updated according to the best information available at the conclusion of the year.



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## Definition and roll out of the governance model for environmental and climate change risk

The highest management body with responsibility for managing environmental risk is the **Environmental Risk Management Committee**, which was set up and approved by the Board of Directors in February 2019. The Committee reports to the Management Committee, is chaired by the Chief Risk Officer and is composed of members of the Bank's Management. It is responsible for analysing and, where appropriate, approving proposals made by the Bank's functional areas with regard to its strategic position on Environmental Risk Management, in addition to the front-line identification, management and control of the risks associated with this area.

In late 2018 a **Corporate Directorate for Environmental Risk Management (DGR-MA)** was created, reporting to the Directorate General for Risk. This new directorate is responsible for managing environmental and climate-related risk. The DGRMA coordinates the implementation of the Road Map and oversees the analysis of environmental risk within the Bank's risk concession processes.

The targets of the CEO, the Chief Risk Officer and the Director General for Environmental Risk Management include indicators linked to the management of environmental and climate-related risk.

<sup>1</sup> Data on CaixaBank Group's carbon-intensive equity, fixed income and credit exposure. Some exposures may contain a mix of power generation that includes renewable energies. The figure published in the 2018 Consolidated Management Report has been restated to reflect improvements in the processes used to identify operations in the portfolio.

## Risk Metrics

The lending portfolio is managed with the intention of aligning its indirect impact on climate change with the Bank's risk appetite and its commitment to sustainability goals. Since 2018, therefore, it has measured its lending exposure to economic activities considered to be linked to high CO<sub>2</sub> emissions.

For better comparability, the main indicator is based on the definition suggested by the Task Force on Climate-related Financial Disclosures (TCFD), and includes exposure to activities linked to the energy and utilities industries, excluding renewables (carbon related assets, as defined in Implementing the Recommendations of the TCFD). In 2018 and 2019, such activities accounted for around 2% of the total financial instruments portfolio<sup>1</sup>.

Additional management metrics are currently being developed.



See CaixaBank's response to TCFD recommendations in the section **Statement of non-financial disclosures - TCFD**

## Reporting

CaixaBank is committed to complying with the transparency recommendations of the TCFD, a work group of the Financial Stability Board set up to raise awareness of climate-related risks and opportunities through financial reporting, in order to encourage market participants to take them into account.

Since mid-2019 CaixaBank has been participating in the second UNEP FI pilot project to implement TCFD recommendations in the banking sector (The focus is on the development and/or adaptation of existing methodologies and tools for analysing physical and transition climate risk scenarios. Within the pilot project, CaixaBank focuses on sectors that are sensitive to transition risk arising from climate change and which form a material part of its lending portfolio, such as Oil & Gas and Utilities. The methodology being developed within the framework of the UNEP FI project involves taking forecast models of the socio-economic impact of climate change developed by experts, such as changes in fuel prices and taxes, changes in fuel demand or new technologies, and scaling them to produce models applicable to companies. Changes in emission charges, capital costs and income are first transferred to the individual rating of a sample of customers and then extrapolated to the reference portfolio. Based on this methodology, case studies are being developed.







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## Promoting "green" business

Climate change involves risks, but it also offers business opportunities for financing activities that contribute to mitigating climate change or help us to adapt to it. CaixaBank is committed to green production through the design and marketing of products that integrate environmental criteria and environmentally sustainable activities that contribute to the transition to a low-carbon economy.

CaixaBank already has specialist staff in some of the business segments which are most sensitive from the viewpoint of climate and environmental risk, including the real estate sector, infrastructure and energy projects and agriculture, with a view to facilitating customer engagement in the transition to a low-carbon economy (engagement). In 2019, workshops were held with customers engaged in the real estate, consumer products, agriculture and CIB/corporate banking segments to promote green business and establish environmentally sustainable production targets.

### Taxonomy

The EU is developing a European standard for the classification of economic activities according to their environmental risk. The Taxonomy is a European standard for determining whether an economic activity contributes significantly to climate change mitigation without damaging other EU environmental objectives. CaixaBank intends to implement this standard wherever it is applicable once it is approved. In this regard, CaixaBank is working in the following areas:

- In November 2019, CaixaBank joined the UNEP FI working group to draw up a guide for banking to adapt to the EU taxonomy (High Level Recommendations for Banks on the application of the EU Taxonomy).
- In line with the draft of the European Union taxonomy (Taxonomy Technical Report – June 2019) operational and documentary criteria have been established for the classification of operations in some sectors, including projects for renewable energy and the real estate sector.
- A project has been launched to enable CaixaBank's IT systems to collect information on energy efficiency certificates for home purchase financing operations from 2020.



Pending the approval of the European Union Taxonomy of environmentally sustainable activities, CaixaBank currently considers the following categories:

- Financing energy-efficient properties
- Renewable Energy projects (wind, photovoltaic, thermosolar, etc.).
- Loans classified as "green" according to the Green Bond Principles (GBP) established by the International Capital Markets Association (ICMA)
- Eco-loans for financing energy-efficient home refurbishment and the purchase of energy-efficient vehicles and domestic appliances
- Eco-financing for the agricultural sector
- Financing for the installation of solar panels on buildings
- Loans linked to sustainability indices
- EIB Climate Action Lines
- Financing eligible within the framework of the bond issue linked to CaixaBank's Sustainable Development Goals.

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## Sustainable environmental financing

### >> ENERGY EFFICIENT REAL ESTATE LENDING

Operations for which there is documentary evidence of an energy efficiency certificate with A or B rating are considered environmentally sustainable. CaixaBank is adapting its information systems and loan allocation processes to input information and documentation regarding the energy certificate when operations are formalised.

Energy information concerning planned property developments is also included. The promotions formalised in 2019 include operations for €938 million with A or B rating.

### >> POSITIONING IN THE GREEN LOAN MARKET WITH GLP CERTIFICATE

In 2019, CaixaBank was ranked 13th in the green loan market Global Mandated Lead Arranger, participating in 11 green loans for a volume of US\$1,546 million. All these loans obtained the Green Certificate, based on the criteria of *the* Green Loan Principles established by the ICMA.

### >> RENEWABLE ENERGY - PROJECT FINANCE

As part of our commitment to combating climate change, we finance renewable energy projects. In 2019, we helped to finance 28 projects for a total of € 2,453 million, funding 8,322 MW of installed renewable power. Since 2011, CaixaBank has financed renewable energy projects with over 32,000 MW of installed power.

CaixaBank's energy portfolio accounts for 51% of all project financing. Of these projects, 62% are renewable energy projects.

### >> LOANS LINKED TO SUSTAINABLE INDEXES

In 2019 CaixaBank gave 11 loans for a total of €919 million which were conditional upon recognition of good performance by the company regarding sustainability, measured according to ESG indicators applied by independent bodies.

## Portfolio exposure renewable energy



58%

Wind

31%

Photovoltaic

10%

Solar thermal

1%

Other



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>> **ECOFINANCING**

CaixaBank has specific financing lines for buying environmentally-friendly vehicles and household appliances, investing in energy efficient housing, promoting investments to make resources more efficient and reduce their environmental impact.

Since 2013, CaixaBank has implemented an EcoFinancing line to make more loans available for agricultural projects related to energy efficiency and water use, organic farming, renewable energy, waste management, and the development of rural areas.

In 2019, the Company granted a total of 505 loans for €10.2 million linked to EcoFinancing.

>> **CLIMATE ACTION LINES**

The €30 million credit line agreement signed by CaixaBank with the European Investment Bank (EIB) in 2018 to fund projects by SMEs, individuals, and the public sector to combat climate change (especially electric vehicles, modifications to facilities and home improvements) is still in place.

>> **BPI**

Aware of the importance of adopting measures to guarantee environmental sustainability in our products, we offer different credit lines that promote energy efficiency and support various renewable energy investment projects. In 2019, total financing granted amounted to €133 million, in the following categories:

<i>In millions of euros</i>	<b>Conceded in 2019</b>	<b>Portfolio exposure</b>
<b>Renewable energy</b> Accounts for 32% of all project financing	<b>38</b>	<b>332</b>
<b>Urban renovation</b>		
IFRRU, Financial Instrument for Urban Renovation	<b>80</b>	<b>202</b>
Jessica Line	<b>8</b>	<b>259</b>
European Investment Bank-Energy Efficiency in Business	<b>7</b>	<b>9.4</b>

**Green Bonds**

In July 2019, the Board of Directors approved the bond issuance framework linked to CaixaBank's Sustainable Development Goals, including Green Bonds and aligned with the Sustainable Bond Principles, Green Bond Principles and Social Bond Principles. The framework envisages the issue of green bonds, although during 2019 none were issued.

CaixaBank has been a signatory of the Green Bond Principles established by the International Capital Markets Association (ICMA) since 2015. Since then, the Bank has participated in the placement of green bonds for projects with a positive impact on climate.

In 2019, CaixaBank participated in the placement of 4 green bond issues for investment in sustainable assets with a total volume of €2,550 million (€1,300 million in 2018).

**GREEN BONDS**



**FCC – Environment Services**  
Inaugural Green Bond  
€600 million  
Maturity 2023-XS2081491727  
€500 million  
Maturity 2027-XS2081500907  
**Joint Bookrunner.** December 2019



**Prologis**  
Green Senior Unsecured  
€450 million  
Maturity 2029-XS2021462440  
**Passive Joint Lead Manager**  
June 2019



**Enel**  
Senior Green Bond  
€1,000 million  
Maturity 2025-XS1937665955  
**Joint Bookrunner.** January 2019

**Investment products - MicroBank Ecological Fund**

CaixaBank markets the MicroBank Ecological Investment Fund, an international equity fund that invests in a selection of environmentally responsible funds in sectors such as renewable energy, organic food, recycling and waste water treatment, among others.

Managed by CaixaBank Asset Management, it is the first Spanish fund to combine the search for good returns with respect for the environment.



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## Minimising our impact on the environment

The **Environmental and Energy Management Principles** emphasise the Bank's commitment to driving efficient and environmentally friendly technologies, integrating environmental and energy-related criteria in its range of products and services, and supporting initiatives to fight climate change.

In 2019, the **2019-2021 Environmental Management Plan** was approved, in line with the Bank's Environmental Strategy, its main objective being to help minimise CaixaBank's environmental impact and enable it to comply with its environmental commitments and certifications.

### >> FOCUS OF THE 2019-2021 ENVIRONMENTAL MANAGEMENT PLAN

1

#### Carbon Neutral Strategy

Minimising and compensating for all estimated CO<sub>2</sub> emissions that could not be avoided.

2

#### Environmental efficiency measures and certification

Minimisation of the Bank's impact, implementation of new energy saving measures and renewal of certification and environmental commitments

3

#### Extension of the environmental commitment to the value chain

Action plans for suppliers to assume our environmental values as their own and to comply with the commitments they have made

4

#### Promoting sustainable mobility

Measures to encourage sustainable mobility to minimise emissions by the organisation, its workforce and suppliers

5

#### Commitment, transparency and engagement

Actions of *engagement* with employees, strengthen commitment and improve environmental information for the public



The 2019-2021 Environmental Management Plan sets out quantitative targets for all the years covered by the plan, so that the extent to which it has been successfully implemented can be measured:

Initiative	Objective	Indicators-KPIs	2018	2019	2020	2021
Project Carbon Neutral	Continue to be a <b>Carbon Neutral</b>	% CO <sub>2</sub> emissions offset	100%	100%	100%	100%
		% CO <sub>2</sub> emissions reduced (v. 2015)	-10%	-11.5%	-13%	-14.5%
	<b>100% renewable energy contracted</b>	% energy consumed from renewable sources	99%	99%	99%	99%
Environmental efficiency and certification	<b>Implementation of environmental efficiency measures</b>	Energy savings (%): (v. 2015)	-5.5%	-7.0%	-8.5%	-10%

CaixaBank, S.A.

### >> OTHER INITIATIVES



Sustainable Mobility Plan



Home automation system for the efficient management of energy



Commitment, transparency and engagement

Certifications certification



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CaixaBank, S.A. has implemented and regularly updates **an environmental management system according to standard ISO14001** and an energy management system in accordance with ISO 50001, the scope of which is expanded as needed. Meanwhile, the corporate centre in Barcelona also has an environmental management system that complies with European EMAS regulation 1505/2017.

>> **MINIMIZACIÓN DEL CONSUMO ENERGÉTICO Y DE LA GENERACIÓN DE EMISIONES**

In the Company's buildings and offices, initiatives designed to minimise energy consumption are being developed and implemented. These include the installation of LED lighting and the replacement of air conditioning equipment, etc. In 2019, an automation project was initiated with the aim of monitoring and controlling consumption and implementing new measures to reduce energy use in the company's buildings and branches.

Thanks to all these initiatives, in 2019 CaixaBank S.A. reduced electricity consumption by 4,72% compared to 2018, reaching 151,690 MWh.

In 2019, measures to reduce fuel consumption were also implemented, making a further contribution to reducing emissions. They include the installation of electric vehicle charging points and starting to replace the vehicles in our fleet with hybrid models, within the framework of the Sustainable Transport Plan.

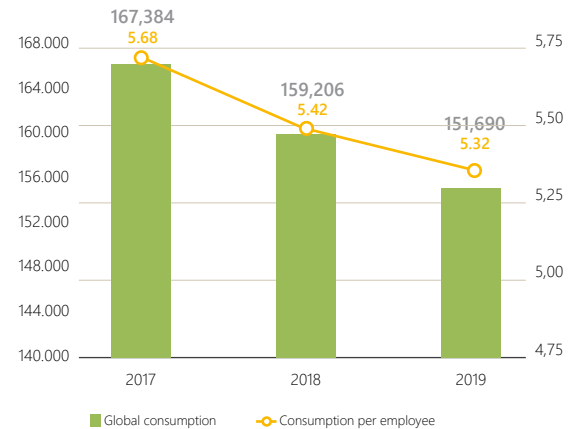
These measures are in addition to other existing measures, such as the installation of private bicycle parking in several corporate centres; the car-pooling programme in territorial centres and the application for sharing taxis; the promotion of remote work, the use of videoconferences and the pilot programme for delivering packages in the last mile by electric roller.

>> **REDUCTION IN CONSUMPTION OF MATERIALS AND WATER**

At CaixaBank, we are working to reduce the consumption of materials and support a policy of purchasing environmentally friendly materials, for example, by reducing paper consumption by using digital processes or purchasing recycled paper.

Within the framework of **the 2019-2021 Environmental Management Plan** and with the aim of reducing the company's impact on the environment, CaixaBank carries out numerous initiatives year after year:

**ELECTRICITY CONSUMPTION - CaixaBank, S.A. (MWh)**



**99.5%**

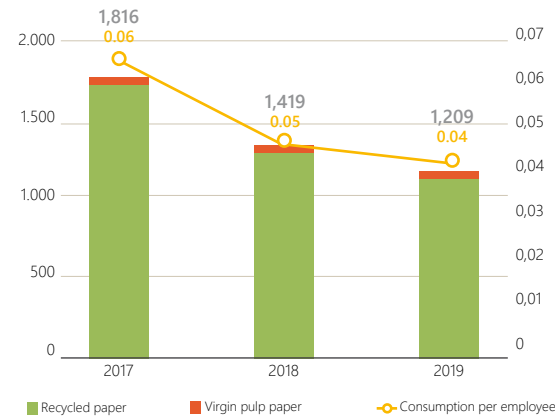
of electrical energy consumed from renewable sources



**-75%**

reduction of CO<sub>2</sub> emissions in the period 2009-2018

**PAPER CONSUMPTION - CaixaBank, S.A. (tons)**



**97.2%**

recycled paper of all paper consumed



**-14.5%**

reduction in paper consumption in 2019 (1,209,068 kg consumed)

<sup>1</sup>Consumption per customer of previous years has been recalculated considering the corresponding average staff (instead of the end of the year).

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The water is mostly used for sanitary purposes and does not represent a significant factor in CaixaBank's environmental management. However, measures are being introduced to reduce consumption, such as the installation of self-closing taps and the replacement of toilet cisterns by others which use less water and have a double-flush mechanism. In unique buildings, the best technologies have been introduced to minimise water consumption associated with the refrigeration processes. Our Data Processing Centres (with LEED gold and LEED silver certification, respectively) thus use cooling-free technology free cooling technology, which uses no water, and in the Barcelona corporate centre the evaporative cooling towers have been replaced by adiabatic towers, with much lower water consumption.



**- 5.22 %**

reduction in water consumption compared to 2018

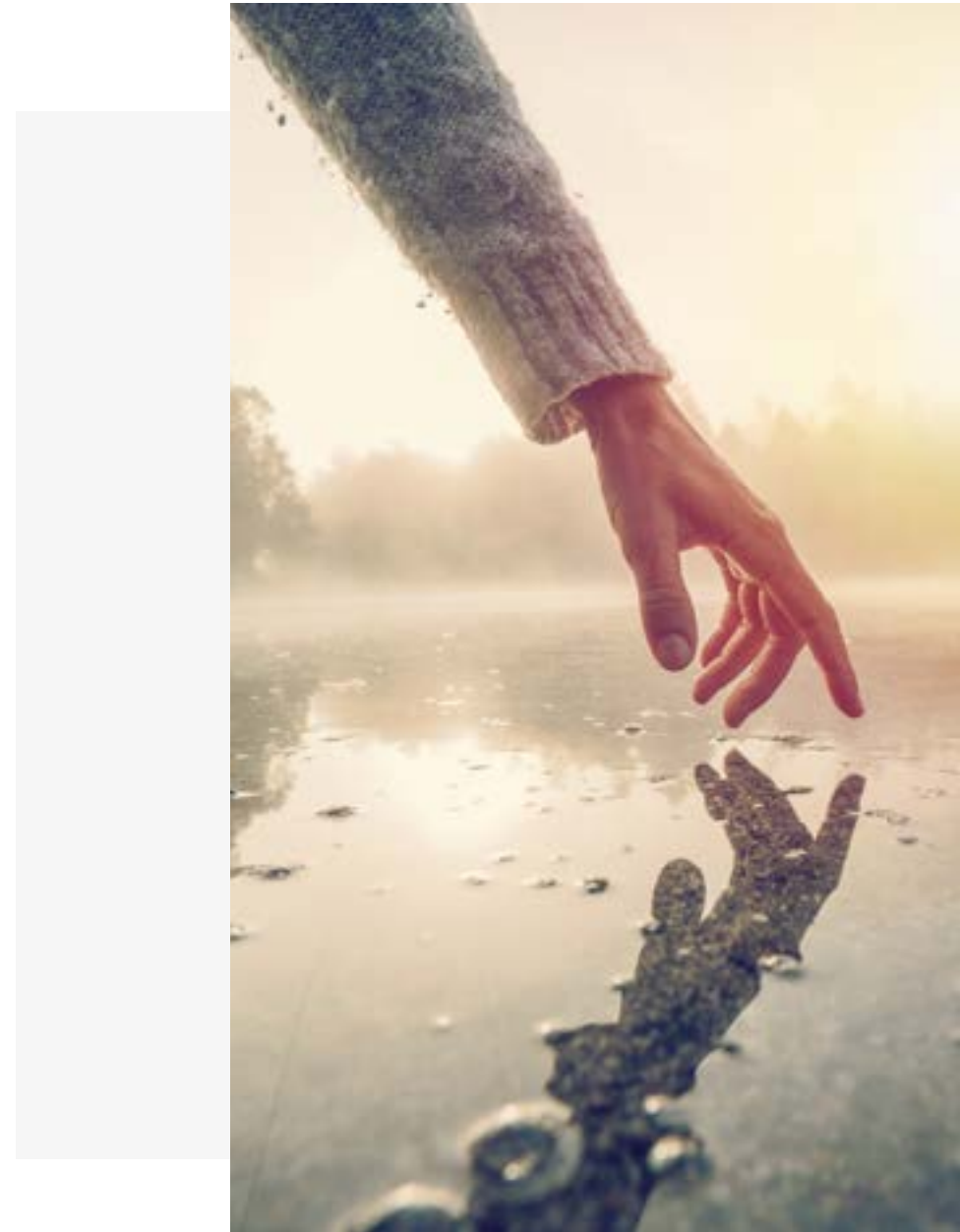
(312,098 m<sup>3</sup> consumed<sup>1</sup> by CaixaBank S.A.)

**>> PROMOTING THE REUSE AND RECYCLING OF WASTE**

In corporate buildings and throughout the branch network, there is selective waste collection (mostly non-hazardous waste) and initiatives are continuously being implemented with the aim of minimising waste generation. Examples include the launch of the project to reduce plastics for water consumption in our branches, recycling bank cards and distributing biodegradable cards.

From 2013, the Integral Plan for the Revaluation of Technological Equipment has promoted the transfer of electronic equipment to non-profit organisations, favouring the circular economy. In 2020, the Plan was extended to office furniture.

<sup>1</sup> Estimate based on a sample of corporate buildings and branches in the corporate network.



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## Carbon Footprint

### Combating climate change



### Calculating the Bank's carbon footprint

Each year CaixaBank carries out an inventory of greenhouse gas (GHG) emissions generated as a result of its corporate activity, to calculate its carbon footprint and establish measures aimed at progressively reducing it



### Reduction in CO<sub>2</sub> emissions

Through the introduction of technological improvements and good environmental practices



### 100% certified renewable energy consumption



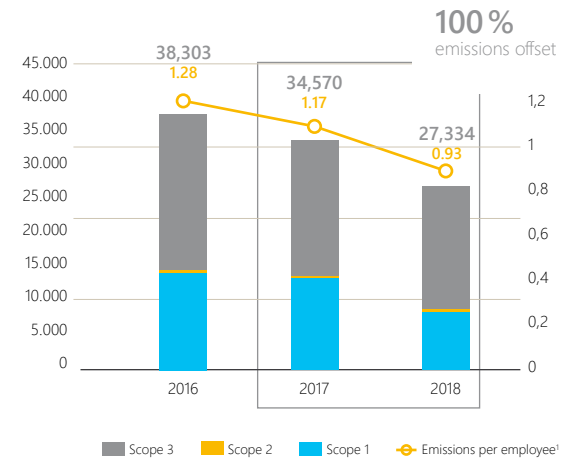
### Offsetting emissions that could not be avoided

Both in corporate buildings and throughout the commercial network (scopes 1, 2 and 3)

Since 2009, CaixaBank S.A. has calculated its carbon footprint as part of its commitment to minimise and offset the Bank's CO<sub>2</sub>. In 2019, we again carried out an inventory of greenhouse gas emissions generated by CaixaBank S.A. in 2018, allowing us to measure the reduction in emissions resulting from the eco-efficiency improvements we have described.

CaixaBank S.A. has been carbon neutral since 2018, when total emissions in 2017 were offset. In 2019, compensation of emissions that could not be eliminated was provided through the participation in a project in Mexico, recognised by Verified Carbon Standard (VCS), consisting of the use of biogas from pig waste to generate energy, as well as two own projects of CO<sub>2</sub> absorption by reforesting burned areas on the mountain of Montserrat, Barcelona, and in the town of Ejulve, Teruel.

### EMISSIONS GENERATED AND PERCENTAGE OFFSET



Indicators-KPIs	2016	2017	2018
t CO <sub>2</sub> eq Scope 1	14,336	13,873	8,576
t CO <sub>2</sub> eq Scope 2	616	377	403
t CO <sub>2</sub> eq Scope 3	23,351	20,320	18,355
t CO <sub>2</sub> eq per employee	1.28	1.17	0.93

Details of the carbon footprint of CaixaBank S.A. are available on the Company's corporate website and are verified by an independent external firm in accordance with the ISO 14064 standard.

Each year, CaixaBank publishes a report, audited by an independent external firm, detailing the main environmental measures taken by the Bank. This report, the *Environmental Declaration*, can be accessed on the CaixaBank website, together with the principles of environmental and energy management.

- For more information, please see the following link: [https://www.caixabank.com/responsabilidadcorporativa/medioambiente\\_en.html](https://www.caixabank.com/responsabilidadcorporativa/medioambiente_en.html)



<sup>1</sup> Consumption per customer of previous years has been recalculated considering the corresponding average staff (instead of the end of the year).

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## Social action and volunteering



CaixaBank's partnership with "la Caixa", its main shareholder, extends to philanthropic and solidarity programmes that help to create opportunities for people and respond to the most pressing social challenges.

CaixaBank promotes initiatives and programmes among its customers, employees and shareholders, while publicising and promoting those of "la Caixa".

» "la Caixa" is the leading foundation in Spain and one of the largest in the world, with an annual budget for its Social Programme of **€545 million in 2019**



<sup>1</sup>Volunteers from the "la Caixa" Volunteers Association who have taken part in at least 4 activities in the last 12 months.

## Decentralised Social Work

Thanks to its capillary nature and proximity to people, CaixaBank's branch network is a very effective means for detecting need, thus enabling "la Caixa" to allocate resources to great effect in all the areas where CaixaBank is present.

**€44.7 million**

of "la Caixa" 's budget has reached a multitude of local social entities thanks to the CaixaBank branch network

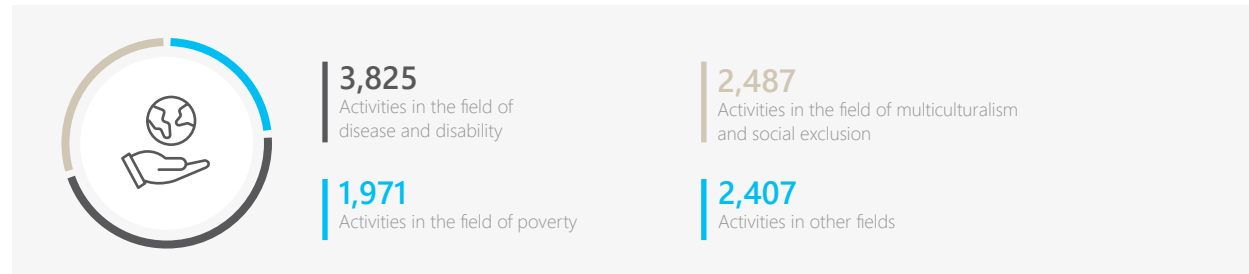
**10,690**

activities related to projects set up by local social organisations

**8,867**

recipient entities

### » TYPES OF PROJECT THAT HAVE RECEIVED FUNDS FROM THE DECENTRALIZED SOCIAL PROGRAMME



## Social Weeks

In 2019, CaixaBank promoted two Social Weeks, in which it invited employees and customers to participate in local volunteering activities, mostly linked to entities receiving aid from the decentralised social work.

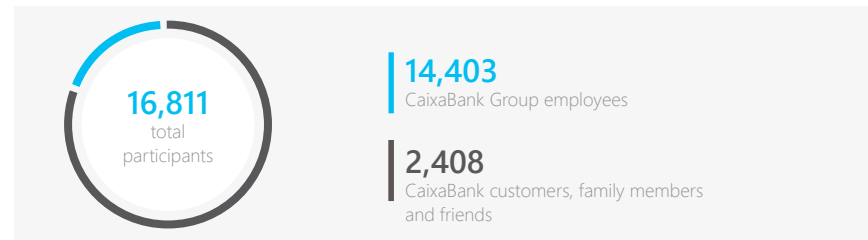
**4,389**

activities carried out in 1,875 local entities

**54,882**

hours of volunteering

### » SOCIAL WEEK PARTICIPANTS



**1**

**2**

**10**



## Solidarity projects

### #Ningún niño sin bigote

Campaign to collect milk in conjunction with Banco de Alimentos.

**2.56** million litres of milk collected

### "la Caixa" programmes

CaixaBank also supports the following "la Caixa" initiatives, publicising them and encouraging the participation of its customers and employees.

#### CooperantesCaixa

International corporate volunteering programme for short-term technical assistance aimed at "la Caixa" and CaixaBank Group workers who are currently employed, have retired or have taken early retirement.

- 51 CaixaBank Group volunteers (44 active employees and 7 no longer fully employed).
- Participation in 8 projects jointly with 10 NGOs in 4 countries: Mozambique, Peru, India and Colombia.

#### Incorpora



Helping the socially vulnerable to find jobs.

13,613 collaborating companies in Spain.

#### Gavi, the Vaccine Alliance

Initiative fighting child mortality in the most disadvantaged regions through the vaccination of small children.

**€1.2 million** raised through companies who are customers

**€0.7 million** contributed by Private Banking customers

### El árbol de los sueños (The Tree of Dreams)

Customers and employees commit to giving socially vulnerable children the gift they have requested in their letter to the Kings.

**24,217** children in Spain who have received a gift

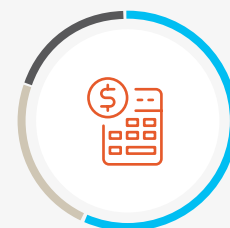
**10,613** children in Portugal who have received a gift



## "la Caixa" and BPI programmes

In 2019 "la Caixa" and BPI contributed €21.7 million to social, cultural, educational, and research initiatives, 43% more than in 2018, with the aim of reaching a budget of €50 million in 2022.

### >> BUDGET ALLOCATION



**52%** Social

**20%** Research and grants

**28%** Culture and education

In 2019, two new awards were launched with the aim of recognising projects of private non-profit institutions - Prémio BPI "la Caixa" Infância and Prémio BPI "la Caixa" Rural  
New editions of the *Capacitar*, *Seniores* and *Solidário* awards

Once again, BPI promoted collaborative activities with the most prestigious higher education institutions.

One of the priorities has been to support biomedical and health research projects.

Support was renewed for the country's most prestigious cultural institutions-Serralves, Casa de la Música and Gulbenkian



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In accordance with the provisions of Law 11/2018 of 28 December on non-financial information and diversity, CaixaBank presents in the Statement of Non-Financial Information, among other matters, the information necessary to understand the evolution, results and situation of the Group, and the impact of its activity with respect to environmental and social issues, respect for human rights and the fight against corruption

and bribery, as well as in relation to staff.

The following shows the content requirements to be disclosed as specified in the Act and their agreement with the contents of the 2019 Consolidated Management Report.

Act 11/2018, of 28 December	Section or sub-section of the 2019 CMR index/ Direct response	GRI indicator equivalence
<i>Description of the business model and strategy</i>		
Description of the business model	"Business Model" section of the 2019 Consolidated Management Report (CMR 2019)	102-1 / 102-2
Business environment and markets in which the Group operates	"Context and outlook for 2020" CMR 2019 "Business model" CMR 2019	102-3 / 102-4 / 102-6
Organisation and structure	"Group structure" CMR 2019	102-7
Objectives and strategies	The priorities of the 2019-2021 Strategic Plan are defined in the "Materiality" section of the CMR 2019. Within the framework of this Plan, the objectives defined in the different non-financial areas of each of the strategic lines are detailed in the section "Main monitoring metrics."	
Main factors and trends that can affect future evolution.	"Context and outlook for 2020" CMR 2019	
Description of the policies applied to the Group, which will include due diligence procedures applied to identify, assess, prevent and mitigate significant risks and implications, and control and verification procedures, including any measures adopted	"Risk management" CMR 2019 "Responsible practices" CMR 2019 "A benchmark in responsible banking and social commitment - Introduction" CMR 2019	103 Management approach on Economic, Environmental and Social dimensions
The results of the policies, including key indicators that allow for progress to be monitored and assessed	"Risk management" CMR 2019 Moreover, the specific indicators for each non-financial area are detailed below in the successive sections of this table.	General or specific GRI standards regarding the Economic, Environmental and Social dimensions that are detailed below in the successive sections of this table
The main short, medium and long-term risks associated with the group's activities. These include, inter alia, trade relations, products or services that can have negative effects in these areas	"Risk management" CMR 2019 "Responsible practices - Corporate Procurement" CMR 2019 "Environmental strategy - Managing environmental and climate risks" CMR 2019	102-15

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Act 11/2018, of 28 December	Section or sub-section of the 2019 CMR index/ Direct response	GRI indicator equivalence
Matters relating to human rights and ethical conduct		
Application of due diligence procedures regarding human rights; Prevention of risks of human rights violations and, where applicable, measures to mitigate, manage and redress possible abuses committed	"Risk management" CMR 2019 "Our identity - Responsible and ethical behaviour" CMR 2019 "A benchmark in responsible banking and social commitment - Introduction" CMR 2019 "Responsible practices - Introduction" CMR 2019	103 Management approach on Human rights assessment and Non discrimination 102-16 / 102-17
Allegations of cases of human rights violations	"Responsible practices - Introduction" CMR 2019 "Employee experience - Lines of communication" CMR 2019	406-1
Promotion of and compliance with the provisions of fundamental Conventions of the International Labour Organisation related to respecting the freedom of association and the right to collective bargaining	"Our identity - Responsible and ethical behaviour" CMR 2019 "Employee experience - Labour standards and staff rights" CMR 2019 "Responsible practices - Corporate procurement" CMR 2019	407-1
The elimination of discrimination in employment and the workplace	"Our identity - Responsible and ethical behaviour" CMR 2019 "Diversity and equal opportunities" CMR 2019	103 Management approach on Non discrimination 406-1
The elimination of forced or compulsory labour and the effective abolition of child labour	"Our identity - Responsible and ethical behaviour" CMR 2019	408-1 / 409-1
Measures adopted to prevent corruption and bribery	"Responsible practices - Introduction" CMR 2019 "Risk management - Operational and reputational risk - Conduct" CMR 2019	103 Management approach on Anti-corruption. 102-16 / 102-17 / 205-1 / 205-2 / 205-3
Measures to fight against money laundering	"Responsible practices - Introduction" CMR 2019 "Risk management - Operational and reputational risk - Conduct" CMR 2019	103 Management approach on Anti-corruption. 102-16 / 102-17 / 205-1 / 205-2 / 205-3
Contributions to foundations and non-profit entities	"Social action and volunteering" CMR 2019	413-1
Subcontracting and suppliers: inclusion of social, gender equality and environmental matters in the procurement policy; in relationships with suppliers and subcontractors, consideration of their social and environmental responsibility; oversight systems and their audit and results	"Responsible practices - Corporate procurement" CMR 2019	103 Management approach on Supplier procurement, environmental and social assessment. 102-9 / 204-1 / 308-1 / 414-1

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Act 11/2018, of 28 December	Section or sub-section of the 2019 CMR index/ Direct response	GRI indicator equivalence
Environmental issues		
Detailed information on the current and foreseeable effects of the company's environmental activities	"Environmental strategy - Managing environmental and climate risks / Driving green business" GCR 2019	103 Management approach on the Environmental dimension 201-2
Detailed information on the current and foreseeable effects of the company's health and safety activities	This is not relevant for the CaixaBank Group	103 Management approach on the Environmental dimension
Environmental assessment or certification procedures	"Environmental strategy - Minimising the environmental impact" CMR 2019	103 Management approach on the Environmental dimension
Resources dedicated to the prevention of environmental risks	"Environmental strategy - Managing environmental and climate change risks / Driving green business" CMR 2019	201-2
Application of the principle of precaution	"Environmental strategy - Managing environmental risks and climate change risks" CMR 2019	102-11
Amount of provisions and guarantees for environmental risks	Given the Group's activities, there is no significant risk of an environmental nature. CaixaBank did not receive any relevant fines or sanctions related to compliance with environmental regulations in 2019	307-1
Measures to prevent, reduce or restore carbon emissions that seriously affect the environment, taking into account any activity-specific form of air pollution, including noise and light pollution	This is not relevant for the CaixaBank Group	103 Management approach on Emissions and Biodiversity
Prevention, recycling and reuse measures, and other forms of recovering and eliminating waste; actions to fight against food waste	This is not relevant for the CaixaBank Group	103 Management approach on Effluents and waste
Water consumption and supply in accordance with local limitations	This is not relevant for the CaixaBank Group	303-1
Consumption of raw materials and measures adopted to improve the efficiency of their use	This is not relevant for the CaixaBank Group	103 Management approach on Materials 301-1 / 301-2
Direct and indirect energy consumption, measures taken to improve energy efficiency and the use of renewable energy	This is not relevant for the CaixaBank Group	103 Management approach on Energy 302-1

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Act 11/2018, of 28 December	Section or sub-section of the 2019 CMR index/ Direct response	GRI indicator equivalence
<b>Environmental issues</b>		
The important elements of greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it provides	This is not relevant for the CaixaBank Group	103 Management approach on Emissions 305-1 / 305-2 / 305-3
The measures adopted to adapt to the consequences of climate change	"Environmental strategy - Managing environmental and climate risks / Driving green business" CMR 2019	201-2
The reduction goals voluntarily established in the mid and long term to reduce greenhouse gas emissions and the measures implemented for this purpose	This is not relevant for the CaixaBank Group	103 Management approach on Emissions
Preservation of biodiversity	This is not relevant for the CaixaBank Group	103 Management approach on Biodiversity
Impacts caused by activities or operations in protected areas	This is not relevant for the CaixaBank Group	304-2
<b>Social and personnel matters</b>		
Dialogue with local communities and measures adopted to guarantee the protection and development of these communities. Relationships with agents in local communities	"Materiality" CMR 2019 "Transparency - Strengthen the culture of transparency with customers / Commitment to transparency with shareholders and investors" CMR 2019	102-43
Measures adopted to promote employment. Impact of the company's activity on employment and local development. Impact of the company on local populations and in the surrounding area	"Contribution to society" CMR 2019 "Financial inclusion - Introduction" CMR 2019 "Financial inclusion - MicroBank" CMR 2019 "Social action and volunteering" CMR 2019	103 Management approach on Local communities and Indirect economic impacts 203-1 / 413-1
Association and sponsorship actions	"Regulatory context" CMR 2019 "Social action and volunteering" CMR 2019	102-12 / 102-13
Policies against all kinds of discrimination and diversity management. Measures to promote equal treatment and equal opportunities between men and women	"Diversity and equal opportunities" CMR 2019	103 Management approach on Diversity, Equal opportunity and Non discrimination

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Act 11/2018, of 28 December	Section or sub-section of the 2019 CMR index/ Direct response	GRI indicator equivalence
Social and personnel matters		
Equality plans, measures adopted to promote employment, protocols against sexual and gender-based harassment, integration and universal accessibility for people with disabilities	"Diversity and equal opportunities CMR 2019	103 Management approach on Diversity, Equal opportunity and Non discrimination
Social dialogue; Procedures for informing, consulting and negotiating with staff	"Employee experience" CMR 2019	103 Management approach on Labor/Management Relations
Total workforce distributed by gender, age, country, job classification and contract type	"Foster a people-centric, agile and collaborative culture - CaixaBank Group employee profile table" CMR 2019	103 Management approach on Employment
	"Diversity and equal opportunities - Generational diversity in numbers tables" CMR 2019	102-8 / 405-1
	"Employee experience - Working environment in figures tables" CMR 2019 "Professional development and remuneration- Professional development and remuneration in numbers" CMR 2019	
Average annual number of permanent, temporary and part-time contracts, broken down by gender, age and occupational classification	The activities of the Group are not significantly cyclical or seasonal. For this reason, the annual average indicator is not significantly different from the number of employees at year-end. On May 8, 2019, a labour agreement was reached with labour representatives on restructuring for objective, productive and organisational reasons, and which contemplates the departure of 2,023 people (mainly as of August 1, 2019).	102-8 / 405-1
Number of dismissals by gender, age and occupational classification	"Diversity and equal opportunities - Gender diversity in numbers tables" CMR 2019 "Diversity and equal opportunities - Generational diversity in numbers tables" CMR 2019 "Professional development and remuneration - Professional development and remuneration in numbers" CMR 2019	401-1

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Act 11/2018, of 28 December	Section or sub-section of the 2019 CMR index/ Direct response	GRI indicator equivalence
Social and personnel matters		
Average remuneration and its evolution disaggregated by gender, age and professional classification	"Diversity and equal opportunities - Gender diversity in numbers tables" CMR 2019 "Diversity and equal opportunities - Generational diversity in numbers tables" CMR 2019 "Professional development and remuneration- Professional development and remuneration in numbers" CMR 2019	103 Management approach on Diversity and Equal opportunity 405-2
Salary gap	"Diversity and equal opportunities - Gender diversity in numbers tables" CMR 2019	103 Management approach on Diversity and Equal opportunity 405-2
Average remuneration of Directors and Managers by gender	"Diversity and equal opportunities - Gender diversity in numbers tables" CMR 2019	103 Management approach on Diversity and Equal opportunity 102-35 / 102-36 / 102-38 / 102-39
Implementation of policies to disconnect from work	"Diversity and equal opportunities" CMR 2019	103 Management approach on Employment
Number of employees with disabilities	"Diversity and equal opportunities - Functional diversity" CMR 2019	405-1
Organisation of working hours	"Employee experience" CMR 2019	103 Management approach on Employment
Number of hours of absenteeism	"Employee experience - Working environment in numbers tables" CMR 2019	403-9
Measures for promoting work-life balance for both parents	"Diversity and equal opportunities" CMR 2019	103 Management approach on Employment
Occupational health and safety conditions	"Employee experience" CMR 2019	103 Management approach on Occupational health and Safety 403-1 / 403-2 / 403-3 / 403-6
Occupational accidents, in particular their frequency and severity, disaggregated by gender	"Employee experience - Working environment in numbers tables" CMR 2019	403-9
Type of occupational illnesses and distributed by gender	CaixaBank's activities do not lead to the development in its workers of any of the occupational diseases classified as serious.	403-10



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Act 11/2018, of 28 December	Section or sub-section of the 2019 CMR index/ Direct response	GRI indicator equivalence
<b>Social and personnel matters</b>		
Percentage of employees covered by a collective bargaining agreement by country	"Employee experience - Labour standards and staff rights" CMR 2019	102-41
Overview of collective bargaining agreements, particularly in the field of occupational health and safety	"Employee experience - Employment standards and personnel rights" CMR 2019	403-4
Policies implemented in the field of training	"Professional development and remuneration - Development of potential" CMR 2019 "Professional development and remuneration - Ongoing training" CMR 2019	103 Management approach on Training and education 404-2
Total hours of training by job category	"Professional development and remuneration - Professional development and remuneration in numbers" CMR 2019	404-1
Protocols for integration and universal accessibility for people with disabilities. Universal accessibility for people with disabilities	"Diversity and equal opportunities - Functional diversity" CMR 2019 "Financial inclusion - Local accessible banking" CMR 2019	103 Management approach on Diversity, Equal opportunity and Non discrimination
<b>Other information</b>		
Complaint systems available to customers	"Transparency - Strengthen the culture of transparency with customers - Customer Contact Center and Customer Service" CMR 2019	103 Management approach on Marketing and labelling and Customer privacy.
Number of complaints received from customers and their resolution	"Transparency - Strengthen the culture of transparency with customers - Customer Service" CMR 2019	103 Management approach on Marketing and labelling and Customer privacy. 417-1 / 417-2 / 417-3 / 418-1
Amount of profit obtained, country-by-country	"Transparency - Tax transparency - Tax contributions handled by the CaixaBank Group" CMR 2019	103 Management approach on Economic performance 201-1
Measures for the health and safety of customers	This is not relevant for the CaixaBank Group	103 Management approach on Customer health and Safety
Amount of profit tax paid	"Transparency - Tax transparency - Tax contributions handled by the CaixaBank Group" CMR 2019	201-1 / 207-4
Amount of subsidies received	Appendix 6.F of the attached 2019 Consolidated Financial Statements.	201-4

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GRI Standard	GRI Content	Section or sub-section of the 2019 CMR index/ Reference/ Direct response
	General Content	
	GRI 101: Foundations	
	Organisational profile	
	102-1 Name of the organisation	Note 1.1 of the 2019 Consolidated Financial Statements (CFS 2019)
	102-2 Activities, brands, products and services	"Business Model" section of the 2019 Consolidated Management Report (CMR 2019) "Customer solutions" CMR 2019
	102-3 Location of headquarters	Note 1.1 CFS 2019
	102-4 Location of operations	"Business Model" CMR 2019
	102-5 Ownership and legal form	Note 1.1 CFS 2019 "Our identity - Shareholding structure" CMR 2019
	102-6 Markets served	"Business Model" CMR 2019
	102-7 Scale of the organisation	"CaixaBank in 2019" CMR 2019 Consolidated balance sheets CFS 2019
<b>GRI 102: General Content</b>	102-8 Information on employees and other workers	"Foster a people-centric, agile and collaborative culture" CMR 2019
	102-9 Supply chain	"Responsible Practices - Corporate Procurement" CMR 2019
	102-10 Significant changes in the organisation and its supply chain	"Highlights and significant events in the year" CMR 2019 Note 1.8 CFS 2019
	102-11 Precautionary principle or approach	"A benchmark in responsible banking and social commitment - Introduction" CMR 2019 "Environmental strategy" CMR 2019
	102-12 External initiatives	"A benchmark in responsible banking and social commitment - Principal alliances and affiliations" CMR 2019 "Diversity and equal opportunities - Adherence to national and international principles of promoting diversity" CMR 2019
	102-13 Membership of associations	"Regulatory Context" CMR 2019

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GRI Standard	GRI Content	Section or sub-section of the 2019 CMR index/ Reference/ Direct response
<b>Strategy</b>		
	102-14 Statement from senior decision-makers	"Letter from the Chairman" and "Letter from the CEO" sections CMR 2019
<b>GRI 102: General Content</b>	102-15 Key impacts, risks and opportunities	"Economic context" CMR 2019 "Regulatory context" CMR 2019 "Technological, social and competitive context" CMR 2019 "Risk management" CMR 2019
<b>Ethics and integrity</b>		
<b>GRI 102: General Content</b>	102-16 Values, principles, standards and codes of conduct	"Responsible and ethical behaviour" CMR 2019 "Responsible practices - Introduction" CMR 2019
	102-17 Advice and ethical concerns mechanisms	"A benchmark in responsible banking and social commitment - Responsible practices" CMR 2019
<b>Governance</b>		
	102-18 Governance structure	"Corporate Governance Structure" CMR 2019 "Senior Management" CMR 2019
	102-19 Delegating authority	"Corporate Governance Structure" CMR 2019 "Senior Management" CMR 2019 "A benchmark in responsible banking and social commitment - Introduction" CMR 2019 "Responsible practices - Introduction" CMR 2019 Note 3.2 CFS 2019 Section C.1.9 ACGR 2019
<b>GRI 102: General Content</b>	102-20 Executive-level responsibility for economic, environmental, and social topics	"Senior Management - Main Committees" CMR 2019 "Responsible practices - Introduction" CMR 2019 "Environmental strategy - Managing environmental risks and risks due to climate change" CMR 2019
	102-21 Consulting stakeholders on economic, environmental, and social topics	According to articles 34, 35 and 36 of the Regulations of the Board of Directors, the Board will arbitrate the suitable channels to receive any proposals formulated by shareholders related to the management of CaixaBank. "Materiality" CMR 2019 "A benchmark in responsible banking and social commitment - Introduction, Global Reputation Index" CMR 2019 "Transparency - Commitment to transparency with shareholders and investors" CMR 2019

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GRI Standard	GRI Content	Section or sub-section of the 2019 CMR index/ Reference/ Direct response
Governance		
	102-22 Composition of the highest governing body	"Corporate Governance Structure" CMR 2019
	102-23 Chair of the highest governing body	"Corporate Governance Structure" CMR 2019 Sections C.1.2 and C.1.3 ACGR 2019
	102-24 Nominating and selecting the highest governance body	"Corporate Governance" CMR 2019 Section C.1.16 ACGR 2019
	102-25 Conflicts of interest	"Corporate Governance Best Practices" CMR 2019 "Shareholding structure" CMR 2019 Note 9.3 CAA 2019
	102-26 Role of the highest governing body in selecting purpose, values, and strategy	"Corporate Governance Structure" CMR 2019 "Senior Management" CMR 2019 "A benchmark in responsible banking and social commitment - Introduction" CMR 2019
<b>GRI 102: General Content</b>	102-27 Collective knowledge of the highest governing body	"Corporate Governance Structure" CMR 2019
	102-28 Assessment of the performance of the highest governing body	"Corporate Governance Structure" CMR 2019 Sections C.1.17 and C.1.18 ACGR 2019
	102-29 Identifying and managing economic, environmental, and social impacts	"Corporate governance structure" CMR 2019 "A benchmark in responsible banking and social commitment" CMR 2019 "Environmental strategy - Managing environmental and climate risks" CMR 2019
	102-30 Effectiveness of risk management processes	"Risk Management" CMR 2019
	102-31 Review of economic, environmental, and social topics	"Corporate Governance Structure" CMR 2019 "Senior Management" CMR 2019 Note 3.2 CFS 2019

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GRI Standard	GRI Content	Section or sub-section of the 2019 CMR index/ Reference/ Direct response
Governance		
	102-32 Highest governing body's role in sustainability reporting	The Executive Management for Intervention, Management and Capital Control is responsible for preparing and coordinating the 2019 CMR, which includes the non-financial information statement.  This report is subsequently reviewed by the Management Committee, the Appointments Committee, the Audit and Control Committee, and the Board of Directors of CaixaBank. The latter is responsible for formulating the Non-Financial Information Statement which contains the sustainability information deemed to be significant in accordance with the law and the Materiality Analysis.
	102-33 Communicating critical concerns	"Corporate Governance Structure" CMR 2019 "Senior Management" CMR 2019 Section E and F ACGR 2019
	102-34 Nature and total number of critical concerns	There are no critical concerns in the 2019 financial year.
	102-35 Remuneration policies	"Remuneration" CMR 2019 Note 9.1 and 9.2 CFS 2019
<b>GRI 102: General Content</b>	102-36 Process for determining remuneration	"Remuneration" CMR 2019
	102-37 Stakeholders' involvement in remuneration	"Corporate Governance Structure - General Shareholders' Meeting" CMR 2019
	102-38 Annual total compensation ratio	Note 9.1 CFS 2019 "Diversity and equal opportunities - Gender diversity in numbers" CMR 2019
	102-39 Percentage increase in annual total compensation ratio	Note 9.1 CFS 2019 "Diversity and equal opportunities - Gender diversity in numbers" CMR 2019
	102-40 List of stakeholders	"Our identity - Introduction" CMR 2019 CaixaBank's corporate social responsibility policy (section 4.3)
	102-41 Collective bargaining agreements	"Foster a people-centric, agile and collaborative culture" CMR 2019

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GRI Standard	GRI Content	Section or sub-section of the 2019 CMR index/ Reference/ Direct response
<b>Governance</b>		
<b>GRI 102:</b> General Content	102-42 Identifying and selecting stakeholders	Stakeholders are identified and selected through a process of analysis and internal reflection carried out by the management team. The Corporate Responsibility department continually reviews identified stakeholders, as well as the related active listening, dialogue and monitoring processes, to understand and meet their expectations and needs
	102-43 Approach to stakeholder engagement	"Materiality" CMR 2019 "A benchmark in responsible banking and social commitment - Introduction, Global Reputation Index" CMR 2019 "Transparency - Strengthen the culture of transparency with customers" CMR 2019 "Transparency - Commitment to transparency with shareholders and investors" CMR 2019 "Customer Experience" CMR 2019
	102-44 Key topics and concerns raised	"Materiality" CMR 2019
	<b>Practices for creating reports</b>	
<b>GRI 102:</b> General Content	102-45 Entities included in the consolidated financial statements	Note 2.1 and Appendices 1, 2 and 3 CFS 2019
	102-46 Defining report content and topic boundaries	"Materiality" CMR 2019 In addition, the requirements of Act 11/2018 of 28 December have been taken into account to define the contents of the report
	102-47 List of material topics	"Materiality" CMR 2019
	102-48 Restatements of information	Note 1.4 CFS 2019
	102-49 Changes in reporting	In the list of material topics for 2019 there have been no significant changes related to the periods subject to previous reports
	102-50 Reporting period	Financial year 2019
	102-51 Date of most recent report	The 2018 Consolidated Management Report, drawn up in accordance with the GRI standards framework and incorporating the contents required by Act 11/2018 of 28 December, was registered with the CNMV in March 2019
	102-52 Reporting cycle	Yearly

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GRI Standard	GRI Content	Section or sub-section of the 2019 CMR index/ Reference/ Direct response
	Practices for creating reports	
	102-53 Contact point for questions regarding the report	The usual service channels for customers, shareholders, corporate investors, and media, are available on the company website (investors@caixabank.com, accionista@caixabank.com).
<b>GRI 102: General Content</b>	102-54 Claims of reporting in accordance with the GRI Standards	"Materiality - Criteria and scope of the Report" CMR 2019
	102-55 GRI content index	"Non-Financial Information Statement - Table of contents Act 11/2018, of 28 December and Index of GRI content" CMR 2019
	102-56 External assurance	"Independent verification report" CMR 2019
	Material topics	
	<b>Material topic: Sustainable return and financial stability</b>	
	103-1 Explanation of the material topic and its boundary	"Risk management - Business model risks" CMR 2019 "Attractive shareholder returns and solid financials" CMR 2019
<b>GRI 103: Management approach</b>	103-2 The management approach and its components	"Business model - Business model risks" CMR 2019 "Attractive shareholder returns and solid financials" CMR 2019
	103-3 Evaluation of the management approach	"Attractive shareholder returns and solid financials" CMR 2019
	<b>GRI 201: Economic performance</b>	
	201-1 Direct economic value generated and distributed	"Contributing to Society" CMR 2019 "Transparency - Tax transparency - Tax contributions handled by the CaixaBank Group" CMR 2019
<b>GRI 201: Economic performance</b>	201-2 Financial implications and other risks and opportunities due to climate change	"Environmental strategy - Introduction" CMR 2019 "Environmental strategy - Promoting "green" business" CMR 2019 "Environmental strategy - Managing environmental and climate risks" CMR 2019
	201-3 Obligations of the defined benefit plan and other retirement plans	Note 23.1 CFS 2019
	201-4 Financial assistance received from the government	Appendix 6.F CFS 2019

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<b>GRI 203: Indirect economic impacts</b>		
	203-1 Infrastructure investments and services supported	"Contribution to Society" CMR 2019 "Customer solutions" CMR 2019 "Financial inclusion - Introduction" CMR 2019 "Financial inclusion - MicroBank" CMR 2019 "Financial inclusion - Financial inclusion model" CMR 2019
<b>GRI 203: Indirect economic impacts</b>		
	203-2 Significant indirect economic impacts	"Contributing to Society" CMR 2019 "Financial inclusion" CMR 2019 "Environmental strategy - Promoting "green" business" CMR 2019
<b>GRI 204: Procurement practices</b>		
<b>GRI 204: Procurement practices</b>	204-1 Proportion of spending on local suppliers	"Responsible Practices - Corporate Procurement - Corporate Procurement Indicators" CMR 2019 "Responsible Practices - Corporate Procurement - Other entity providers indicators" CMR 2019
<b>Material topic: Corporate governance</b>		
	103-1 Explanation of the material topic and its boundary	"Corporate Governance" CMR 2019
<b>GRI 103: Management approach</b>	103-2 The management approach and its components	"Corporate Governance" CMR 2019
	103-3 Evaluation of the management approach	"Corporate Governance" CMR 2019
<b>Material topic: Ethical and responsible culture</b>		
	103-1 Explanation of the material topic and its boundary	"Risk management - Operational and reputational risk - Conduct and compliance / Reputational" CMR 2019 "Our identity - Introduction" CMR 2019 "Our identity - Responsible and ethical behaviour" CMR 2019 "Setting the benchmark for responsible management and social commitment - Introduction" CMR 2019 "Responsible practices - Introduction" CMR 2019
<b>GRI 103: Management approach</b>	103-2 The management approach and its components	"A benchmark in responsible banking and social commitment - Introduction" CMR 2019 "Responsible practices - Introduction" CMR 2019
	103-3 Evaluation of the management approach	"A benchmark in responsible banking and social commitment - Introduction" CMR 2019 "Responsible practices - Introduction" CMR 2019



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GRI Standard	GRI Content	Section or sub-section of the 2019 CMR index/ Reference/ Direct response
<b>GRI 205: Anti-corruption</b>		
	205-1 Operations assessed for corruption-related risks	"Risk management - Operational and reputational risk - Conduct and compliance" CMR 2019 "Responsible practices - Introduction" CMR 2019
<b>GRI 205: Anti-corruption</b>	205-2 Communication and training on anti-corruption policies and procedures	"Responsible practices - Introduction" CMR 2019
	205-3 Confirmed incidents of corruption and actions taken	"Responsible practices - Introduction" CMR 2019
<b>GRI 206: Unfair competition</b>		
<b>GRI 206: Unfair competition</b>	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	On 14 February 2019, a sanction was imposed (albeit not final) and published on the website of the competition authority. At present, an appeal has been filed under contentious-administrative jurisdiction and the total amount of the sanction has been paid. Apart from the aforementioned case, in 2019, there were no other significant legal proceedings
<b>GRI 207: Direct</b>		
<b>GRI 207: Direct</b>	207-1 Approach to tax	"Transparency - Tax transparency" CMR 2019
	207-2 Tax governance, control and risk management	"Transparency - Tax transparency" CMR 2019
	207-3 Stakeholder engagement and management of concerns related to tax	"Transparency - Tax transparency" CMR 2019
	207-4 Country-by-country reporting	"Transparency - Tax transparency" CMR 2019
<b>GRI 415: Public policy</b>		
<b>GRI 415: Public policy</b>	415-1 Political contributions	"Our identity - Responsible and ethical behaviour" CMR 2019
<b>Material topic: Active risk management</b>		
<b>GRI 103: Management approach</b>	103-1 Explanation of the material topic and its boundary	"Risk management" CMR 2019
	103-2 The management approach and its components	"Risk management" CMR 2019 Note 3 CFS 2019
	103-3 Evaluation of the management approach	"Risk management" CMR 2019 Note 3 CFS 2019

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GRI Standard	GRI Content	Section or sub-section of the 2019 CMR index/ Reference/ Direct response
<b>GRI 419: Socio-economic compliance</b>		
<b>GRI 419:</b> Socio-economic compliance	419-1 Non-compliance with social and economic laws and regulations	Note 23.3 CFS
<b>Material topic: Cybersecurity and data confidentiality</b>		
	103-1 Explanation of the material topic and its boundary	"Risk management - Operational and reputational risk - Technological" CMR 2019 "Technological, social and competitive context" CMR 2019 "Cybersecurity" CMR 2019
<b>GRI 103:</b> Management approach	103-2 The management approach and its components	"Risk management - Operational and reputational risk - Technological" CMR 2019 "Competitive and social context" CMR 2019 "Technological, social and competitive context" CMR 2019 "Cybersecurity" CMR 2019
	103-3 Evaluation of the management approach	"Risk management - Operational and reputational risk - Technological" CMR 2019 "Competitive and social context" CMR 2019 "Cybersecurity" CMR 2019
<b>GRI 418: Customer privacy</b>		
<b>GRI 418:</b> Customer privacy	418-1 Substantiated complaints regarding breaches of customer privacy and losses of customer data	In 2019, no significant disciplinary action was taken with regard to this topic and no significant sanctions have been received.

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GRI Standard	GRI Content	Section or sub-section of the 2019 CMR index/ Reference/ Direct response
<b>Material topic: Environmental and social criteria in business</b>		
	103-1 Explanation of the material topic and its boundary	"A benchmark in responsible banking and social commitment - Introduction" CMR 2019 "Environmental strategy - Managing environmental and climate risks " CMR 2019 "Technological, social and competitive context" CMR 2019
<b>GRI 103: Management approach</b>	103-2 The management approach and its components	"A benchmark in responsible banking and social commitment - Introduction" CMR 2019 "Environmental strategy - Managing environmental and climate risks " CMR 2019 "Technological, social and competitive context" CMR 2019
	103-3 Evaluation of the management approach	"A benchmark in responsible banking and social commitment - Introduction" CMR 2019 "Environmental strategy - Managing environmental and climate risks " CMR 2019 "Technological, social and competitive context" CMR 2019
<b>GRI 307: Environmental compliance</b>		
<b>GRI 307: Environmental compliance</b>	307-1 Non-compliance with environmental laws and regulations	Note 42.1 CFS 2019
<b>GRI 308: Supplier environmental assessment</b>		
<b>GRI 308: Supplier environmental assessment</b>	308-1 New suppliers that were screened using environmental criteria	"Responsible practices - Corporate Procurement" CMR 2019
	308-2 Negative environmental impacts in the supply chain and actions taken	"Responsible practices - Corporate Procurement" CMR 2019
<b>GRI 412: Human rights assessment</b>		
<b>GRI 412: Human rights assessment</b>	412-1 Operations that have been subject to human rights reviews or impact assessments	"Responsible practices - Introduction" CMR 2019
	412-2 Employee training on human rights policies or procedures	"Responsible practices - Introduction" CMR 2019

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GRI Standard	GRI Content	Section or sub-section of the 2019 CMR index/ Reference/ Direct response
<b>GRI 412: Human rights assessment</b>		
<b>GRI 412:</b> Human rights assessment	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	No significant investment agreements including human rights clauses existed because it is felt there are no risks that make them necessary
<b>GRI 414: Supplier social assessment</b>		
<b>GRI 414:</b> Supplier social assessment	414-1 New suppliers that were screened using social criteria	"Our identity - Responsible and ethical behaviour" CMR 2019 "Responsible practices - Corporate Procurement" CMR 2019
	414-2 Negative social impacts in the supply chain and actions taken	"Our identity - Responsible and ethical behaviour" CMR 2019 "Responsible practices - Corporate Procurement" CMR 2019
<b>Material topic: Transparent communication and responsible marketing</b>		
<b>GRI 103:</b> Management approach	103-1 Explanation of the material topic and its boundary	"Transparency - Strengthen the culture of transparency with customers" CMR 2019
	103-2 The management approach and its components	"Transparency - Strengthen the culture of transparency with customers" CMR 2019
	103-3 Evaluation of the management approach	"Transparency - Strengthen the culture of transparency with customers" CMR 2019
<b>GRI 417: Marketing and labelling</b>		
<b>GRI 417:</b> Marketing and labelling	417-1 Requirements for product and service information and labelling	"Transparency - Strengthen the culture of transparency with customers" CMR 2019
	417-2 Incidents of non-compliance concerning product and service information and labelling	In 2019, no significant sanctions were imposed due to non-compliance with laws or voluntary codes related to product and service advertising or information
	417-3 Incidents of non-compliance concerning marketing communications	In 2019, there have been no cases of non-compliance leading to the imposing of significant final sanctions, other than the aspects detailed in standard 419-1
<b>Material topic: Quality of customer experience and satisfaction</b>		
<b>GRI 103:</b> Management approach	103-1 Explanation of the material topic and its boundary	"Customer Experience and quality" CMR 2019 "Business model" CMR 2019

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GRI Standard	GRI Content	Section or sub-section of the 2019 CMR index / Reference/ Direct response
<b>Material topic: Quality of customer experience and satisfaction</b>		
<b>GRI 103: Management approach</b>	103-2 The management approach and its components	"Customer experience and quality" CMR 2019 "Business model" CMR 2019
	103-3 Evaluation of the management approach	"Customer experience and quality" CMR 2019 "Business model" CMR 2019
<b>Material topic: Proximity: accessibility and digitalisation</b>		
<b>GRI 103: Management approach</b>	103-1 Explanation of the material topic and its boundary	"Customer solutions" CMR 2019 "Financial inclusion - Financial inclusion model" CMR 2019
	103-2 The management approach and its components	"Customer solutions" CMR 2019 "Financial inclusion - Financial inclusion model" CMR 2019
	103-3 Evaluation of the management approach	"Customer solutions" CMR 2019 "Financial inclusion - Financial inclusion model" CMR 2019
<b>Material topic: Continuous innovation</b>		
<b>GRI 103: Management approach</b>	103-1 Explanation of the material topic and its boundary	"Technological, social and competitive context" CMR 2019 "Risk management - Operational and reputational risk - Technological" CMR 2019  "Efficiency and Digitalisation" CMR 2019

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GRI Standard	GRI Content	Section or sub-section of the 2019 CMR index / Reference/ Direct response
<b>Material topic: Continuous innovation</b>		
	103-2 The management approach and its components	"Technological, social and competitive context" CMR 2019 "Risk management - Operational and reputational risk - Technological" CMR 2019 "Efficiency and Digitalisation" CMR 2019
<b>GRI 103: Management approach</b>	103-3 Evaluation of the management approach	"Technological, social and competitive context" CMR 2019 "Risk management - Operational and reputational risk - Technological" CMR 2019 "Efficiency and Digitalisation" CMR 2019
<b>Material topic: Diversity: equality and work-life balance</b>		
	103-1 Explanation of the material topic and its boundary	"Diversity and equal opportunities" CMR 2019
<b>GRI 103: Management approach</b>	103-2 The management approach and its components	"Diversity and equal opportunities" CMR 2019
	103-3 Evaluation of the management approach	"Diversity and equal opportunities" CMR 2019
<b>GRI 405: Diversity and equal opportunity</b>		
<b>GRI 405: Diversity and equal opportunity</b>	405-1 Diversity of governance bodies and employees	"Corporate governance structure - Board of Directors" CMR 2019 "Diversity and equal opportunities" CMR 2019
	405-2 Ratio of basic salary and remuneration of women to men	"Diversity and equal opportunities - Gender diversity in numbers" CMR 2019

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GRI Standard	GRI Content	Section or sub-section of the 2019 CMR index / Reference/ Direct response
<b>Material topic: Safety: health and well-being of employees</b>		
	103-1 Explanation of the material topic and its boundary	"Employee experience" CMR 2019
<b>GRI 103: Management approach</b>	103-2 The management approach and its components	"Employee experience" CMR 2019
	103-3 Evaluation of the management approach	"Employee experience" CMR 2019
<b>GRI 403: Occupational health and safety</b>		
	403-1 Occupational health and safety management system	"Employee experience - Promoting well-being in a healthy and sustainable environment" CMR 2019
	403-2 Hazard identification, risk assessment, and incident investigation	"Employee experience - Promoting well-being in a healthy and sustainable environment" CMR 2019
	403-3 Occupational health services	"Employee experience - Promoting well-being in a healthy and sustainable environment" CMR 2019
	403-4 Worker participation, consultation, and communication on occupational health and safety	"Employee experience - Promoting well-being in a healthy and sustainable environment" CMR 2019
	403-5 Worker training on occupational health and safety	"Employee experience - Promoting well-being in a healthy and sustainable environment" CMR 2019
<b>GRI 403: Occupational health and safety</b>	403-6 Promotion of worker health	"Employee experience - Promoting well-being in a healthy and sustainable environment" CMR 2019
	403-7 Prevention and mitigation of impacts of occupational health and safety impacts directly linked by business relationships	"Employee experience - Promoting well-being in a healthy and sustainable environment" CMR 2019
	403-8 Workers covered by an occupational health and safety management system	"Employee experience - Promoting well-being in a healthy and sustainable environment" CMR 2019
	403-9 Work-related injuries	"Employee experience - Promoting well-being in a healthy and sustainable environment - Working environment in figures" CMR 2019
	403-10 Work-related ill health	"Employee experience - Promoting well-being in a healthy and sustainable environment" CMR 2019

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GRI Standard	GRI Content	Section or sub-section of the 2019 CMR index / Reference/ Direct response
<b>Material topic:</b> Management of talent and professional development		
<b>GRI 103:</b> Management approach	103-1 Explanation of the material topic and its boundary	"Professional development and remuneration" CMR 2019
	103-2 The management approach and its components	"Professional development and remuneration" CMR 2019
	103-3 Evaluation of the management approach	"Professional development and remuneration" CMR 2019
<b>GRI 401: Employment</b>		
<b>GRI 401:</b> Employment	401-1 New employee hires and employee turnover	"Diversity and equal opportunities" CMR 2019
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Generally speaking, there are no differences in the social benefits received by employees based on the type of contract. However, some contracts contain specific requirements that must be met by employees in order to access the social benefits.
	401-3 Parental leave	"Employee experience - Labour standards and staff rights" CMR 2019
<b>GRI 402: Labour/ management relations</b>		
<b>GRI 402:</b> Labour/ management relations	402-1 Minimum notice periods regarding operational changes	In 2019, CaixaBank has complied with the deadlines established in current labour law for different circumstances
<b>GRI 404: Training and education</b>		
<b>GRI 404:</b> Training and education	404-1 Average hours of training per year per employee	"Professional development and remuneration - Professional development and remuneration in numbers" CMR 2019
	404-2 Programmes for upgrading employee skills and transition assistance programmes	"Professional development and remuneration" CMR 2019
	404-3 Percentage of employees receiving regular performance and career development reviews	"Corporate Culture - Employee experience" CMR 2019 "Professional development and remuneration" CMR 2019



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GRI Standard	GRI Content	Section or sub-section of the 2019 CMR index / Reference/ Direct response
<b>Material topic:</b> Investment with social impact and microfinance		
	103-1 Explanation of the material topic and its boundary	"Financial inclusion" CMR 2019
<b>GRI 103:</b> Management approach	103-2 The management approach and its components	"Financial inclusion" CMR 2019
	103-3 Evaluation of the management approach	"Financial inclusion" CMR 2019
<b>Material topic:</b> Financial education		
	103-1 Explanation of the material topic and its boundary	"Financial inclusion - Promoting the financial culture" CMR 2019
<b>GRI 103:</b> Management approach	103-2 The management approach and its components	"Financial inclusion - Promoting the financial culture" CMR 2019
	103-3 Evaluation of the management approach	"Financial inclusion - Promoting the financial culture" CMR 2019
<b>Material topic:</b> Social and volunteering commitment		
	103-1 Explanation of the material topic and its boundary	"Social action and volunteering" CMR 2019
<b>GRI 103:</b> Management approach	103-2 The management approach and its components	"Social action and volunteering" CMR 2019
	103-3 Evaluation of the management approach	"Social action and volunteering" CMR 2019
<b>GRI 413:</b> Local communities		
	413-1 Operations with local community engagement, impact assessments, and development programmes	"Financial inclusion" CMR 2019
<b>GRI 103:</b> Management approach	413-2 Operations with significant – actual and potential – negative impacts on local communities	"Financial inclusion" CMR 2019

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# Principles for Responsible Banking - UNEP FI

On 22 September 2019, CaixaBank ratified its adherence to the Principles for Responsible Banking of the United Nations Environment Programme Finance Initiative (UNEP FI). The signing of and compliance with the Principles are inline with the commitment to "Setting the benchmark for responsible management and social commitment", a strategic line set down in the Bank's 2019-2021 Strategic Plan.

The objectives of the Principles for Responsible Banking are:

- To establish a sustainable finance framework for the 21st century
- To bring the banking industry in line with the Sustainable Development Goals and the Paris Agreement

- To allow banks to demonstrate and communicate their contribution to society
- To promote ties with customers, the establishment of specific goals and transparency through public reporting

Signing the Principles implies aligning the Bank's strategy and management with the Sustainable Development Goals and the Paris Agreement, establishing objectives and reporting annually on the progress being made towards compliance. The degree of progress towards compliance with the Principles for Responsible Banking is reported below.

Principles for Responsible Banking	Principles for Responsible Person responsible	Section or subsection of the 2019 Consolidated Management Report	Details and compliance with progress on the Principles
	<i>Line 5 of the 2019-2021 Strategic Plan: A benchmark in responsible banking and social commitment</i>	"02. A benchmark in responsible banking and social commitment	Specific monitoring metrics for the 2019-2021 Strategic Plan
	Corporate Responsibility Manager Plan approved by the Board of Directors	A benchmark in responsible banking and social commitment - Introduction	Action Plan with a focus on transparency with customers, governance, the environment, financial inclusion and social action
<b>1. ALIGNMENT</b> Aligning business strategy with the SDGs and the Paris Agreement	Social commitment through MicroBank, a social bank 100% owned by CaixaBank	Financial inclusion - MicroBank	MicroBank's contribution to the achievement of the Sustainable Development Goals (SDG 1, SDG 8 and SDG 9)
	Environmental Strategy with 2019-2021 road map and publication of the Climate Change Declaration	Environmental strategy - Introduction	Promoting green business; managing environmental risks; minimising the environmental impact (Environmental Management Plan 2019-2021)
	Signing of the Collective Commitment to Climate Action, a UNEP FI initiative	Environmental strategy - Introduction	Objective to align the Bank's portfolio with the objectives of the Paris Agreement

# Principles for Responsible Banking - UNEP FI

Principles for Responsible Banking	Principles for Responsible Banking	Section or subsection of the 2019 Consolidated Management Report	Details and compliance with progress on the Principles
	Contribution to job creation	Contributing to society Financial inclusion - MicroBank	88,351 direct and indirect jobs 20,174 jobs created due to the contribution of Micro-Bank
	New microloans granted and other financing with social impact	"Financial inclusion - MicroBank	Approximate target: €2.2 billion in new microloans granted in 2019-2021
	Women in strategic managerial positions	Foster a people-centric, agile and collaborative culture - Introduction - Principal metrics SP 2019-2021	Target of 43% women in managerial positions in 2021
	Environmental Management Plan 2019-2021 with public goals	Environmental strategy - Minimising our impact on the environment	Target of 10% reduction in energy consumption 2021 (r/2015) Target of 14.5% reduction in CO2 emissions <sub>2</sub> 2021 (r/2015)
	Environmental Risk Management Policy	A benchmark in responsible banking and social commitment - Introduction Environmental strategy - Managing environmental and climate risks	Specific positions in mining, agriculture, energy and infrastructure sectors
	Corporate Policy regarding the Defence Sector	"Responsible practices - Introduction"	Position in the Defence sector
	TCFD recommendations implementation project; Exposure assessment and monitoring of carbon-intensive assets in the portfolio	Environmental strategy - Managing environmental and climate risks Non-financial information statement - TCFD	Exposure assessment and monitoring of carbon intensive assets of the portfolio
	EU Taxonomy implementation project	Environmental strategy - Introduction, 2019-2021 Road Map Environmental strategy - Managing environmental and climate risks	Sustainable production assessment
	Implementation of accessibility measures	Financial inclusion - Financial inclusion model	87% of branches are accessible in 2019 99% accessible ATMs
	Employees with variable remuneration linked to quality of service	The section "Responsible practices - Introduction"	29,707 employees with variable compensation linked to service quality in 2019
	Social housing programme	Section "Financial inclusion -Providing easier access to housing	An active support policy for housing problems.

## 2. IMPACT & TARGET SETTING

Setting targets to increase our positive impact on people and the environment and reduce the negative impact

# Principles for Responsible Banking - UNEP FI

Principles for Responsible Banking	Indicators of Compliance with Principles for Responsible Banking	Section or subsection of the 2019 Consolidated Management Report	Details and compliance with progress on the Principles
<p><b>3. CLIENTS &amp; CUSTOMERS</b></p> <p>Promoting sustainable customer practices and driving economic activities that create value</p>	Financial inclusion through MicroBank	Financial inclusion - MicroBank	€725 million in microloans granted in 2019
	Environmental and Climate Change Risks and Opportunities Management Plan 2019-2021	Environmental strategy - Promoting "green" business	Positioning in the green loan market; loans linked to sustainable indices; EcoFinancing; Climate Action Lines €2,453 million in renewable energy projects financed in 2019 2019-2021 Road Map to deploy the environmental strategy
	Socially Responsible investment	Business Model - Private Banking - Socially Responsible Investment and philanthropy Responsible practices - Socially Responsible Investment Financial Inclusion - Introduction Environmental strategy - Promoting "green" business	VidaCaixa and CaixaBank Asset Management apply the UN PRIs in to their management practices Social bond issue in September 2019 Sustainable investment funds ( <i>FI MicroBank Fondo Ético, FI MicroBank Fondo Ecológico, FI CaixaBank Selección Futuro Sostenible</i> )
<p><b>4. STAKEHOLDERS</b></p> <p>Proactively consulting and working with relevant stakeholders</p>	Financial Culture Plan	"Financial Inclusion - Promoting the Financial Culture	Promote financial culture through digital channels, publications, face-to-face training and conferences.
	Annual materiality analysis in the Group's Consolidated Management Report	Materiality	Analysis of the evolution of topics relevant to Corporate Governance, Society and Environment
	Reputation management linked to remuneration of senior management	Section "Corporate Governance - Remuneration	Details and compliance with the Principles of Inclusion (2019-2023) of the Global Reputation Index in the long-term incentivisation of Senior Management
	Roadshows and ESG conferences with investors	Transparency - Commitment to transparency with shareholders and investors	Conferences and meetings with equity and fixed-income investors in the main financial centres
	Participation in Corporate Responsibility partnerships and think tanks	Section "A benchmark in responsible banking and social commitment - Introduction - Principal alliances and affiliations	Joining corporate responsibility initiatives and partnerships contribute to SDG 17
	Strategic alliance with "la Caixa" and collaboration with social entities	Social action and volunteering	10,690 local social project activities promoted through the decentralised Social Project in 2019
Code of Conduct for Suppliers	Responsible practices - Corporate Procurement Environmental strategy - Minimising our impact on the environment	Green procurement plan	

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Principles for Responsible Banking	Indicators of compliance with Principles for Responsible Banking	Section or subsection of the 2019 Consolidated Management Report	Details and compliance with progress on the Principles
<p><b>5. GOVERNANCE &amp; CULTURE</b></p> <p>Having effective governance and a responsible banking culture to implement the principles</p>	<p>The Board of Directors and Delegated Committees (Appointments, Risks) approve the CSR policy and strategy and oversee its implementation</p>	<p>Corporate Governance Structure Senior Management Setting the benchmark for responsible management and social commitment - Introduction</p>	<p>Corporate Social Responsibility Policy updated in 2019</p>
	<p>The Management Committee and dependent committees supervise the implementation of the Corporate Responsibility strategy</p>	<p>Corporate Governance - Introduction</p>	<p>Corporate Responsibility and Reputation Committee Environmental Risk Management Committee Committees for: Transparency, Product, Diversity and Risk Policies</p>
	<p>Corporate Governance Policy</p>	<p>Corporate Culture Responsible practices - Introduction</p>	<p>The Policy aims to establish the criteria and guidelines that should govern the organisation and operation of the governing bodies of the Company in the development of the applicable regulations and the recommendations concerning corporate governance best practices</p>
<p><b>6. TRANSPARENCY &amp; ACCOUNTABILITY</b></p> <p>Periodically reviewing the implementation of the Principles, their impacts and their contribution to society</p>	<p>CaixaBank Culture programme and training on responsible practices</p>	<p>Corporate Culture Responsible practices - Introduction</p>	<p>"Somos CaixaBank" corporate culture programme to strengthen the corporate principles</p>
	<p>ESG information in the Group's Consolidated Management Report, which complies with GRI and is verified</p>	<p><a href="https://www.caixabank.com/responsabilidadcorporativa/publicaciones_es.html">https://www.caixabank.com/responsabilidadcorporativa/publicaciones_es.html</a></p>	
	<p>Annual publication of Socio-Economic Impact and Contribution to SDGs</p>	<p><a href="https://www.caixabank.com/responsabilidadcorporativa/publicaciones_es.html">https://www.caixabank.com/responsabilidadcorporativa/publicaciones_es.html</a></p>	
	<p>Annual publication of the Environmental Declaration and the carbon footprint</p>	<p><a href="https://www.caixabank.com/responsabilidadcorporativa/medioambiente_es.html">https://www.caixabank.com/responsabilidadcorporativa/medioambiente_es.html</a></p>	
	<p>Internal working group and participation of UNEP FI working group to ensure alignment with the TCFD recommendations</p>	<p>Environmental strategy - Managing environmental and climate risks</p>	<p>Reporting commitment aligned with TCFD recommendations</p>

# Task Force on Climate-related Financial Disclosures (TCFD)

The average Liquidity coverage ratio (LCR) *Financial Stability Board* (FSB) commissioned the TCFD (*Task Force on Climate-related Financial Disclosures*) to develop a reporting framework that will help the market assess the performance of companies with regard to climate change and contribute to the decision-making of *stakeholders*. The initiative recommends the disclosure of financial information related to climate change addresses 4 main categories.

The **Environmental strategy section** of the 2019 Consolidated Management Report reflects CaixaBank's strategy and positioning in this area.

The following table shows the summary of progress of the initiative at 31 December 2019.

## TCFD Recommendation

## Summary response

### 1. GOVERNANCE

Reporting on the governance of organisations around climate-related risks and opportunities

- The average Liquidity coverage ratio (LCR) **CaixaBank Board of Directors** is the senior body in charge of Environmental Risk Management Policy to be implemented within CaixaBank, S.A., approved in February 2019 by the same Board of Directors.
- The supervision of all environmental risk management initiatives is the responsibility of the **Environmental Risk Committee**, under the Management Committee.
- The targets of the CEO, the Chief Risk Officer and the Director General for Environmental Risk Management include indicators linked to the management of environmental and climate-related risk.

### 2. ENVIRONMENTAL

Reporting on the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where this information is relevant

In line with the Strategic Plan and as part of the Bank's Environmental Strategy, in 2019 CaixaBank established a **2019-2021 Road Map** for environmental risk management, focused on 6 lines of action: business opportunities, definition and deployment of governance, environmental risk management policy, taxonomy, risk metrics and external reporting.

### 3. RISK MANAGEMENT

Reporting on the processes used to identify, assess, and manage climate-related risks

- The Environmental Risk Management Policy establishes a number of **general** and sector-specific exemptions concerning activities that could have a significant environmental impact, establishing the requirements under which CaixaBank will not assume credit risk.
- Operational procedures are currently being developed to integrate environmental risk assessment into lending procedures of legal entities through a questionnaire.
- CaixaBank aspires to apply **EU Taxonomy** once approved by the European Commission and adapted to the banking sector. In this regard, work is being done on several fronts to classify the Bank's portfolio.
- In 2007, CaixaBank became a signatory to the **Equator Principles**, through which a series of additional processes are established in relation to ESG risk assessment for certain services.

### 4. METRICS AND TARGETS

Reporting on the metrics and targets used to assess and manage relevant climate-related risks and opportunities

- Renewable energy portfolio exposure
- Operations financed under the Equator Principles framework
- Opinions issued on the environmental risks of credit operations
- Portfolio exposure to carbon-intensive sectors
- Carbon footprint of CaixaBank S.A.



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## Non-financial information

This glossary contains definitions of the indicators and other terms related to the non-financial information presented in the consolidated management report.

### Market share (%)

**Spain**, at December 2019 if no specific period is indicated.

- **Market share in credit to companies:** data produced by CaixaBank based on official data (Bank of Spain). Total credit to non-financial resident companies.
- **Market share in salary direct deposits:** quotient between the number of customers with salary direct deposits and customers covered by Social Security (not including self-employed workers and domestic employees), multiplied by a correction factor of 95%.
- **Share of private customers in Spain:** percentage of the market dominated by CaixaBank in terms of customers. The universe comprises bank account holders over the age of 18 years living in towns of more than 2,000 inhabitants. Source: FRS Inmark.
- **Digital adoption rate:** 12-month average of digital customers divided by the total number of customers. Source: ComScore
- **Adoption rate in companies Percentage of Spanish companies that are CaixaBank customers with turnover between 1 and 100 million euros.** Source: FRS Inmark.
- **Trade share:** Market share in trade (remittances, documentary credits, and guarantees). Source: Swift – Traffic Watch.
- **Market share in POS:** Data produced by CaixaBank based on official data (Bank of Spain).

### Portugal

- **Market share in consumer credit:** accumulated contracts during the year according to instruction no. 14/2013 of the Bank of Portugal. Source: Bank of Portugal/Bank Customer Website. October 2019
- **Market share in deposits demand and term deposits.** Source: Data produced by CaixaBank based on official data (Bank of Portugal - Monetary and Financial Statistics). October 2019
- **Market share in investment funds:** source: APFIPP (Portuguese Association of Investment Funds, Pension Funds and Asset Management) - Mutual Funds. November 2019
- **Market share in mortgage loans:** total resident mortgage loans including securitised loans (estimate). Data produced by CaixaBank based on official data (Bank of Portugal - Monetary and Financial Statistics).
- **Market share in salary direct deposits:** number of salary direct deposits corrected by a factor of 95% due to unavailable information in the Portuguese market. It is considered that 95% of salaried employees receive their salary by direct deposit. Source: National Statistics Institute (INE) September 2019
- **Market share in insurance: data based on official data.** Source: APS (Portuguese Association of Insurers). November 2019.

### General

- **Contribution to Gross Domestic Product (%):** total contribution of CaixaBank (direct and indirect) to GDP is measured by dividing Gross Value Added (GVA) by GDP. The GVA of CaixaBank Group's businesses in Spain and Portugal is calculated as the gross income (excluding gains/losses on financial assets and liabilities and others) minus general expenses. The GVA for the businesses (excluding shareholdings) is multiplied by the fiscal multiplier to include indirect contributions. Source: CaixaBank Research.
- **Intensive carbon portfolio:** ratio of credit exposure, fixed income and carbon-intensive equities to total CaixaBank Group financial instruments. Some exposures may contain a mix of power generation that includes renewable energies.
- **Citizens with a branch in their municipality:** total population of Spain in municipalities where CaixaBank has a retail branch or a subsidiary window.
- **Digital customers:** digital customers between the age of 20 and 74 years who have been active in the last 12 months. As a percentage of all customers and overall value. Spain Network.
- **Client:** any natural or legal person with a total position equal to or greater than €5 in the Entity that has made at least two non-automatic movements in the last two months.



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- **Electricity consumption:** calculated for the network of branches and corporate centres of CaixaBank, S.A. in MWh. Consumption of data per employee is calculated over average staff for the year.
- **Paper consumption:** calculated for the network of branches and corporate centres of CaixaBank, S.A. in tonnes. The consumption data per employee is calculated on average staff for the year.
- **Water consumption:** estimate based on a sample of corporate buildings and branches in the CaixaBank, S.A. corporate network.
- **Free Float (%):** The number of shares available for the public, calculated as the number of issued shares minus the shares held in the treasury, advisers, and shareholders represented on the Board of Directors. The Annual Corporate Governance Report specifies a different free float calculation to that used for management purposes, calculated according to the current regulations for the report.
- **Investment (business model context):** balance of managed loans excluding investments on a fee or commission basis, foreclosed assets and cash.
- **Investment in development and technology:** total amount invested in items identified as technology and computing, taking into account both current expenditure and activable elements, and including, among others, maintenance of infrastructure and software, development projects (digital channels, cybersecurity, business development, regulatory), telecommunications, acquisition of equipment and software, licences and rights of use.
- **Micro-credits:** collateral-free loans of up to €25,000 granted to individuals whose economic and social circumstances make access to traditional bank financing difficult. Its purpose is to promote productive activity, job creation and personal and family development.
- **Other** financing with social impact loans that contribute to generating a positive and measurable social impact on society, aimed at sectors related to entrepreneurship and innovation, the social eco-

nomy, education and health. Its aim is to contribute to maximising social impact in these sectors.

- **Businesses created with the support of micro-loans:** the start of business is considered when the application for the microloan is made between 6 months before and 2 years after the start of the activity.
- **Number of jobs created due to the contribution of microloans:** based on a survey conducted by STIGA on entrepreneurs that have applied to MicroBank for a microloan to open or consolidate a business during 2019.
- **Number of job positions generated through the multiplier effect of purchases from suppliers:** Indicator estimated based on the VAB of CaixaBank, Spanish and Portuguese GDP, the % of employment and productivity per worker according to National Accounting, and based on the input/output tables of the National Statistics Institutes (INE) of both countries with 4th-quarter data. Source: CaixaBank Research.
- **Branches:** number of total centres. It includes retail branches and other specialised segments. It does not include windows (public service centres that are displaced, lack a main manager and are dependent on another main branch). It does not include branches and offices outside Spain or virtual/digital offices.
- **Accessible branch:** a branch is deemed to be accessible when its features enable all types of people, regardless of their abilities, to enter, move around, navigate, identify, understand and make use of the available services and facilities, and to communicate with staff. The branch must also comply with current regulations.
- **Management suppliers:** a professional or company that establishes a commercial relationship with CaixaBank, regulated through a contract, to provide or supply everything necessary for a purpose related to the bank's activity. For management purposes, suppliers with an annual amount of over 30,000 euros are reported. Excluded are creditors

whose entry into competition does not bring value to the company or is not possible, including municipalities, associations, owners' communities, notaries, etc. It is provided for subsidiaries included in the corporate purchasing model.

- **Resources and values managed (business model context):** balance of resources managed on the balance sheet and off-balance sheet.

### Customer experience and quality

- **Committed customers:** percentage of the total number of customers surveyed who assess experience, loyalty and recommendation with ratings of 9 or 10 across the board. Calculated for customers in Spain.
- **Customer Experience Index (IEX):** measures the overall customer experience of CaixaBank on a scale of 0 to 100. It is a synthetic index of the Experience Rates of the 8 main CaixaBank businesses: Individuals, Premier, Private, Business, Business-Bank, Companies, Institutions and Corporate. It is weighted on the basis of the contribution to the Bank's Ordinary Margin by each of these businesses, which is obtained monthly.
- **Service Quality Index (IQS):** measures the overall experience of BPI's individual customers on a scale of 0 to 100.
- **Net Promoter Score (NPS):** measures recommendations by CaixaBank customers on a scale of 0 to 10. The Index is the result of the difference between % Promoter customers (ratings 9-10) and Detractor customers (ratings 0-6). It is offered for the retail customer segment of CaixaBank Spain and for specific experiences.

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## Human Resources

- **Number of work-related accidents:** total number of accidents with and without sick leave occurring in the company during the whole year.
- **Pay gap (%):** estimates the impact of gender on salary (determined through a model of multiple linear regression of salary, calculated as the sum of fixed and variable remuneration, on gender and other relevant factors, including age, longevity, longevity in duty, professional duty and level) and average salary of the company. The sample excludes duties (homogenous groups) of fewer than 50 observations (people) in CaixaBank, S.A. due to the fact that there are insufficient samples to infer statistically solid conclusions, although this aspect has not been extended to the subsidiaries due to the model's loss of predictive power.
- **Number of employees with disabilities:** employees working at the Company with a recognised degree of disability equal to or greater than 33%.
- **Hours of absenteeism (manageable):** total hours of manageable absenteeism (illness and accidents).
- **Hours of training per employee:** total hours of training of all staff during the year divided by average staff.
- **Investment in employee training (€):** Total hours of training of all staff during the year divided by average staff.
- **Manageable absenteeism rate (%):** total hours of manageable absenteeism (illness and accidents) over total working hours.
- **Accident frequency rate:** number of accidents resulting in sick leave divided by the total hours worked, multiplied by 10 to the power of 6. The rate does not include accidents which happen on an employee's way to or from work, as they are outside of work hours. In addition, it includes all real hours of work and excludes any permitted forms of absence, holidays, and sick leave.
- **Women in managerial positions (%):** percentage of women in assistant management positions of A or B offices (or above) over the total number of employees in managerial positions. Data calculated for CaixaBank, S.A.
- **New additions:** total new hires during the year (even if no longer remaining in the company).
- **Number of certified professionals:** Number of employees who have passed the Financial Advice Information Course (CIAF). Other related courses officially recognised by the National Securities Market Commission (CNMV) are also included in this calculation.
- **Certified professionals:** quotient between the number of certified employees and total employees that form part of the Premier and Private Banking group.
- **Average remuneration:** average total remuneration (annual remuneration plus variable benefits paid in the year), segmenting if applied as foreseen.
- **Average remuneration of board members:** average remuneration of the Board of Directors, including variable remuneration, allowances, severance, long-term savings provisions, and other income.
- **Undesired turnover:** total final redundancies in the year over average staff multiplied by 100.
- **Total employees:** active or structural workforce at year-end. Absences, partial retirees, non-computable staff, staff in centres pending destination, grant holders and ETTs are not considered.

## Information financial

In addition to the financial information prepared in accordance with International Financial Reporting Standards (IFRSs), this document includes certain Alternative Performance Measures (APMs) as defined in the guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority on 30 June 2015 (ESMA/2015/1057) (the "ESMA Guidelines"). CaixaBank uses certain APMs, which have not been audited, for a better understanding of the company's financial performance. These measures are considered additional disclosures and in no case replace the financial information prepared under IFRSs. Moreover, the way the Group defines and calculates these measures may differ to the way similar measures are calculated by other companies. Accordingly, they may not be comparable.

ESMA guidelines define an APM as a financial measure of historical or future performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.

In accordance with these guidelines, following is a list of the APMs used, along with a reconciliation between certain management indicators and the indicators presented in the consolidated financial statements prepared under IFRS:

### Profitability and Efficiency

**a) Customer spread:** this is the difference between:

- average rate of return on loans (income from loans and advances to customers divided by the net average balance of loans and advances to customers).
- average rate for retail customer funds (cost of retail customer funds divided by the average balance of those same retail customer funds, excluding subordinated liabilities).

**b) Balance sheet spread:** this is the difference between:

- average rate of return on assets (interest income divided by total average assets).

- average cost of funds (interest expenses divided by total average funds).

**c) ROE** profit attributable to the Group (adjusted by the amount of the *Additional Tier 1* coupon, reported in shareholders' equity) divided by average shareholder equity plus valuation adjustments for the last 12 months.

Allows the Group to monitor the return on its shareholders' equity.

**d) ROTE:** quotient between:

- profit attributable to the Group (adjusted by the amount of the *Additional Tier 1* coupon reported in shareholder equity).
- 12-month average shareholder equity plus valuation adjustments deducting intangible assets using management criteria (calculated as the value of intangible assets in the public balance sheet, plus the intangible assets and goodwill associated with investees, net of provisions, recognised in Investments in joint ventures and associates in the public balance sheet).

Metric used to measure the return on a company's tangible equity.

**e) ROA:** quotient between the net profit (adjusted by the amount of the *Additional Tier 1* coupon, reported in shareholder equity) and the average total assets, from the last twelve months.

**f) RORWA:** quotient between the net profit (adjusted by the amount of the *Additional Tier 1* coupon, reported in shareholder equity) and the average risk-weighted total assets, from the last twelve months.

**g) Cost-to-income ratio:** operating expenses (administrative expenses, depreciation and amortisation) divided by gross income (or core income for the core cost-to-income ratio) for the last 12 months.

### Risk management

**a) Cost of Risk (CoR):** quotient between the total allowances for insolvency risk (12 months) divided by average of gross loans to customers, plus contingent liabilities, using management criteria.

**b) Non-performing loan ratio:** quotient between the non-performing loans and advances to customers and contingent liabilities, using management criteria, and the total gross loans and advances to customers and contingent liabilities, using management criteria.

**c) Coverage ratio:** quotient between the total credit loss provisions for loans to customers and contingent liabilities, using management criteria, and non-performing loans and advances to customers and contingent liabilities, using management criteria.

**d) Real estate available for sale coverage ratio:** quotient between the gross debt cancelled at the foreclosure or surrender of the real estate asset less the present net book value of the real estate asset; and the gross debt cancelled at the foreclosure or surrender of the real estate asset.

Reflects the coverage level via write-downs and accounting provisions on foreclosed real estate assets available for sale.

**e) Real estate available for sale coverage ratio with accounting provisions:** quotient between accounting coverage: charges to provisions of foreclosed assets, and the gross book value of the foreclosed asset: sum of net carrying amount and the accounting provision.

### Liquidity

**a) Total liquid assets:** sum of HQLAs (*High Quality Liquid Assets* within the meaning of Commission Delegated Regulation of 10 October 2014) plus the available balance under the facility with the European Central Bank (non-HQLA).

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**b) Loan-to-deposits:** quotient between net loans and advances to customers using management criteria excluding brokered loans (funded by public institutions), and on- balance sheet customer funds.

Metric showing the retail funding structure (allows us to value the proportion of retail lending being funded by customer funds).

### Other relevant indicators

- **Core income:** includes net interest income, fee and commission income, income from the life-risk insurance business, the result of using the equity method for SegurCaixa Adeslas and income from the insurance investees of BPI.
- **Pensions and insurances income:** includes net interest income (savings insurances), fee and commission income (insurances, unitlinked, pension plans), income from the life-risk insurance business, the result of using the equity method for SegurCaixa Adeslas and income from the insurance investees of BPI.
- **EPS (Earnings per share):** profit attributable to the Group1 for the last 12 months divided by the average number of shares outstanding.

The **average number of shares outstanding** is calculated as average shares issued less the average number of treasury shares.

- **BVPS (Book value per share):** equity less minority interests divided by the number of fully diluted shares outstanding at a specific date.

Fully-diluted outstanding shares equals shares issued (less treasury shares) plus the shares resulting from a theoretical redemption/conversion of the issued exchangeable debt instruments, at a specific date.

- **TBVPS (Tangible book value per share):** quotient between equity less minority interests and intangible assets and the number of fully-diluted outstanding shares at a specific date.

- **PER (Price-to-earnings ratio):** share price divided by earnings per share (EPS).
- **P/BV:** share price divided by book value.
- **P/TBV tangible:** share price divided by tangible book value.
- **MDA (maximum distributable amount) buffer:** the capital threshold below which limitations exist on dividend payments, variable remuneration and interest payments to holders of Additional Tier 1 capital instruments. It is defined as Pillar 1 + Pillar 2 capital requirements + capital buffers + possible AT1 and T2 deficits.
- **MREL (Minimum Requirement for Eligible Liabilities):** minimum requirement of shareholder equity and eligible liabilities with the capacity to absorb losses, in addition to the issues eligible for total capital; it includes Senior non-preferred debt, Senior preferred debt and other pari-passu liabilities, in accordance with the Single Resolution Board.
- **Subordinated MREL:** comprises eligible issues for total capital and issues of Senior non-preferred debt.

## Adaptation of the structure of the publicly reported income statement to the management format

**Net fee and commission income.** Includes the following line items:

- Fee for commission income.
- Fee for commission expense.

**Gains/(losses) on financial assets and liabilities and others.** Includes the following line items:

- Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss (net).
- Gains/(losses) on financial assets not designated for trading compulsorily measured at fair value through profit or loss (net).
- Gains/(losses) on financial assets and liabilities held for trading (net).
- Gains/(losses) from hedge accounting (net).
- Exchange differences (net).

**Administrative expenses, depreciation and amortisation.** Includes the following line items:

- Administrative expenses.
- Depreciation and amortisation.

**Operating income/(loss)**

- (+) Gross income.
- (-) Operating expenses.

**Allowances for insolvency risk and charges to provisions.** Includes the following line items:

- Impairment/(reversal) of impairment losses on financial assets not measured at fair value through profit or loss and net or net profit or loss due to a change.
- Provisions/(reversal) of provisions.

*Of which: Allowances for insolvency risk.*

- Impairment/(reversal) of impairment losses on financial assets not measured at fair value through profit or loss corresponding to Loans and advances to customers, using management criteria.
- Provisions/(reversal) of provisions corresponding to Provisions for contingent liabilities, using management criteria.

*Of which: Other charges to provisions.*

- Impairment/(reversal) of impairment losses on financial assets not measured at fair value through profit or loss, excluding balances corresponding to Loans and advances to customers, using management criteria.
- Provisions/(reversal) of provisions, excluding provisions corresponding to contingent liabilities using management criteria.

**Gains/(losses) on disposal of assets and others.** Includes the following line items:

- Impairment/(reversal) of impairment on investments in joint ventures or associates.
- Impairment/(reversal) of impairment on non-financial assets.
- Gains/(losses) on derecognition of non-financial assets and investments (net).
- Negative goodwill recognised in profit or loss.
- Profit/(loss) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations (net).

**Profit/(loss) attributable to minority interests and others.** Includes the following line items:

- Profit/(loss) for the period attributable to minority interests (non-controlling interests).
- Profit/(loss) after tax from discontinued operations.

## Reconciliation of activity indicators using management criteria

### Loans and advances to customers, gross

December 2019

€ million

<b>Financial assets at amortised cost - Customers (public balance sheet)</b>	<b>222,154</b>
Reverse repo (public and private sector)	(813)
Clearing houses	(1,239)
Other non-retail financial assets	(319)
<b>Financial assets not designated for trading compulsorily measured at fair value through profit or loss - Loans and advances to customers (public balance sheet)</b>	<b>166</b>
Other non-retail financial assets	0
<b>Fixed-income bonds considered retail financing (Financial assets at amortised cost Debt securities on the public balance sheet)</b>	<b>2,403</b>
<b>Fixed income bonds considered retail financing (Assets under the insurance business - Balance Sheet)</b>	<b>350</b>
Provisions for insolvency risk	4,704
<b>Gross loans to customers with management criteria</b>	<b>227,406</b>

### Liabilities under insurance contracts

December 2019

€ million

<b>Liabilities under the insurance business (Public Balance Sheet)</b>	<b>70,807</b>
Capital gains/(losses) associated with the assets of the insurance business (excluding unit linked)	(13,361)
<b>Liabilities under the insurance business, using management criteria</b>	<b>55,446</b>



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## Customer funds

December 2019  
€ million

<b>Financial liabilities at amortised cost - Customers deposits (Public Balance Sheet)</b>	<b>221,079</b>
Non-retail financial liabilities (registered under Financial liabilities at amortised cost - Customers deposits)	(2,878)
Multi-issuer covered bonds and subordinated deposits	(2,932)
Counterparties and others	54
Retail financial liabilities (registered under Financial liabilities at amortised cost - Debt securities)	<b>1,625</b>
Retail issuances and other	1,625
<b>Liabilities under insurance contracts under management criteria</b>	<b>57,446</b>
<b>Total on-balance sheet customer funds</b>	<b>188,068</b>
<b>Assets under management</b>	<b>102,316</b>
<b>Other accounts<sup>1</sup></b>	<b>4,698</b>
<b>Total customer funds</b>	<b>384,286</b>

## Institutional issuances for banking liquidity purposes

December 2019  
€ million

<b>Financial liabilities at amortised cost - Debt securities (Public Balance Sheet)</b>	<b>33,648</b>
<b>Institutional financing not considered for the purpose of managing bank liquidity</b>	<b>(3,864)</b>
Securitisation bonds	(1,387)
Valuation adjustments	(969)
Retail	(1,625)
Issues acquired by companies within the group and other	117
<b>Customer deposits for the purpose of managing bank liquidity<sup>2</sup></b>	<b>2,932</b>
<b>Institutional financing for the purpose of managing bank liquidity</b>	<b>32,716</b>

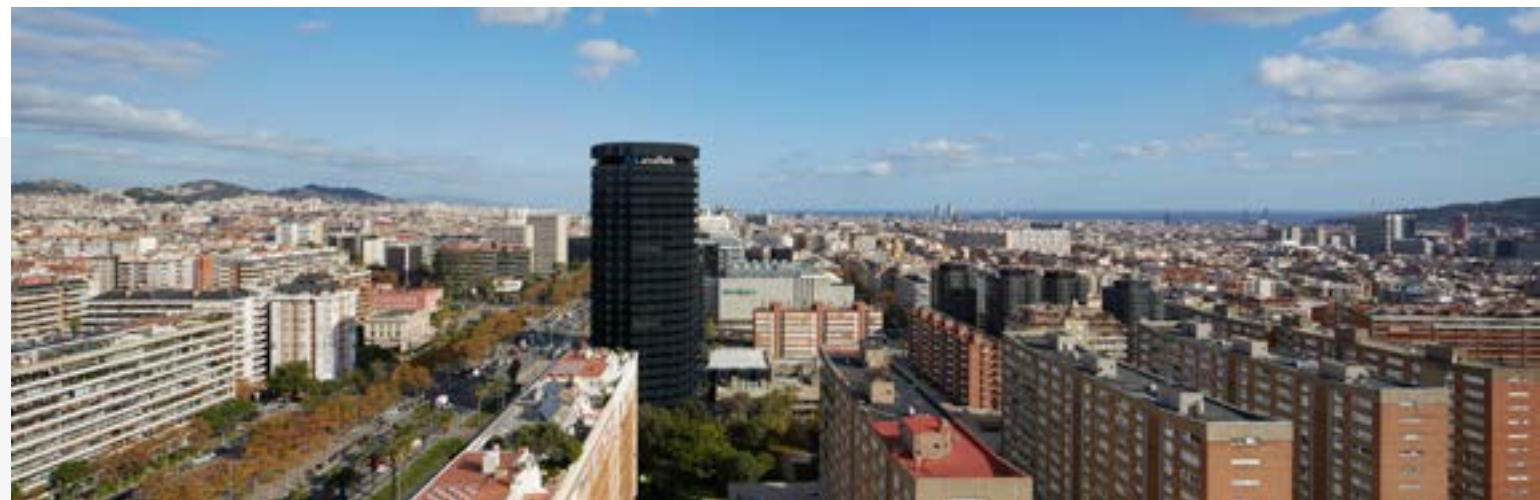
<sup>1</sup> Includes, among others, transitional funds associated with transfers and collection activity, as well as other customer funds distributed by the Group.

<sup>2</sup> A total of €2,953 million in multi-issuer covered bonds (net of retained issues) and €33 million in subordinated deposits.

### Foreclosed real estate assets (available for sale and held for rent)

December 2019  
€ million

<b>Non-current assets and disposal groups classified as held for sale (Public Balance Sheet)</b>	<b>1,354</b>
Other assets	(415)
<b>Inventories in the heading - Other assets (Public Balance Sheet)</b>	<b>19</b>
<b>Foreclosed available for sale real estate assets</b>	<b>958</b>
<b>Tangible assets (Public Balance Sheet)</b>	<b>7,282</b>
Tangible assets for own use	(4,915)
Other assets	(273)
<b>Foreclosed rental real estate assets</b>	<b>2,094</b>







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Annual Corporate Governance Report for 2019



# 06 Annual Corporate Governance Report

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