

CaixaBank S.A. Financial Statements

2021

Financial statements, proposal for the Allocation of Profit and the Management Report that the Board of Directors, in its session of 17 February 2022, agrees to put forward to the Annual General Meeting.

Translation of financial statements originally issued and prepared in Spanish. This English version is a translation of the original in Spanish for information purposes only. In the event of a discrepancy, the original Spanish-language version prevails.





This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation

Independent auditor's report on the annual accounts

To the shareholders of CaixaBank, S.A.:

Report on the annual accounts

Opinion

We have audited the annual accounts of CaixaBank, S.A. (the Company), which comprise the balance sheet as at 31 December 2021, and the income statement, total statement of changes in equity, cash flow statement and related notes for the year then ended.

In our opinion, the accompanying annual accounts present fairly, in all material respects, the equity and financial position of the Company as at 31 December 2021, as well as its financial performance and cash flows for the year then ended, in accordance with the applicable financial reporting framework (as identified in note 1 of the notes to the annual accounts), and in particular, with the accounting principles and criteria included therein.

Basis for opinion

We conducted our audit in accordance with legislation governing the audit practice in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the annual accounts* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those relating to independence, that are relevant to our audit of the annual accounts in Spain, in accordance with legislation governing the audit practice. In this regard, we have not rendered services other than those relating to the audit of the accounts, and situations or circumstances have not arisen that, in accordance with the provisions of the aforementioned legislation, have affected our necessary independence such that it has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.





How our audit addressed the key audit matter

Merger by absorption of Bankia

On 23 March 2021 all the necessary conditions precedent were met for the subsequent completion of the merger of Bankia, S.A. (the target company) into CaixaBank, S.A. (the acquiring company).

Previously, on 17 September 2020 the Boards of Directors of CaixaBank, S.A. and Bankia, S.A. had entered into the Common Merger Plan which was approved by the respective General Shareholders' Meetings in December 2020.

The reference date for the recognition of this business combination for accounting purposes is 31 March 2021.

In accordance with IFRS 3, the Entity has classified the identifiable assets acquired and the liabilities assumed on the business combination at provisional fair value during the Purchase Price Allocation (PPA) exercise. Moreover, management has had the support of a third party in carrying out an independent verification of the measurements used. This process of allocating fair value to the assets acquired and liabilities assumed is subject to significant judgement by management and is one of the most significant and complex estimates in the preparation of the accompanying financial statements, and so has been considered a key audit matter.

The acquiring company has one year from the acquisition date to complete the final valuation of the business combination and measure the acquiree's assets and liabilities at fair value.

See Note 7 to the accompanying financial statements.

We documented our understanding and our evaluation of the internal control with respect to the process for the identification and fair value measurement of the assets acquired and liabilities assumed carried out by management.

Additionally, we carried out audit procedures to obtain sufficient audit evidence on the balances included at the date of integration from an accounting perspective.

Similarly, with the collaboration of the auditor's internal experts and specialists, we assessed whether the methodology to determine fair values, the underlying assumptions and the mathematical accuracy were appropriate. Specifically, with regard to the allocation of the purchase price to the assets acquired and liabilities assumed.

In this respect, the measurements performed by the Entity are the best estimates available at the date of issue of these financial statements and they are therefore provisional in nature and may not yet be considered definitive.

The results of the procedures performed uphold the approach used in management's preliminary measurement and purchase price allocation as well as the appropriateness of the information disclosed in the accompanying financial statements.

As a result of the work carried out, no differences were identified, over a reasonable range, in the amounts recognised in the accompanying financial statements.





How our audit addressed the key audit matter

Impairment due to credit risk of financial assets at amortised cost and foreclosed real estate assets

Determining impairment due to credit risk and of foreclosed real estate assets is based on internal expected loss calculation models. The crisis triggered by Covid-19 has increased the complexity of estimating impairment linked to credit risk as a result of the adaptation of internal models to include new assumptions and elements of judgement such as considering government-backed operations or the adjustments to collective provision models to adapt them to uncertain macroeconomic scenarios. This estimation requires a significant component of judgement by management and is one of the most challenging and complex estimations in preparing the accompanying financial statements and so has been considered a key audit matter.

In addition to the above, management's main judgements and estimates relate to the following:

- The identification and staging classification criteria of impaired assets or assets which show a significant increase in risk, including the additional criteria established in the context of Covid-19.
- The building of the parameters for internal probability of default (PD) models and loss given default (LG) models.

Our work included involving internal specialists in credit risk and foreclosed real estate asset valuation models and focused on the analysis, evaluation and verification of internal control and the performance of tests of details on the estimation of impairment.

With respect to the internal control system, we gained an understanding of the process for estimating impairment due to credit risk and tested the appropriateness of controls in the different process phases and paid special attention to determining and approving the adjustments to the models in order to adapt them to the macroeconomic scenarios within the framework of Covid-19.

The regular evaluation of credit risk monitoring alerts has also been analysed as well as the effective completion of the regular review of borrower files in order to track their classification and where warranted, recognise impairment.

In addition, we carried out the following tests of details:

Analysis of the methodology and verification of the main internal models concerning: i) calculation and segmentation methods; ii) criteria for classifying loans and discounts in stages ("staging"); iii) methodology for estimating expected loss parameters (probability of default and realisable value of guarantees); iv) data used and main estimates employed, specifically, those relating to macroeconomic scenarios and related assumptions; and v) internal model recalibration and backtesting.





- The use of assumptions with a significant effect on the established credit risk provisions, such as the macroeconomic scenarios considered along with the probability of occurrence (specifically, the adjustment to the collective provision model performed in the context of the Covid-19 crisis), the expected life of operations and the existence of default, among others.
- The realisable value of the guarantees associated with lending transactions based on the information and / or valuation value provided by valuation companies or the use of statistical methodologies in those cases involving reduced exposure and risk.

The estimation of impairment of real estate assets originating in lending activities and which through dation in payment, purchase or the courts are adjudicated to the Entity is also based on internal calculation models and following the same criteria as those used for mortgage guarantees associated with lending transactions.

See Notes 2, 3.4.1, 14, 20, 21, 40.2 and 40.3 to the accompanying financial statements concerning credit risk and foreclosed real estate assets and Notes 26 and 39 to the accompanying financial statements concerning the profit or loss generated during the year.

How our audit addressed the key audit matter

- Validation of the additional criteria, established in the context of Covid-19, to assess the significant increase in risk.
- Analysis of the functioning of the "calculation engine" of the collective provision models for estimating impairment due to credit risk, reperformance of the calculation of the provisions for certain loan portfolios and comparison of the results with those obtained by Entity management.

 Additionally, we verified the variation during the year in the collective provision established in 2020 due to the adjustment to the models as a result of the change in the macroeconomic scenario brought about by the Covid-19 crisis (Post-Model Adjustment), as well as its reasonableness at 31 December 2021.
- Verification of the appropriate functioning of the "calculation engine" of the collective provisions of the models for estimating impairment of foreclosed real estate assets, re-performance of the calculation of those collective provisions and comparison of results with those obtained by Entity management.
- Validation of a sample of borrower files, analysed individually, in order to assess their appropriate classification, loss estimation methodologies and recognition, where warranted, of impairment.
- Analysis of the methodology used to estimate costs to sell, sales periods and reductions in the value of the guarantee, in order to estimate impairment of foreclosed real estate assets.
- Validation of a sample of valuations in order to assess whether they conform to prevailing legislation, their reasonableness and update level.





How our audit addressed the key audit matter

As a result of our tests, no differences were identified, over a reasonable range, in the amounts recognised in the accompanying financial statements.

Recoverability of deferred tax assets

The evaluation of the capacity to recover deferred tax assets is a complex exercise which requires a significant level of judgement and estimation and we therefore consider such estimation performed by Entity management a key audit matter.

Entity policy is to recognise DTA, other than those qualifying for monetization, only when the Entity considers it probable that sufficient taxable income will be obtained in the future to enable their recovery.

During this process, there are specific and complex considerations which management takes into account with respect to the tax consolidation group, in order to assess the recognition and subsequent capacity to recover the deferred tax assets recognised, based on the Group's financial projections and business plans, updated for the impact of Covid-19 and supported by defined assumptions which are projected over a timeline and considering tax legislation existing at each point in time. Additionally, Entity management subjects the deferred tax asset recoverability model to review by an independent tax expert and regular back- testing to assess predictability. See Notes 2 and 25 to the accompanying financial statements.

With the collaboration of our tax experts, we gained an understanding of management's estimation process and the controls designed and implemented in relation to the following activities:

- Preparation of the Entity's financial projections in order to estimate the recoverability of deferred tax assets.
- Calculation of deductible temporary differences in accordance with applicable tax rules.

Additionally, we carried out the following tests of details:

- Evaluation of the cash flows taken into account in the financial projections and the reasonableness and accuracy of the calculations performed.
- Analysis of the economic and financial assumptions employed in the estimations to calculate temporary differences, assessing whether they are complete, appropriate and usable within the established timeline, paying specific attention to the impact of Covid-19.
- Analysis of the reasonableness of the amounts of deferred tax assets considered monetizable.

As a result of our tests, no differences were identified, over a reasonable range, in the amounts recognised in the accompanying financial statements.





How our audit addressed the key audit matter

Risks associated with information technologies

The operation and continuity of the Entity 's activity, due to its nature, and particularly, the process for preparing financial and accounting information, greatly depend on the information systems that make up its technological structure and ensure the correct processing of information, this thus being a key audit matter. Besides, as systems become more complex, the risks associated with information technologies, the organisation and therefore the information processed increase.

In this respect, Entity management has the procedures which it deems appropriate in place within the information system environment. The effectiveness of the general framework of internal control over the information systems is a basic aspect supporting the Entity 's operation as well as the accounting and closing process.

Against this backdrop, it is necessary to evaluate aspects such as the organisation and governance of information systems, software maintenance and development controls, physical and logical security and system operation.

With the collaboration of our information systems and process specialists, our work consisted of assessing and verifying the control environment connected with the information systems that support the Entity 's operation and particularly, the accounting close.

Within this context, procedures have been carried out on internal control along with substantive tests in order to assess aspects such as:

- i. the organisation and governance of the information systems area,
- software change, development and maintenance management.
- access control and physical and logical security surrounding the software, operating systems and databases that underpin the Entity 's relevant financial information.

Specifically, with respect to the accounting and closing process, we performed the following additional procedures:

- Understanding and analysis of the process of generating accounting entries and financial information.
- Extracting, validating the completeness and filtering entries included in the accounting records as well as analysing the reasonableness of certain entries.

Additionally, within the context of the merger by absorption of Bankia, S.A., we assessed the control procedures surrounding the integration of its information systems in the information systems of CaixaBank, S.A and the relevant data migration.





How our audit addressed the key audit matter

The control environment associated with the migration of data in the information systems and applications from Bankia, S.A. to CaixaBank, S.A.'s environment was assessed for the integration of the activity underpinned by Bankia's information systems. Additionally, other aspects were evaluated such as the planning of the migration data project, the analysis of the target systems' performance and capacity, the results of previously performed tests and simulations, the operational continuity during the migration process, the transfer of source data, the performance of accounting reconciliations and the monitoring of post-migration incidents.

As a result of the above procedures, there are no significant observations to be made.

Other information: Management report

Other information comprises only the management report for the 2021 financial year, the formulation of which is the responsibility of the Company's directors and does not form an integral part of the annual accounts.

Our audit opinion on the annual accounts does not cover the management report. Our responsibility regarding the management report, in accordance with legislation governing the audit practice, is to:

- a) Verify only that the statement of non-financial information, certain information included in the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration, as referred to in the Auditing Act, has been provided in the manner required by applicable legislation and, if not, we are obliged to disclose that fact.
- b) Evaluate and report on the consistency between the rest of the information included in the management report and the annual accounts as a result of our knowledge of the Company obtained during the audit of the aforementioned financial statements, as well as to evaluate and report on whether the content and presentation of this part of the management report is in accordance with applicable regulations. If, based on the work we have performed, we conclude that material misstatements exist, we are required to report that fact.

On the basis of the work performed, as described above, we have verified that the information mentioned in section a) above has been provided in the manner required by applicable legislation and that the rest of the information contained in the management report is consistent with that contained in the annual accounts for the 2021 financial year, and its content and presentation are in accordance with applicable regulations.





Responsibility of the directors and the Comisión de Auditoría y Control for the annual accounts

The directors are responsible for the preparation of the accompanying annual accounts, such that they fairly present the equity, financial position and financial performance of the Company, in accordance with the financial reporting framework applicable to the entity in Spain, and for such internal control as the aforementioned directors determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Comisión de Auditoría y Control is responsible for overseeing the process of preparation and presentation of the annual accounts.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with legislation governing the audit practice in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with legislation governing the audit practice in Spain, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to
 fraud or error, design and perform audit procedures responsive to those risks, and obtain audit
 evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not
 detecting a material misstatement resulting from fraud is higher than for one resulting from error,
 as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the
 override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit
 procedures that are appropriate in the circumstances, but not for the purpose of expressing an
 opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.





- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the
 disclosures, and whether the annual accounts represent the underlying transactions and events
 in a manner that achieves fair presentation.

We communicate with the entity's Comisión de Auditoría y Control regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the entity's Comisión de Auditoría y Control with a statement that we have complied with relevant ethical requirements, including those relating to independence, and we communicate with the aforementioned those matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the entity's Comisión de Auditoría y Control, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital file of the European single electronic format (ESEF) of CaixaBank, S.A. for the 2021 financial year that comprises an XHTML file of the annual accounts for the financial year, which will form part of the annual financial report.

The directors of CaixaBank, S.A. are responsible for presenting the annual financial report for 2021 financial year in accordance with the formatting requirements established in the Delegated Regulation (EU) 2019/815 of 17 December 2018 of the European Commission (hereinafter the ESEF Regulation).





Our responsibility is to examine the digital file prepared by the Company's directors, in accordance with legislation governing the audit practice in Spain. This legislation requires that we plan and execute our audit procedures in order to verify whether the content of the annual accounts included in the aforementioned file completely agrees with that of the annual accounts that we have audited, and whether the format of these accounts has been affected, in all material respects, in accordance with the requirements established in the ESEF Regulation.

In our opinion, the digital file examined completely agrees with the audited annual accounts, and these are presented, in all material respects, in accordance with the requirements established in the ESEF Regulation.

Report to the Comisión de Auditoría y Control

The opinion expressed in this report is consistent with the content of our additional report to the Comisión de Auditoría y Control of the Company dated 16 February 2022.

Appointment period

The General Ordinary Shareholders' Meeting held on 22 May 2020 appointed us as auditors for a period of one year, for the year ended 31 December 2021.

Previously, we were appointed by resolution of the General Ordinary Shareholders' Meeting for a period of tres years and we have audited the accounts continuously since the year ended 31 December 2018.

Additionally, the General Ordinary Shareholders' Meeting held on May 14, 2021 appointed PricewaterhouseCoopers Auditores, S.L. as auditors of the Company for a period of one year, for the year ended December 31, 2022.

Services provided

Services provided to the audited entity for services other than the audit of the accounts are disclosed in note 33 to the annual accounts.

In relation to the services provided to the subsidiary companies of the Company for services other than the audit of the accounts, refer to the audit report dated 18 February 2022 on the consolidated annual accounts of CaixaBank, S.A. and its subsidiary companies, where these subsidiary companies have been consolidated.

PricewaterhouseCoopers Auditores, S.L. (S0242)

PRICEWATERHOUSECOOPERS AUDITORES, S.L.

Original in Spanish signed by Raúl Ara Navarro (20210)

18 February 2022

CAIXABANK'S FINANCIAL STATEMENTS FOR THE 2021 FINANCIAL YEAR

- Balance sheets on 31 December 2021 and 2020, before the appropriation of profit and loss
- Profit and loss accounts corresponding to the financial years ending on 31 December 2021 and 2020
- Statement of changes in net equity corresponding to the financial years ending on 31 December 2021 and 2020
 - Statement of other comprehensive income
 - Statement of total changes in equity
- Statement of cash flows for the years ending on 31 December 2021 and 2020
- Report corresponding to the financial year ending on 31 December 2021



BALANCE SHEET

ASSETS

	NOTE	31-12-2021	31-12-2020 (*
Cash and cash balances at central banks and other demand deposits	9	96,845	46,77
Financial assets held for trading	10	17,971	13,44
Derivatives		17,371	12,45
Equity instruments		186	19
Debt securities		414	79
Financial assets not designated for trading compulsorily measured at fair value through profit or loss	11	121	13
Equity instruments		54	5
Debt securities			
Loans and advances		67	8
Customers		67	8
Financial assets designated at fair value through profit or loss			
Debt securities			
Financial assets at fair value with changes in other comprehensive income	12	14,665	17,34
Equity instruments		1,144	89
Debt securities		13,521	16,44
Financial assets measured at amortised cost	13	398,774	243,65
Debt securities		63,239	19,97
Loans and advances		335,535	223,68
Central banks		59	
Credit institutions		8,251	5,380
Customers		327,225	218,30
Derivatives - Hedge accounting	14	1,018	532
Fair value changes of the hedged items in portfolio hedge of interest rate risk	14	918	1,200
Investments in subsidiaries, joint ventures and associates	15	9,668	10,34
Group entities		9,594	9,16
Joint ventures		•	,
Associates		74	1,18:
Tangible assets	16	5,955	4,582
Property, plant and equipment		5,914	4,54
For own use		5,914	4,54
Investment property		41	4
Intangible assets	17	797	73!
Goodwill		118	323
Other intangible assets		679	412
Tax assets		17,976	8,382
Current tax assets		2,016	809
Deferred tax assets	23	15,960	7,57
Other assets	18	4,606	2,46
Insurance contracts linked to pensions		2,985	1,210
Inventories		7	9
Remaining other assets		1,614	1,24
Non-current assets and disposal groups classified as held for sale	19	1,599	322
TOTAL ASSETS		570,913	349,942
Memorandum items			•
Loan commitments given	24	79,531	64,238
Financial guarantees given	24	8,960	5,342
Other commitments given	24	32,136	19,66
Financial instruments loaned or delivered as collateral with the right of sale or pledge		- ,===	3,00
Financial assets held for trading		108	69:
Financial assets at fair value with changes in other comprehensive income		4,312	3,55
Financial assets measured at amortised cost		63,069	42,29
Tangible assets acquired under a lease	16	1,697	1,36
			_,50



BALANCE SHEET

LIABILITIES

(Millions of euros)

	NOTE	31-12-2021	31-12-2020 (*)
Financial liabilities held for trading	10	12,153	7,557
Derivatives		11,873	7,285
Short positions		280	272
Financial liabilities designated at fair value through profit or loss			
Other financial liabilities			
Financial liabilities at amortised cost	20	517,751	314,156
Deposits		460,903	276,072
Central banks		75,623	45,695
Credit institutions		12,255	3,735
Customers		373,025	226,642
Debt securities issued		50,624	32,781
Other financial liabilities		6,224	5,303
Derivatives - Hedge accounting	14	928	174
Fair value changes of the hedged items in portfolio hedge of interest rate risk	14	668	1,587
Provisions	21	6,158	2,844
Pensions and other post-employment defined benefit obligations		804	499
Other long-term employee benefits		3,407	1,397
Pending legal issues and tax litigation		1,065	501
Commitments and guarantees given		395	124
Other provisions		487	323
Tax liabilities		1,167	679
Current tax liabilities		16	61
Deferred tax liabilities	23	1,151	618
Other liabilities	18	1,508	1,271
TOTAL LIABILITIES		540,333	328,268
Memorandum items			
Subordinated liabilities			
Financial liabilities at amortised cost	20	10,255	6,203
		-,	-,

^(*) Presented for comparison purposes only (see Note 1).

EQUITY

	NOTE	31-12-2021	31-12-2020 (*)
SHAREHOLDERS' EQUITY	22	31,956	23,044
Capital		8,061	5,981
Share premium		15,268	12,033
Other equity items		39	25
Retained earnings		8,051	7,726
Other reserves		(3,660)	(3,399)
(-) Treasury shares		(18)	(10)
Profit/(loss) for the period		4,215	688
ACCUMULATED OTHER COMPREHENSIVE INCOME	22	(1,376)	(1,370)
Items that will not be reclassified to profit or loss		(1,546)	(1,816)
Actuarial gains or (-) losses on defined benefit pension plans		(53)	(43)
Fair value changes of equity instruments measured at fair value with changes in other comprehensive income		(1,493)	(1,773)
Failed fair value hedges of equity instruments measured at fair value with changes in other comprehensive income			
Fair value changes of equity instruments measured at fair value with changes other comprehensive income			
[hedged instrument]		(12)	
Fair value changes of equity instruments measured at fair value with changes in other comprehensive income			
[hedging instrument]		12	
Items that may be reclassified to profit or loss		170	446
Hedging derivatives. Reserve of cash flow hedges [effective portion]		(94)	73
Fair value changes of debt securities measured at fair value with changes in other comprehensive income		264	373
TOTAL EQUITY		30,580	21,674
TOTAL LIABILITIES AND EQUITY		570,913	349,942

^(*) Presented for comparison purposes only (see Note 1).



INCOME STATEMENTS

	NOTE	2021	2020 (*
Interest income	26	5,231	4,001
Financial assets at fair value with changes in other comprehensive income		170	171
Financial assets measured at amortised cost		4,445	3,587
Other interest income		616	243
Interest expense	27	(799)	(697
NET INTEREST INCOME		4,432	3,304
Dividend income	28	716	1,467
Fee and commission income	29	3,237	2.224
Fee and commission expenses	29	(207)	(125
Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	30	29	183
Financial assets measured at amortised cost		3	114
Other financial assets and liabilities		26	68
Gains/(losses) on financial assets and liabilities held for trading, net	30	74	138
Other gains or losses		74	138
Gains/(losses) on financial assets not designated for trading compulsorily measured at fair value through profit or loss,			
net	30	2	(5
Reclassification of financial assets at fair value with changes in other comprehensive income			
Reclassification of financial assets at amortised cost			
Other gains or losses		2	(5
Gains/(losses) from hedge accounting, net		2	(6
Exchange differences (gain/loss), net		11	(50
Other operating income	31	111	12
Other operating expenses	31	(961)	(586
GROSS INCOME		7,446	6,664
Administrative expenses		(6,584)	(3,332
Personnel expenses	32	(5,106)	(2,369
Other administrative expenses	33	(1,478)	(963
Depreciation and amortisation	16 and 17	(675)	(553
Provisions or reversal of provisions	21	(322)	(148
Impairment/(reversal) of impairment on financial assets not measured at fair value through profit or loss or net profit			
or loss due to a change	34	(631)	(1,477
Financial assets at fair value with changes in other comprehensive income			:
Financial assets measured at amortised cost		(631)	(1,479
Impairment or reversal of impairment on investments in subsidiaries, joint ventures and associates	15	(189)	(484
Impairment/(reversal) of impairment on non-financial assets	35, 17, 16	(141)	(47
Tangible assets		(72)	(33
Intangible assets		(47)	(14
Other		(22)	
Gains/(losses) on derecognition of non-financial assets, net	7 and 36	412	9
Negative goodwill recognised in profit or loss	7	4,300	
Profit/(loss) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued			
operations	19 and 37	251	(38
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		3,867	594
Tax expense or income related to profit or loss from continuing operations	23	348	94
PROFIT/(LOSS) AFTER TAX FROM CONTINUING OPERATIONS		4,215	688

^(*) Presented for comparison purposes only (see Note 1).



STATEMENT OF CHANGES IN EQUITY (PART A) STATEMENT OF OTHER COMPREHENSIVE INCOME

	NOTE	2021	2020 (*)
PROFIT/(LOSS) FOR THE PERIOD		4,215	688
OTHER COMPREHENSIVE INCOME		(6)	(527)
tems that will not be reclassified to profit or loss		271	(649)
Actuarial gains or losses on defined benefit pension plans		(14)	3
Fair value changes of equity instruments measured at fair value with changes in other comprehensive income	12	277	(651)
Profit or loss from hedge accounting of equity instruments measured at fair value with changes in other comprehensive income			
Fair value changes of equity instruments measured at fair value with changes in equity [hedged instrument]		(12)	58
Fair value changes of equity instruments measured at fair value with changes in equity [hedging instrument]		12	(58)
Income tax relating to items that will not be reclassified		8	(1)
tems that may be reclassified to profit or loss		(277)	122
Foreign currency exchange		1	
Translation gains/(losses) taken to equity		1	
Cash flow hedges (effective portion)		(240)	160
Valuation gains/(losses) taken to equity		(236)	176
Transferred to profit or loss		(4)	(16)
Debt instruments classified as fair value financial assets with changes in other comprehensive income		(139)	35
Valuation gains/(losses) taken to equity		(103)	67
Transferred to profit or loss		(36)	(32)
Income tax relating to items that may be reclassified to profit or loss		101	(73)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		4,209	161

^(*) Presented for comparison purposes only (see Note 1).

STATEMENT OF CHANGES IN EQUITY (PART B) STATEMENTS OF TOTAL CHANGES IN EQUITY

					SHAREHOLDER	RS' EQUITY				ACCUMULATE	
	NOTE	CAPITAL	SHARE PREMIUM	OTHER EQUITY ITEMS	RETAINED EARNINGS	OTHER RESERVES	LESS: TREASURY SHARES	PROFIT/(LOSS) FOR THE PERIOD	LESS: INTERIM DIVIDENDS	D OTHER COMPREHENSI VE INCOME	TOTAL
BALANCE AT 31-12-2019 *		5,981	12,033	24	6,049	(3,254)	(9)	2,074		(843)	22,055
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD								688		(527)	161
OTHER CHANGES IN EQUITY				1	1,677	(145)	(1)	(2,074)			(542)
Dividends (or remuneration to shareholders)					(418)						(418)
Purchase of treasury shares	22						(7)				(7)
Sale or cancellation of treasury shares	22						6				6
Transfers among components of equity					2,074			(2,074)			
Other increase/(decrease) in equity				1	21	(145)					(123)
BALANCE AT 31-12-2020 *		5,981	12,033	25	7,726	(3,399)	(10)	688		(1,370)	21,674
OPENING BALANCE AT 01-01-2021		5,981	12,033	25	7,726	(3,399)	(10)	688		(1,370)	21,674
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD								4,215		(6)	4,209
OTHER CHANGES IN EQUITY		2,080	3,235	14	325	(261)	(8)	(688)			4,697
Issuance of ordinary shares	7	2,080	3,235								5,315
Dividends (or remuneration to shareholders)	6				(216)						(216)
Purchase of treasury shares	22						(16)				(16)
Sale or cancellation of treasury shares	22						8				8
Transfers among components of equity					688			(688)			
Other increase/(decrease) in equity				14	(147)	(261)					(394)
CLOSING BALANCE AT 31-12-2021		8,061	15,268	39	8,051	(3,660)	(18)	4,215		(1,376)	30,580

^(*) Presented for comparison purposes only (see Note 1).



STATEMENT OF CASH FLOWS (INDIRECT METHOD)

	NOTE	2021	2020 (*)
A) CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		33,624	34,607
Profit/(loss) for the period		4,215	688
Adjustments to obtain cash flows from operating activities		(2,427)	3,056
Depreciation and amortisation		675	553
Other adjustments		(3,102)	2,503
Net increase/(decrease) in operating assets		18,264	(20,909)
Financial assets held for trading		1,446	791
Financial assets not designated for trading compulsorily measured at fair value through profit or loss		29	81
Financial assets at fair value with changes in other comprehensive income		12,632	(1,569)
Financial assets measured at amortised cost		4,544	(22,339)
Other operating assets		(387)	2,127
Net increase/(decrease) in operating liabilities		14,423	51,922
Financial liabilities held for trading		(1,010)	(1,724)
Financial liabilities at amortised cost		16,488	54,525
Other operating liabilities		(1,055)	(879)
Income tax (paid)/received		(851)	(150
B) CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		16,343	(217)
Payments:		(736)	(500)
Tangible assets		(309)	(319)
Intangible assets		(165)	(130)
Investments in subsidiaries, joint ventures and associates		(14)	(32)
Non-current assets and liabilities classified as held for sale		(248)	(19)
Proceeds:		17,079	283
Tangible assets		112	44
Investments in subsidiaries, joint ventures and associates		2,400	112
Subsidiaries and other business units		691	
Non-current assets and liabilities classified as held for sale		1,990	127
Other proceeds related to investing activities		11,886	
C) CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		98	(1,504)
Payments:		(4,428)	(5,241)
Dividends	6	(216)	(418)
Subordinated liabilities		(665)	
Purchase of own equity instruments		(16)	(7
Other payments related to financing activities		(3,531)	(4,816)
Proceeds:		4,526	3,737
Subordinated liabilities	20	1,750	746
Disposal of own equity instruments		8	6
Other proceeds related to financing activities		2,768	2,985
D) EFFECT OF EXCHANGE RATE CHANGES		1	(5)
E) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)		50,066	32,881
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		46,779	13,898
G) CASH AND CASH EQUIVALENTS AT END OF YEAR (E+F)		96,845	46,779
COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF YEAR	9		
Cash		2,752	2,073
Cash equivalents at central banks		93,611	44,414
Other financial assets		482	292
TOTAL CASH AND CASH EQUIVALENTS AT END OF YEAR		96,845	46,779

^(*) Presented for comparison purposes only (see Note 1).



NOTES TO THE CAIXABANK REPORT AT 31 DECEMBER 2021

As required by current legislation governing the content of financial statements, these notes to the financial statements complete, expand on and discuss the balance sheet, income statement, statement of changes in equity and statement of cash flows, and they form an integral part thereof to give a true and fair view of the equity and financial position of CaixaBank at 31 December 2021, as well as of the results of its operations, changes in equity and cash flows during the year ended on said date.

Index of explanatory notes	Page
1. Corporate information, basis of presentation and other information	11
2. Accounting policies and measurement bases	16
3. Risk management	43
4. Capital adequacy management	118
5. Appropriation of profit	121
6. Shareholder remuneration and earnings per share	122
7. Business combinations and mergers	123
8. Remuneration of key management personnel	127
9. Cash and cash balances at central banks and other demand deposits	133
10. Financial assets and liabilities held for trading	134
11. Financial assets not designated for trading compulsorily measured at fair value through profit or loss	136
12. Financial assets at fair value with changes in other comprehensive income	137
13. Financial assets measured at amortised cost	139
14. Derivatives - Hedge accounting (assets and liabilities)	143
15. Investments in subsidiaries, associates and joint ventures	148
16. Tangible assets	151
17. Intangible assets	153
18. Other assets and other liabilities	155
19. Non-current assets and disposal groups classified as held for sale	156
20. Financial liabilities	157
21. Provisions	162
22. Equity	172
23. Tax position	175
24. Guarantees and contingent commitments given	179
25. Other significant disclosures	180
26. Interest income	185
27. Interest expense	186
28. Dividend income	187
29. Fees and commissions	188
30. Gains/(losses) on financial assets and liabilities	189
31. Other operating income and expense	190
32. Personnel expenses	191
33. Other administrative expenses	192





34. Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss	194
35. Impairment/(reversal) of impairment on non-financial assets	195
36. Gains/(losses) on derecognition of non-financial assets	196
37. Profit/(loss) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	197
38. Information on the fair value	198
39. Disclosures required under the Mortgage Market Law	207
40. Related-party transactions	212
41. Other disclosure requirements	217
42. Statements of cash flows	218
Appendix 1 – CaixaBank investments in subsidiaries of CaixaBank Group	219
Appendix 2 – CaixaBank stakes in agreements and joint ventures of CaixaBank Group	222
Appendix 3 – Investments in associates of CaixaBank	223
Appendix 4 – Other tax details	226
Appendix 5 - Disclosure on the acquisition and disposal of ownership interests in subsidiaries in 2021	227
Appendix 6 – List of agents	228
Appendix 7 – Balance sheet of Bankia, S.A. on 31 March 2021	229
Annendix 8 – Denreciable assets included in CaixaBank's balance sheet by year of acquisition	230

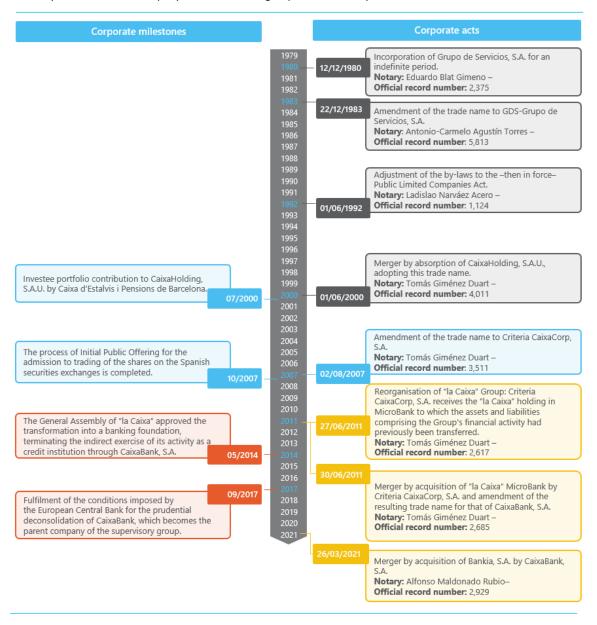
1. Corporate information, basis of presentation and other information

1.1 Corporate information

CaixaBank, S.A. (hereinafter, CaixaBank - its trade name - or the Entity), is a Spanish public limited company registered in the Commercial Register of Valencia, Volume 10370, Folio 1, Sheet V-178351, and in the Special Administrative Register of the Bank of Spain, under number 2100. The Legal Entity Identifier (LEI) of CaixaBank is 7CUNS533WID6K7DGFI87, and its Tax ID No. (NIF) is A08663619.

As of 1 July 2011, CaixaBank's shares are listed on the securities exchanges of Madrid, Barcelona, Valencia and Bilbao, in their continuous markets. The Entity's registered office and tax address is Calle Pintor Sorolla, 2-4, Valencia. The contact numbers for the shareholder service line are 902 11 05 82 / +34 935 82 98 03, and the one for institutional investors and analysts is +34 934 11 75 03.

The Entity's most relevant company milestones during its period of activity are:





The corporate purpose of CaixaBank, covered under Article 2 of its By-laws, mainly entails:

- all manner of activities, operations, acts, contracts and services related to the banking sector in general, including the provision of investment services and ancillary services and the performance of the activities of an insurance agency;
- receiving public funds in the form of irregular deposits or in other similar formats, for the purposes of application on its own account to active credit and microcredit operations, and other investments, providing customers with services including dispatch, transfer, custody, mediation and others; and
- acquisition, holding, enjoyment and disposal of all manner of securities and drawing up takeover bids and sales of securities, and of all manner of ownership interests in any entity or company.

CaixaBank is the parent company of the financial conglomerate formed by the Group's entities that are considered to be regulated, recognising CaixaBank as a significant supervised entity, whereby CaixaBank comprises, together with the credit institutions of its Group, a significant supervised group of which CaixaBank is the entity at the highest level of prudential consolidation.

As a listed bank, it is subject to oversight by the European Central Bank and the Spanish national securities market regulator (the Comisión Nacional del Mercado de Valores, CNMV); however, the entities of the Group are subject to oversight by supplementary and industry-based bodies.

Since CaixaBank is a Spanish commercial enterprise structured as a public limited company, it is therefore subject to the amended text of the Spanish Corporate Enterprises Act ("Corporate Enterprises Act"), enacted by Royal Legislative Decree 1/2010 of 2 July and its implementing provisions. Furthermore, given that it is a listed company, it is also governed by the amended text of the Securities Markets Law, approved by Royal Legislative Decree 4/2015, of 23 October, and its implementing provisions.

CaixaBank's corporate website is www.caixabank.com.

1.2. Basis of presentation

The financial statements have been drawn up by the Directors in accordance with the regulatory financial reporting framework applicable to the Institution at 31 December 2021, established by Bank of Spain Circular 4/2017, of 27 November, and its successive amendments effective at year-end.

The financial statements, which were prepared from the accounting records of CaixaBank, are presented in accordance with the regulatory financial reporting framework applicable to them and, in particular, with the accounting principles and rules contained therein and, accordingly, present fairly the Entity's equity, financial position, results of operations and cash flows for the corresponding financial year.

The figures are presented in millions of euros unless another monetary unit is stated. Certain financial information in these notes was rounded off and, consequently, the figures shown herein as totals may differ slightly from the arithmetic sum of the individual figures given before them. Similarly, in deciding what information to disclose in this report, its materiality was assessed in relation to the annual financial data.

Accounting standard issued by the Bank of Spain that has come into effect during 2021

On 29 December 2021, Bank of Spain Circular 6/2021, of 22 December 2021, was published, amending Circular 4/2017 to credit institutions, on public and confidential financial reporting standards and financial statement templates, and Circular 4/2019 to financial credit institutions, on public and confidential financial reporting standards and financial statement templates.

This new circular has just incorporated the global reform of interest rate references (IBORs) into Spanish law, in accordance with the amendments to IAS 39, IFRS 9, IFRS 7, IFRS 16 and IFRS 4 — the so-called phase 2 — and makes adjustments to the treatment of restructured, refinanced or refinancing operations included in appendix 9, on "Analysis and hedging of credit risk", of Circular 4/2017 (applicable in the Entity as of 2022).



1. Corporate information

CaixaBank | 2021 Financial Statements

13

1.3. Responsibility for the information and for the estimates made

The Institution's financial statements for 2021 have been drawn up by the Board of Directors in the meeting held on 17 February 2022. They are pending approval by the Annual General Meeting, however it is expected that they will be approved without any changes. The financial statements of 2020 were approved by the Ordinary Annual General Meeting on 14 May 2021.

These consolidated financial statements have been prepared according to a going concern based on the solvency (see Note 4) and liquidity (see Note 3.3.3.) of the Entity. The preparation of the financial statements required the Board of Directors to make certain judgements, estimates and assumptions in order quantify certain assets, liabilities, revenues, expenses and obligations shown in them. These judgements and estimates mainly refer to:

- The measurement of goodwill and intangible assets (Note 2.15 and 17).
- The term of the lease agreements used in the assessment of the lease liabilities (Note 2.18).
- The fair value of assets, liabilities and contingent liabilities in the context of the purchase price allocation in business combinations (Note 7)
- Impairment losses on financial assets, and of the fair value of guarantees associated thereto, according to their classification in accounts, which entail the need to make judgments regarding: i) the consideration of "significant increase in credit risk" (SICR); ii) the definition of default; and iii) the incorporation of forward-looking information (Notes 2.7 and 3.4.1).
- The valuation of stakes in group entities, joint ventures and associates (Note 15).
- Determination of the share of profit/(loss) of associates (Note 15).
- The classification, useful life and impartment losses of tangible and intangible assets (Notes 16 and 17).
- Impairment losses on non-current assets and disposal groups classified as held for sale (Note 19).
- Actuarial assumptions used to measure post-employment liabilities and commitments (Note 21).
- The measurement of the provisions required to cover labour, legal and tax contingencies (Note 21).
- The income tax expense based on the income tax rate expected for the full year and the capitalisation and recoverability of tax assets (Note 23)
- The fair value of certain financial assets and liabilities (Note 38).

These estimates were made on the basis of the best information available at the date of authorisation for issue of the financial statements. However, considering the uncertainty at this time derived from the impact of COVID-19 on the current economic environment, it is possible that events may occur that make it necessary for them to be changed in future periods. According to applicable legislation, the effects of these changes would be recognised prospectively in the corresponding statement of profit or loss.

1.4. Comparison of information

The 2020 figures presented in the accompanying 2021 financial statements are given for comparison purposes only. In some cases, comparative information is summarised to facilitate comparison, with the full information available in the 2020 financial statements.

The 2020 comparative figure corresponding to the asset class "Financial instruments loaned or delivered as collateral with the right of sale or pledge — Financial assets at amortised cost" has been modified as mortgage-covered bonds were being included. This change does not have any effect on equity.

In addition, the 2020 comparative figure corresponding to the classification of the cumulative amounts of fair value hedge adjustments of hedged items accrued until the maturity thereof (whose hedge was terminated early) from the balance sheet asset item "Other assets — All other assets" to "Changes in fair value of hedged items in a portfolio with interest rate risk hedge", amounting to EUR 1,017 million, has been changed to "Changes in fair value of hedged items in a portfolio with interest rate risk hedge". This change does not have any effect on equity.

The takeover of Bankia, SA was conducted on 23 March 2021. The financial statements at 31 December 2021 reflect the recognition of this business combination. Note 7 explains the balance sheet items integrated into the business combination, as well as the negative goodwill resulting from the transaction.



1. Corporate information

CaixaBank | 2021 Financial Statements



1.5. Seasonality of operations

The most significant operations carried out by the Entity do not have a relevant cyclical or seasonal nature within a single financial year.

1.6. Ownership interests in credit institutions

At year-end, the Entity held no direct ownership interest equal to or greater than 5% of the capital or voting rights in any credit institution other than the investments in subsidiaries and associates listed in Appendices 1 and 3.

1.7. Minimum reserve ratio

In this year, the Entity complied with the minimum reserve ratio required by applicable regulations.

1.8. Relevant COVID-19 information

In 2021, in the context of the pandemic, the inputs of the macroeconomic scenarios used in the estimation of the expected credit risk loss have been updated (see Note 3.4.1). Given that there are still uncertainties in the macroeconomic forecasts about their evolution in the context of the potential end of the pandemic, the scenarios considered and the weightings applied to calculate provisions under the forward-looking approach required by Circular 4/2017 have not been altered in 2021 compared to the end of 2020.

This update has implied maintaining, on the basis of the existing provisioning models and a prudent approach, an accounting adjustment (Post Model Adjustment) in the Entity amounting to EUR 1,230 million as at 31 December 2021 in the form of a generic fund.

1.9. Significant operations

Business consolidation with Bankia

There was a business combination with Bankia on 23 March 2021 (see Note 7). The Institution has recorded a positive amount equivalent to the negative difference arising on consolidation of EUR 4,300 million under "Negative goodwill recognised in profit or loss" in the statement of profit or loss (before and after tax).

Associated with the merger, and in addition to the restructuring process agreements detailed in the following section, EUR 234 million of integration expenses were recorded under "Administrative expenses - Other administrative expenses" (see Note 33), EUR 93 million corresponding to a provision to cover write-downs of assets essentially deriving from the planned restructuring plan for the commercial network under "Provisions or reversal of provisions" (see Note 21) and EUR 91 million for write-downs and for commitments already assumed with suppliers as part of the merger with Bankia, recorded under "Impairment or reversal of impairment of non-financial assets" (see Note 35).

As a result of the business merger, BFA Tenedora de Acciones, SAU (wholly owned by the FROB, Fondo de Reestructuración Ordenada Bancaria) holds a 16.12% stake in CaixaBank.

1. Corporate information

Agreement for the restructuring process

Furthermore, on 1 July 2021, an agreement was reached with the workers' representatives for the execution of the Entity's restructuring process resulting from the business combination with Bankia, affecting 6,452 employees, as well as other changes in the conditions of the current employment framework, in particular those affecting social commitments and with a cost of EUR 1,884 million, which has been recorded in the statement of profit or loss (see Note 21).

As of 1 January 2022, 3,922 people have already left with the Restructuring Plan (around 60% of the planned departures), which is expected to be completed by a majority in the second quarter of 2022.

1.10. Subsequent events

The operations – in addition to those stated in the rest of the notes – that have taken place between the close and the formulation thereof are set out below.

Agreement with Mutua Madrileña

In January 2022, CaixaBank reached an agreement with Mutua Madrileña and SegurCaixa Adeslas for the payment of a EUR 650 million loan for the increase the Bankia network in the current distribution agreement. The income will be accrued over a period of 10 years in line with the accrual of the expense of part of the compensation for the breakdown of non-life agreements with Mapfre (see Note 18).

Debt securities issued

Issuance of senior preferred debt

On 13 January 2022, CaixaBank completed an issuance of senior preferred debt amounting to EUR 1,000 million, maturing in 6 years and paying a return of 0.673% (equivalent to the midswap + 62 bp).

Early redemption of subordinated bonds

On 1 February 2022, CaixaBank reported the early redemption of the subordinated debt issued on 15 March 2017 and due on 15 March 2027, for a nominal amount of EUR 500 million, once ECB authorisation has been obtained, and pursuant to its terms and conditions. This issuance was recorded as Tier 2 by CaixaBank and the Group.

2. Accounting policies and measurement bases

In drawing up the Entity's 2021 financial statements, the following accounting principles and policies and valuation criteria were applied:

2.1. Investments in subsidiaries, joint ventures and associates

Subsidiaries

The Entity considers as subsidiaries companies over which it has the power to exercise control. Control is evidenced when it has:

- power to direct the relevant activities of the investee, i.e. the rights (legal or by-law provisions or through agreements) that confer the ability to direct the activities of the investee that significantly affect the investee's returns,
- the present (practical) ability to exercise the rights to exert power over the investee to affect its returns, and,
- exposure, or rights, to variable returns from its involvement with the investee.

In general, voting rights give the ability to direct the relevant activities of an investee. To calculate voting rights, all direct and indirect voting rights, as well as potential voting rights (e.g. call options on equity instruments of the investee) are considered. In some circumstances, a company may have power to direct the activities without holding a majority of the voting rights.

In these cases, the investor considers whether it has the practical ability to direct the relevant activities unilaterally (financial and operating decisions, or appointing and remunerating governing bodies, among others).

Joint ventures

The Entity considers as joint ventures those which are controlled jointly under a contractual arrangement, by virtue of which, decisions on relevant activities are made unanimously by the entities that share control with rights over the net assets.

Associates

Associates are companies over which the Entity exercises significant direct or indirect influence, but which are not subsidiaries or joint ventures. In the majority of cases, significant influence is understood to exist when the company holds 20% or more of the voting rights of the investee. If it holds less than 20%, significant influence is evidenced by the circumstances indicated in Circular 4/2017. These include representation on the board of directors, participation in policy-making processes, material transactions between the entity and its investee, interchange of managerial personnel or the provision of essential technical information.

Exceptionally, those not considered associates are companies in which more than 20% of the voting rights is held, but it can clearly be demonstrated that significant influence does not exist and, therefore, the Entity lacks the power to govern the entity's financial and operation policies. Based on these criteria, at 31 December 2018, the Entity held certain equity investments for very insignificant amounts, ranging from 20% to 50% classified under "Financial assets at fair value with changes in other comprehensive income".

Valuation and impairment

Equity investments in Group companies, joint ventures and associates are initially measured at cost, i.e. the fair value of the consideration paid plus directly attributable transaction costs. The value of any preferential subscription rights acquired is also included in the initial measurement.

These investments are subsequently measured at cost less any accumulated impairment losses.

The investments are assessed for impairment at least at the end of each reporting period and whenever there is objective evidence that a carrying amount may not be recoverable. The impairment is calculated as the difference between the carrying amount and recoverable amount, which is the higher of its current fair value less costs to sell and the present value in use of the investment.

Impairment losses and any reversals are recognised as an expense or income, respectively, in the statement of profit or loss.

Where an impairment loss reverses, the carrying amount of the investment is increased, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised.

2.2. Financial instruments

Classification of the financial assets

The criteria established by the regulatory framework for accounting for classifying financial instruments is set out below:

Contractual cash flows	Business model	Classification o	of financial assets (FA)
Payments, solely principal and interest on the amount of	In order to receive contractual cash flows.	FA at amortised o	cost.
principal pending at specified dates (SPPI test)	In order to receive contractual cash flows and sale.	FA at fair value w comprehensive ir	ith changes in other ncome.
	Derivative instruments designated as accounting hedging instruments.	Derivatives - Hed	ge accounting.
Others – No SPPI test	They originate from or are acquired with the aim of realising them in the short term.		
	They are part of a group of financial instruments identified and managed together, for which there is evidence of a recent pattern of short-term profit-taking.	FA at fair value through profit or loss.	FA held for trading.
	They are derivative instruments that do not meet the definition of a financial guarantee contract and have not been designated as accounting hedging instruments.		
	Others.		FA not designated for trading compulsorily measured at fair value through profit or loss.

Investments in equity instruments are an exception to the aforementioned general assessment criteria. In general, the Entity irrevocably exercises the option in the initial recognition by including — in the portfolio of financial assets at fair value with changes in other comprehensive income — investments in equity instruments that are not classified as held for trading and that, in the event of not exercising this option, would be classified as financial assets compulsorily measured at fair value through profit or loss.

With respect to the evaluation of the business model, this does not depend on the intentions for an individual instrument, but rather the determination is made for a set of instruments, taking into account the frequency, amount and calendar of sales in previous financial years, the reasons for said sales and expectations of future sales. The infrequent or insignificant sales, those near to the maturity of the asset and driven by increased credit risk of the financial assets or to manage the concentration risk, among others, can be compatible with the model of holding assets to receive contractual cash flows.

It is important to underline that the sale of financial assets held in the amortised cost portfolio as a result of the Entity's change of view arising from the COVID-19 effects cannot be considered a change in the business model or does not involve an accounting reclassification of the securities held in this portfolio, as these were correctly reclassified when the business model was assessed without the global crisis caused by COVID-19 being a reasonably possible scenario. If the completed sales and those able to be made, where applicable, during the crisis are significant in terms of value or frequency, based on the exceptions foreseen in the regulatory framework, we consider that these would also be consistent with a business model of maintaining financial assets to obtain contractual cash flows, as the current conditions and the reasons that give rise to the need to sell classified assets in the amortised cost portfolio are and will be obviously extraordinary and transitory in nature and can be framed within an identifiable time frame.

2. Accounting policies and measurement bases



CaixaBank | 2021 Financial Statements

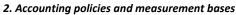


More specifically, the fact that the Entity expects to make regular sales, focusing on loans (or similar financial assets) that have experienced a drop in credit risk levels, is not inconsistent with how those loans are classified under a business model that holds financial assets to receive contractual cash flows. These sales are not counted for the purpose of determining the frequency of sales and their materiality will, therefore, remain separate from the tracking ratios.

As regards the assessment in relation to whether the cash flows of an instrument solely represent payments of principal and interest, the Entity carries out a series of judgements when assessing such compliance (SPPI test), the following being the most significant:

- Modified time value of money: in order to assess whether the interest rate of a particular operation incorporates some consideration other than that linked to the passage of time, the Entity considers factors such as the currency in which the financial asset is denominated and the term for which the interest rate is established. In particular, the Entity performs a regular analysis for operations that present a difference between the holding period and the review frequency, whereby they are compared with another instrument that does not present such differences within a tolerance threshold.
- Exposure to risks inconsistent with a basic lending arrangement: an assessment is conducted on whether the contractual features of financial assets introduce exposure to risks or volatility in the contractual cash flows unrelated to a basic lending arrangement, such as exposure to changes in equity or commodity prices, in which case they would not be considered to pass the SPPI test.
- Clauses that amend the schedule or amounts of cash flows: the Entity considers the existence of contractual conditions by virtue of which the schedule or amount of the contractual flows of the financial asset can be modified. This applies to: i) assets whose contractual conditions allow for the total or partial early amortisation of the principal: ii) assets whose contracts allow for their duration to be extended, or iii) assets for which interest payments may vary according to a non-financial variable specified in the agreement. In these instances, the Entity evaluates whether the contractual cash flows that the instrument may generate over its life due to this contractual condition are solely payments of principal and interest on the principal amount outstanding and may include a reasonable additional compensation in the event of an early termination of the contract.
- Leverage: financial assets with leverage, i.e. those in which the variability of the contractual flows increases such that they do not have the economic characteristics of interest, cannot be considered financial assets that pass the SPPI test (e.g. derivative instruments such as simple option contracts).
- Subordination and loss of the right to receive payment: the Entity evaluates any contractual clauses that may result in a loss of rights to receive payment of principal and interest on the principal amount outstanding.
- Currency: in analysing whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding, the Entity takes into consideration the currency in which the financial asset is denominated in order to assess the characteristics of the contractual flows, for instance by assessing the component corresponding to the time value of money based on the benchmark used for setting the financial asset's interest rate.
- Contractually linked instruments: with respect to positions in contractually linked instruments, a 'look through to' analysis is performed, and on the basis of this analysis it is considered whether the flows derived from this type of asset consist solely of payments of principal and interest on the principal amount outstanding. Specifically, this is considered to be the case if:
 - the contractual terms of the tranche being assessed for classification (without looking through to the underlying pool of financial instruments) give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (for example, the interest rate on the tranche not linked to a commodity index);
 - the underlying pool of financial instruments comprises one or more instruments with contractual cash flows that are solely
 payments of principal and interest on the principal amount outstanding; and
 - the exposure to the credit risk inherent in the tranche is equal to or lower than the exposure to the credit risk of the underlying pool of financial instruments (for example, the credit rating of the tranche being assessed for classification is equal to or higher than the credit rating that would apply to a single tranche comprising the underlying pool of financial instruments). Therefore, if the rating of the tranche is equal to or greater than that of the vehicle, this condition will be considered to have been met.

The underlying group of instruments referred to in the previous section could also include instruments that reduce the variability of the flows of that group of instruments such that, when they are combined with these instruments, they generate flows that are solely payments of principal and interest on the principal amount outstanding (e.g. an interest rate ceiling or floor option or a contract that reduces the credit risk associated with the instruments). It could also include instruments that allow the flows





CaixaBank | 2021 Financial Statements



from the tranches to be aligned with the flows from the group of underlying instruments in order to settle exclusively the differences in the interest rate, the currency in which the flows are denominated (including inflation) and the timing of cash flows.

- Assets without personal liability (non-recourse): the fact that a particular financial asset does not have any personal liability associated with it does not necessarily mean it must be considered a Non-SPPI financial asset. In these situations, the Group assesses the underlying assets or cash flows to determine whether they consist solely of payments of principal and interest on the principal amount outstanding, regardless of the nature of the underlying assets in question.
 - In particular, in the case of financing operations for projects that are repaid exclusively with the incomes from the projects being financed, the Entity analyses whether the cash flows that are contractually determined to be principal and interest payments do indeed represent the payment of principal and interest on the principal amount outstanding.
- Negative compensation (symmetrical clauses): certain instruments incorporate a contractual clause whereby, if the principal amount outstanding is either fully or partially repaid early, the party that chooses to end the contract early whether it is the debtor or the creditor is able to receive fair additional compensation despite being the party choosing to end the contract early. This is the case, for instance, of so-called symmetrical clauses found in certain fixed-rate financing instruments. These clauses stipulate that when the creditor executes the option to make a repayment in advance, there must be compensation for the early termination of the contract, and this compensation will be in either the debtor's or the creditor's favour depending on how interest rates have fluctuated between the initial grant date and the date on which the contract is terminated early.

The fact that a financial instrument incorporates this contract term, known as negative compensation, does not necessarily mean that the instrument in question must be considered Non-SPPI. A financial instrument that would otherwise have met the conditions to be considered SPPI-compliant, had it not been for the incorporation of fair additional compensation for the early termination of the contract (to be either received or paid by the party that decides to terminate the contract early), will be eligible to be measured at amortised cost or at fair value with changes in another comprehensive income, as determined by the business model.

In cases in which a characteristic of a financial asset is not consistent with a basic loan agreement, i.e. if there are characteristics of the asset that lead to contractual cash flows other than payments of principal and interests on the outstanding principal, the Institution will assess the significance and likelihood of occurrence to determine whether such a characteristic should be taken into consideration for the SPPI Test.

With respect to the materiality of a characteristic of a financial asset, the assessment performed by the Entity involves estimating the impact it could have on the contractual flows. The impact of such an element is considered not material when it entails a change of less than 5% in the expected cash flows. This tolerance threshold is determined on the basis of the expected contractual flows, without any discounting.

If the characteristic of an instrument could have a significant impact on the contractual flows but that characteristic affects the contractual flows of the instrument solely if an event occurs that is considered to be extremely exceptional, highly anomalous and highly unlikely, the Entity will not take that characteristic or element into consideration when assessing whether the contractual cash flows from the instrument are solely payments of principal and interest on the principal amount outstanding.

Classification of the financial liabilities

Financial liabilities are classified under: "Financial liabilities held for trading", "Financial liabilities designated at fair value through profit or loss" and "Financial liabilities measured at amortised cost", unless they must be presented under "Liabilities included in disposal groups classified as held for sale" or relate to "Fair value changes of the hedged items in portfolio hedge of interest rate risk" or "Derivatives - Hedge accounting", which are presented separately.

Particularly, the portfolio "Financial liabilities at amortised cost": includes financial liabilities not classified as financial liabilities held for trading or as other financial liabilities at fair value through profit or loss. The balances recognised in this category, irrespective of the substances of the contractual arrangement and maturity of such liabilities, arise from the ordinary capture activities of credit institutions.

Initial recognition and measurement

Upon initial recognition, all financial instruments are recognised at fair value. For the financial instruments that are not registered at fair value through profit or loss, the fair value amount is adjusted, adding or deducting transaction costs directly attributable to the



2. Accounting policies and measurement bases

CaixaBank | 2021 Financial Statements



acquisition or issuance thereof. In the case of financial instruments at fair value through profit or loss, the directly attributable transaction costs are immediately recognised in the statement of profit or loss.

The transaction costs are defined as expenses directly attributable to the acquisition or drawdown of a financial asset, or to the issuance or assumption of a financial liability, which would not have been incurred if the Entity had not made the transaction. These include fees paid to intermediaries (such as prescribers); mortgage arrangement expenses borne by the Entity; and part of the costs of personnel in the Risk Acceptance Centres. Under no circumstances are the internal administrative costs or those deriving from prior research and analysis considered transaction costs.

The Entity uses analytical accounting tools to identify direct and incremental transaction costs of asset operations. These costs are included in determining the effective interest rate, which is reduced for financial assets, thus, the costs are accrued throughout the duration of the transaction.

Subsequent measurement of the financial assets

After its initial recognition, the Entity measures a financial asset at amortised cost, at fair value with changes in other comprehensive income, or at fair value through changes in profit or loss.

The receivables for trading operations that do not have a significant financing component and the commercial loans and short-term debt instruments that are initially measured by the price of the transaction or its principal, respectively, continue to be measured by said amount less the correction of value due to estimated allowances for impairment as described in Note 2.7.

With regard to the conventional purchases and sales of fixed income and equities instruments, these are generally registered at the settlement date.

Income and expenses of the financial assets and liabilities

The income and expenses of financial instruments are recognised according to the following criteria:

CaixaBank | 2021 Financial Statements

Portfolio Recognition of income and expenses > Accrued interest: recorded in the statement of profit or loss using the effective interest rate of the transaction on the gross carrying amount of the transaction (except in the case of non-At amortised performing assets, where it is applied to the net carrying amount). cost > Other changes in value: income or expense when the financial instrument is derecognised from the balance sheet, reclassified or when losses occur due to impairment or gains are produced by its subsequent recovery. Changes in fair value; fair value changes are recorded directly in the statement of profit or loss. Measured at and a differentiation is made —for non-derivative instruments— between the part attributable to the returns earned by the instrument, which will be recorded as interest or as dividends fair value according to its nature, and the rest, which will be recorded as profit/(loss) of financial **Financial** through profit or loss operations in the corresponding balance item. assets > Accrued interest: on these debt instruments, calculated using the effective interest method. Interests or dividends accrued, in the statement of profit or loss. For interest, the same as assets at amortised cost. At fair value with changes in > The differences in a change in the statement of profit or loss in the case of monetary financial assets, and in other comprehensive income, in the case of non-monetary financial assets. other comprehensive > For the case of debt instruments, impairment losses or gains due to their subsequent recovery in income (*) the statement of profit or loss. > The remaining changes in value are recognised in other comprehensive income. > Accrued interest: recorded in the statement of profit or loss using the effective interest rate of the operation on the gross carrying amount of the operation, except in the case of Tier 1 At amortised issuances, in which the discretionary coupons are recognised in reserves. cost Other changes in value: income or expense when the financial instrument is derecognised from the balance sheet or reclassified. Changes in fair value: changes in the value of a financial liability designated at fair value through profit or loss, in the case of applying in the following manner: > a) the amount of the change in the fair value of the financial liability attributable to changes Measured at in the credit risk of said liability is recognised in other comprehensive income, which would fair value be directly transferred to a reserve item if the aforementioned financial liability is through profit or loss > b) the remaining amount of the change in the fair value of the liability is recognised in the profit or loss for the year. > Accrued interest: on these debt instruments, calculated using the effective interest method.

(*) Thus, when a debt instrument is measured at fair value with changes in other comprehensive income, the amounts that would be recognised in the profit or loss for the year will be the same as those that would be recognised if it were measured at amortised cost.

When a debt instrument at fair value with changes in other comprehensive income is derecognised from the balance sheet, the profit or loss accumulated in equity is reclassified, and recorded in the statement of profit or loss for the period. In turn, when an equity instrument at fair value with changes in other comprehensive income is derecognised from the balance sheet, the amount of the loss or gain recorded in other accumulated comprehensive income is not reclassified to the statement of profit or loss, but instead to a reserve balance item.

For each of the aforementioned portfolios, the recognition would change if said instruments form part of a hedging relationship (see section 2.3).

The effective interest rate is the rate that discounts future cash payments or charges estimated during the expected life of the financial asset or liability with respect to the gross carrying amount of a financial asset or the amortised cost of a financial liability. To calculate the effective interest rate, the Entity estimates the expected cash flows, taking into account all the contractual terms of the financial instrument, but without considering expected credit loss. The calculation includes all fee and commission income and interest basis points, paid or received by the parties of the agreement, which make up the effective interest rate, transaction costs and any other premium or discount. In cases where the cash flows or remaining life of a financial instrument cannot be estimated reliably (e.g. advance payments), the Entity uses the contractual cash flows throughout the full contractual period of the financial instrument.

In the particular case of the third series of targeted longer-term refinancing operations (known as 'TLTRO III' — see Note 3.3.3.), the Entity considers that each of the operations falls under the scope of the IFRS 9 *Financial Instruments*, given that they are operations whose interest rate is not significantly below the market rate. Here, in its initial recognition, the Entity considers whether the terms

CaixaBank

2. Accounting policies and measurement bases

CaixaBank | 2021 Financial Statements



of each operation, in relation to market prices for other loans with similar guarantees available to the Entity, and the rates of bonds and other relevant instruments of the money market, are close to market terms or whether they are significantly off market.

For TLTRO III, the effective interest rate determined in 2021 is calculated for each operation of this series and reflects the Entity's estimation in the initial recognition with respect to the amount of final interest to charge upon its specific maturity, taking into account specific hypotheses of fulfilment of eligible volumes. This entails splitting the interest rate of each of the TLTRO III operations into time periods. Should there be a subsequent change in this estimation due to a change in the Entity's expectations regarding compliance with the credit performance thresholds, this would be reflected as a recalculation of the operation's amortised cost (in application of paragraph B5.4.6 of IRPS 9).

Reclassifications between financial instrument portfolios

Only in the event the Entity decides to change its financial asset management business model would all the affected financial assets be reclassified according to the provisions set out in IFRS 9. This reclassification would be carried out prospectively from the date of the reclassification. In accordance with the IFRS 9 approach, in general, changes in the business model occur very infrequently. Financial liabilities cannot be reclassified between portfolios.

2.3. Accounting hedges

The Entity uses financial derivatives as a financial risk management tool, mainly the structural interest rate risk (see Note 3). When these transactions meet certain requirements, they qualify for hedge accounting.

When a transaction is designated as a hedge, this is done at inception of the transaction or of the instruments included in the hedge and a technical note of the transaction is documented in accordance with the regulations in force. The hedge accounting documentation duly identifies the hedging instrument(s) and hedged item(s), the nature of the risk to be hedged and the way in which the Entity assesses whether the hedging relationship meets the requirements of hedging effectiveness (together with the analysis of the causes of failed protection and the way in which the coverage ratio is determined).

For the purpose of verifying the effectiveness requirement:

- A there must be an economic relationship between the hedged item and the hedging instrument;
- the credit risk of the hedged item's counterparty or of the hedging instrument should not have a dominant effect on changes in value resulting from said economic relationship; and
- it is essential to comply with the coverage ratio of the hedging accounting relationship, which is defined as the relationship between the quantity of the hedged item and the quantity of the hedging instrument, and it must be the same as the coverage ratio used for management purposes.

Fair value hedges

Fair value hedges hedge the exposure to changes in fair value of financial assets and liabilities or unrecognised firm commitments, or an identified portion of such assets, liabilities or firm commitments, that is attributable to a particular risk and could affect the statement of profit or loss.

In fair value hedges, the gains or losses on the hedging instrument or on the hedged item for the portion attributable to the hedged risk are recognised in an asymmetrical way according to whether the hedged element is a debt instrument or an equity instrument:

- Debt instruments: In fair value hedges, the gains or losses on the hedging instrument or on the hedged item for the portion attributable to the hedged risk are recognised in the statement of profit or loss, in the "Gains/(losses) from hedge accounting, net" section. Particularly, in fair value macro-hedges, gains or losses arising on the hedged items are balanced in "Assets Fair value changes of the hedged items in portfolio hedge of interest rate risk" or "Liabilities Fair value changes of the hedged items in portfolio hedge of interest rate risk" depending on the substance of the hedged item, rather than in the items under which the hedged items are recognised.
- Equity instruments: the gains or losses on the hedging instrument or on the hedged item for the portion attributable to the hedged risk are recognised in the section "Accumulated other comprehensive income Items that will not be reclassified to profit or loss Failed fair value hedges of equity instruments measured at fair value with changes in other comprehensive income" of the balance sheet.



2. Accounting policies and measurement bases

CaixaBank | 2021 Financial Statements

23

When hedging derivatives no longer meet the requirements for hedging accounting, they are reclassified as trading derivatives. The amount of the previously registered adjustments to the hedged item is attributed as follows:

- Debt instruments: they are recognised in the heading "Gains/(losses) from hedge accounting, net" of the statement of profit or loss using the effective interest rate method at the date hedge accounting is discontinued.
- Equity instruments: are reclassified to reserves under the heading "Accumulated other comprehensive income Elements that will not be reclassified to profit or loss Failed fair value hedges of equity instruments measured at fair value with changes in other comprehensive income" of the balance sheet.

Cash flow hedges

Cash flow hedges hedge exposure to variability in cash flows that is attributable to a particular risk associated with a recognised financial asset or liability or with a highly probable forecast transaction and could affect the statement of profit or loss.

The amount adjusted on the hedging item is recognised in "Accumulated other comprehensive income – Items that may be reclassified to profit or loss – Hedging derivatives. Reserve of cash flow hedges [effective portion]" where they will remain until the forecast transaction occurs, at which point it will be recognised in "Gains/(losses) from hedge accounting, net" of the income statement, in symmetry with the forecast cash flow. However, if it is expected that the transaction will not be carried out, in, it will be recognised immediately in the statement of profit or loss. The hedged items are recognised using the methods described in Note 2.2, without any changes for their consideration as hedged instruments.

2.4. Offsetting of financial assets and liabilities

A financial asset and a financial liability are offset and the net amount presented in the balance statement when, and only when, the Entity has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously, taking the following into consideration:

- The legally enforceable right to set off the recognised amounts should not be contingent on a future event and must be legally enforceable in all circumstances, including cases of default or insolvency of any or all of the counterparties.
- Settlements that meet the following requirements are considered equivalent to 'net settlement': they totally eliminate or result in insignificant credit and liquidity risk; and settlement of the asset and liability is made in a single settlement process.

A breakdown of the offset transactions are presented below:

CaixaBank | 2021 Financial Statements

OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

(Millions of euros)

		31-12-2021			31-12-2020	
	GROSS AI AMOUNT RECORDED (A)		NET AMOUNT IN BALANCE SHEET (C=A-B)	GROSS A AMOUNT RECORDED (A)	MOUNT OFFSET IN BALANCE SHEET (B)	NET AMOUNT IN BALANCE SHEET (C=A-B)
ASSETS						
FA held for trading - Derivatives	25,925	8,554	17,371	17,473	5,014	12,459
FA at amortised cost - Loans and advances	351,768	16,233	335,535	228,987	5,298	223,689
Of which: Collateral	1,799	1,799		2,779	2,779	
Of which: Reverse repurchase agreement *	14,434	14,434		2,045	2,045	
Of which: Tax lease transaction				474	474	
Derivatives - Hedge accounting	3,624	2,606	1,018	2,372	1,840	532
LIABILITIES						
FL held for trading	24,450	12,577	11,873	16,500	9,215	7,285
FL at amortised cost	532,201	14,450	517,751	316,827	2,671	314,156
Of which: Other financial liabilities	16	16		152	152	
Of which: Repurchase agreement *	14,434	14,434		2,045	2,045	
Of which: Tax lease transaction				474	474	
Derivatives - Hedge accounting	2,031	1,103	928	440	266	174

FA: Financial assets; FL: Financial liabilities

2.5. Derecognition of financial

All or part of a financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or when the entity transfers the asset to an unrelated third party.

The accounting treatment of transfers of financial assets depends on the extent to which the risks and rewards associated with ownership of the transferred assets are transferred to third parties:

- If all the risks and rewards of ownership of the transferred asset are substantially transferred (such as in the case of, among others: unconditional sales, a sale with an option to repurchase the financial asset at its fair value at the time of repurchase, a sale of a financial asset together with a put or call option that is deep out of the money, or asset securitisations in which the transferor does not retain any subordinated loans and does not provide any type of credit enhancement to the new owners), it is derecognised, and any rights or obligations retained or arising as a result of the transfer are simultaneously recognised.
- If the risks and rewards of ownership of the transferred financial asset are substantially retained (such as in the case of, among others: sale and repurchase transactions where the repurchase price is a fixed price or the sale price plus a lender's return, a securities lending agreement under which the borrower has the obligation to return the securities or similar), it is not derecognised and continues to be measured by the same criteria used before the transfer and the following are recognised:
 - A financial liability equal to the consideration received, which is subsequently measured at amortised cost, unless it meets
 the requirements to be classified under other liabilities at fair value through profit or loss; and
 - The income generated on the transferred (but not derecognised) financial asset and the expenses of the new financial liability, without offsetting.
- If substantially all the risks and rewards of ownership of the transferred financial asset are neither transferred nor retained (such as in the case of, among others, a sale of a financial asset together with a put or call option that is neither deep-in-the-money nor deep-out-of-the-money, securitisations in which the transferor assumes a subordinated loan or other type of credit enhancement for part of the transferred asset), the following distinction is made:
 - If the transferor does not retain control over the financial asset transferred, it is derecognised and any right or obligation retained or arising from the transfer is recognised; or

^(*) Collateral exchange operations implemented through repos, whereby separate cancellation is not permitted. They are generally carried out at 12 months.



2. Accounting policies and measurement bases

CaixaBank | 2021 Financial Statements



• If the transferor retains control over the financial asset transferred, it continues to recognise the asset for an amount equal to its exposure to changes in value of the asset, recognising a liability associated with the financial asset transferred. The net amount of the transferred asset and the associated liability shall be the amortised cost of the rights and obligations retained, if the asset is measured at amortised cost, or at fair value of the rights and obligations retained, if the transferred asset is measured at fair value.

In accordance with the terms of the transfer agreements in place, virtually the entire portfolio of loans and receivables securitised by the Entity does not meet the requirements to be derecognised from the balance sheet.

Financial liabilities shall equally be derecognised when the obligation specified in the contract is discharged or cancelled or expires.

2.6. Financial guarantees

Financial guarantees given

Financial guarantees are defined as contracts whereby the issuer thereof undertakes to make specific payments to reimburse the creditor for the loss incurred when a specific debtor fails to meet its payment obligations, irrespective of the legal form of the obligation, such as deposits (including those to participate in auctions and tenders), financial and technical guarantees, irrevocable documentary credits, insurance contracts or credit derivatives.

Financial deposits comprise all manner of deposits that directly or indirectly guarantee debt securities such as loans, credit facilities, finance leases and deferred payment arrangements for all types of debt.

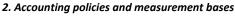
All these operations are recognised under the memorandum item "Guarantees given" in the balance sheet.

At the time of their initial recording, the Entity accounts for financial guarantees provided in the liabilities of its balance sheet at fair value, which generally equates to the current value of fee and commission income and income to collect for said agreements throughout their duration, whereby the counterpart is the amount of fee and commission income and similar income charged at the start of the operations, and a credit in the assets of the balance sheet for the current value of commissions and yields not yet charged.

Financial guarantee and guarantee contract portfolios, regardless of the guarantor, instrumentation or other circumstances, are reviewed periodically so as to determine the credit risk to which they are exposed and, if appropriate, estimate any provision required. The credit risk is determined by applying criteria similar to those established for quantifying impairment losses on debt securities measured at amortised cost as set out in Note 21, except in the case of technical guarantees, where the criteria set out in Note 2.20 are applied.

Provisions set aside for this type of arrangement are recognised under "Provisions – Commitments and guarantees given" on the liability side of the balance sheet, and under "Provisions – Other provisions"; as regards the latter, if the financial guarantees given are classified as written-off operations pending execution by third parties. Additions to and reversals of provisions are recognised in "Provisions or reversal of provisions" in the statement of profit or loss.

Should it become necessary to establish provisions for these financial guarantees, any fees that may accrue on these transactions in future which would be recognised in "Financial liabilities at amortised cost – Other financial liabilities" are reclassified to "Provisions – Commitments and guarantees given".





CaixaBank | 2021 Financial Statements



Financial guarantees received

No significant guarantees or collateral were received with regard to which there is authorisation to sell or repledge without default by the owner of the guarantee or collateral, except for the collateral inherent to the Entity's treasury activity (see Note 3.12).

2.7. Impairment of financial assets

The Entity applies the requirements on impairment of debt instruments that are measured at amortised cost and at fair value with changes in other comprehensive income, as well as other exposures that involve credit risk, such as loan commitments given, financial guarantees given and other commitments given.

The aim of the regulatory accounting framework requirements as regards impairment is to ensure recognition of the credit losses of operations, assessed collectively or individually, considering all the reasonable and substantiated information available, including information of a prospective nature.

Impairment losses on debt instruments in the period are recognised as an expense under the heading "Impairment or reversal of impairment losses on financial assets not measured at fair value through profit or loss or net profit or loss due to a change" in the statement of profit or loss. The impairment losses of debt instruments at amortised cost are recognised against a corrective account of provisions that reduces the carrying amount of the asset, whereas those of instruments at fair value with changes in other comprehensive income are recognised against accumulated other comprehensive income.

The allowances to cover impairment losses in exposures involving credit risk other than debt instruments are recorded as a provision under the heading "Provisions – Commitments and guarantees given" on the liabilities side of the balance sheet. Additions to and reversals of these provisions are recognised charged under the heading "Provisions or reversal of provisions" in the statement of profit or loss.

For the purpose of recording the coverage for impairment losses of debt instruments, the following definitions must be taken into account in advance:

A Credit losses: these correspond to the difference between all the contractual cash flows owed to the Entity in accordance with the financial asset's contract and all the cash flows that it is due to receive (i.e. all the insufficiency of cash flows), discounted at the original effective interest rate or, for financial assets that were purchased with or that originated with credit impairment, discounted at the effective interest rate adjusted to reflect credit quality, or the interest rate on the date referred to in the financial statements in the case of a variable rate.

In the case of the granted loan commitments, the contractual cash flows that would be owed to the Entity in the event that the loan commitment were drawn down are compared to the cash flows that it would expect to receive if the commitment were drawn down. In the case of granted financial guarantees, the payments that the Entity expects to make are taken into account, less the cash flows that are expected to be received from the guaranteed holder.

The Entity estimates the cash flows of the operation during its expected life taking into account all the contractual terms and conditions of the operation (such as early repayment, extension, redemption and other similar options). In extreme cases when it is not possible to reliably estimate the expected life of the operation, the Group uses the remaining contractual term of the operation, including extension options.

The cash flows taken into account include those deriving from the sale of collateral, taking into account the cash flows that would be obtained from the sale thereof, less the amount of the costs required to obtain them, maintenance and their subsequent sale, or other credit improvements that form an integral part of the contractual conditions, such as financial guarantees received. In addition, the Entity also takes into account any eventual income from the sale of financial instruments when measuring the expected loss.

If the Entity's current non-performing asset reduction strategy foresees loan sales and other accounts receivable whose credit risk has increased (exposure classified at Stage 3), then the Entity will retain any asset affected by this strategy under the model for retaining assets to receive their contractual cash flows, thus they are classified in the portfolio of 'Financial assets at amortised cost', provided that their flows only include payments of principal and interest. Similarly, until they no longer intend to make sales, the corresponding credit risk provision takes into account the price to be received from a third party.



CaixaBank | 2021 Financial Statements

27

- **B** Expected credit losses: these are the weighted average of the credit losses, using as weighting the respective risks of default events. The following distinction will be taken into account:
 - Expected credit losses during the life of the operation: these are expected credit losses resulting from all the possible default events during the expected life of the operation.
 - Expected credit losses at twelve months: these are the part of the credit losses expected during the life of the operation corresponding to the expected credit losses resulting from any default events during the twelve months following the reference date.

The amount of the provisions to cover impairment loss is calculated according to whether there has been a significant increase in credit risk since the operation's initial recognition, and whether a default event has occurred:

Observed impairment of credit risk since its initial recognition

Credit risk category

Non-performing

Write-off

Classification and

transfer criteria

Operations whose credit risk has not significantly increased since their initial recognition.

Operations whose credit risk has significantly increased (SICR), but they do not have any default events.

Impair. or credit options.

Stage 3

Default event: with amounts past due of over 90 days.

Operations without reasonable expectations of recovery.

Calculation of the impairment hedge

Expected credit losses at twelve months

Expected credit losses during the life of the operation.

Recognition in results of losses for the carrying amount of the operation and total derecognition of the asset.

Interest

It is calculated by applying the effective interest rate to the gross carrying amount of the operation.

Calculated by applying the effective interest rate at amortised cost (adjusted to reflect any impairment value correction).

They are not recognised in the income statement

calculation and recognition

Operations included in sustainability agreements that have not completed the trial

Operations carried out by insolvent borrowers that should not be classified as nonperforming or write-off. to borrower arrears: Operations with amounts past due of over 90 days. Operations where all holders are classified as non-performing (personal risk criteria).

Non-performing due

Operations with remote recovery possibility.

Partial write-offs without the extinction of the rights (partial write-off).

Included operations

Initial recognition of the financial instruments.

Refinanced or restructured operations that should not be reclassified as nonperforming and that are still in the trial period

Operations with amounts past due of over 30 days.

Operations which can be identified as having registered a significant increase in credit risk on the basis of market indicators/triggers.

Non-performing for reasons other than borrower arrears:

- Operations that pose reasonable doubts regarding full repayment.
- Operations with legally demanded balances.
- Operations in which the collateral execution process has been initiated.
- Operations and guarantees of the holders in insolvency proceedings with no iquidation petition.
- > Refinanced operations classifiable as nonperforming.
- Operations purchased/originating with credit impairment.

Non-performing operations due to arrears of more than 4 years, when the amount not hedged by effective guarantees has been maintained with 100% credit risk hedge for more than 2 years (unless they have effective collateral to hedge at least 10% of the gross amount).

Operations with all the holders in insolvency proceedings in the liquidation phase (unless they have effective collaterals that cover at least 10% of the gross amount)



CaixaBank | 2021 Financial Statements



The Entity classifies as impairments the debt instruments, whether due or not, for which after analysing them individually, it considers the possibility of recovery to be remote and proceeds to derecognise them, without prejudice to any actions that may be initiated to seek collection until their contractual rights are extinguished definitively by expiry of the statute-of-limitations period, forgiveness or any other cause.

This category includes i) non-performing operations due to customer arrears older than four years, or, before the end of the four-year period when the amount not secured by effective guarantees is fully covered for more than two years, and ii) operations made by borrowers declared to be insolvent which have entered or will enter the liquidation phase. In both cases, the operations are not considered to be write-offs if they have effective collateral that covers at least 10% of its gross carrying amount.

Nonetheless, to reclassify operations to this category before these terms expire, the Entity must demonstrate these operations' remote recoverability.

Based on the Entity's experience of recoveries, it deems the recovery of the remaining balance of mortgage operations remote when there is no additional collateral once the good has been recovered, and therefore, the aforementioned remainder is classified as a write-off.

Furthermore, the Entity considers assets acquired with a significant discount reflecting credit losses incurred at the time of the transaction to be POCIs (Purchased or Originated Credit Impaired). Given that the discount reflects the losses incurred, no separate provision for credit risk is recorded in the initial recognition of the POCIs. Subsequently, changes in the expected losses in the life of the operation are recognised from their initial recording as a credit risk provision of the POCIs. The interest income of these assets is be calculated by applying the effective interest rate adjusted to reflect credit quality at the amortised cost of the financial asset, although this effect is not significant at the initial recognition date.

When the contractual cash flows of a financial asset are modified or the financial asset is replaced with another, and the modification or exchange does not cause it to be derecognised from the balance sheet, the Entity recalculates the gross carrying amount of the financial asset, taking into account the modified flows and the effective interest rate applicable before the modification, and recognises any difference that emerges as a loss or gain due to a change in the profit or loss of the period. The amount of the directly attributable transaction costs raises the carrying amount of the modified financial asset and it will be amortised during the remainder of its life, which will require the company to recalculate the effective interest rate.

2.8. Refinancing or restructuring operations

According to the provisions of the regulation, these relate to operations in which the customer has, or will foreseeably have, financial difficulty in meeting its payment obligations under the contractually agreed terms and, therefore, has amended the agreement, cancelled the agreement and/or arranged a new operation.

These operations may derive from:

- A new transaction (refinancing operation) granted that fully or partially cancels other transactions (refinanced operations) previously extended by any of the Entity's companies to the same borrower or other companies forming part of its economic group that become up to date on its payments for previously past-due loans.
- The amendment of the contractual terms of an existing operation (restructured operations) that changes its repayment schedule (grace periods, extension of loan maturities, reduction in interest rates, changes in the repayment schedule, extension of all or part of the capital on maturity, etc.).
- The activation of contract clauses agreed at source that extend the debt repayment terms (flexible grace period).
- The partial cancellation of the debt without the contribution of funds by the customer (foreclosure, purchase or received in lieu of payment of the collateral, or forgiveness of capital, interest, fees and commissions or any other cost relating to the loan extended to the borrower).

The existence of previous defaults is an indication of financial difficulty. Unless otherwise demonstrated, a restructuring or refinancing operation is assumed to exist when the amendment to contractual terms affects operations that have been past due for more than 30 days at least once in the three months prior to the amendment. However, previous defaults are not a requirement for an operation to be classified as refinanced or restructured.



CaixaBank | 2021 Financial Statements



The cancellation of an operation, changes in the contractual terms or the activation of clauses that delay payments when the customer is unable to meet future repayment obligations can also be classified as refinancing/restructuring.

In contrast, debt renewals and renegotiations may be granted when the borrower does not have, or is not expected to have, financial difficulties; i.e. for business reasons, not to facilitate repayments.

For an operation to be classified as such, the borrower must have the capacity to obtain credit from the market, at the date in question, for a similar amount and on similar terms to those offered by the Entity. In turn, these terms must be adjusted to reflect the terms offered to borrowers with a similar risk profile.

In general, refinanced or restructured operations and new operations carried out for refinancing are classified in the watch-list performing category. However, according to the particular characteristics of the operation, they are classified as non-performing when they meet the general criteria for classifying debt securities as such, and specifically i) operations backed by an unsuitable business plan, ii) operations that include contractual clauses that delay repayments in the form of interest-only periods longer than 24 months, iii) operations that include amounts that have been removed from the balance sheet having been classified as unrecoverable that exceed the coverage applicable according to the percentages established for operations in the watch-list performing category, and iv) when pertinent restructuring or refinancing measures may result in a reduction of the financial obligation higher than 1% of the net present value of the expected cash flows. Additionally, adjustments have been made to the criteria for exit from default, thus, refinanced operations cannot be migrated to stage 2 until their repayment has been ongoing for 12 months.

Refinanced or restructured operations and new operations carried out for refinancing are classified as watch-list performing for a trial period until all the following requirements are met:

- After reviewing the borrower's asset and financial position, it is concluded that they are unlikely to have financial difficulties and therefore it is highly probable that they will meet their obligations vis-a-vis the entity in both time and form.
- A minimum period of two years has elapsed from the date of authorisation of the restructuring or refinancing operation, or, if later, from the date of its reclassification from the non-performing category.
- The borrower has covered all the principal and interest payments from the date of authorisation of the restructuring or refinancing transaction, or, if later, from the date of its reclassification from the non-performing category. Additionally: i) the borrower has made regular payments of an amount equivalent to the whole amount (principal and interest) falling due at the date of the restructuring or refinancing operation, or that were derecognised as a result of it; or ii) when it is deemed more appropriate given the nature of the operations, the borrower complies with other objective criteria that demonstrate their payment capacity.
 - If there are contractual clauses that may delay repayments, such as grace periods for the principal, the operation will remain classified as watch-list performing until all criteria are met.
- The borrower must have no other operations with past due amounts for more than 30 days at the end of the period.

When all the above requirements are met, the operations are no longer classified as refinancing, refinanced or restructured operations in the financial statements.

During the previous trial period, further refinancing or restructuring of the refinancing, refinanced or restructured operations, or the existence of amounts that are more than 30 days overdue in these operations, will mean that the operations are reclassified as non-performing for reasons other than arrears, provided that they were classified in the non-performing category before the start of the trial period.

Refinanced and restructured operations and new operations carried out for refinancing remain classified as non-performing until they meet the general criteria for debt instruments; specifically the following requirements:

- A period of one year has elapsed from the refinancing or restructuring date.
- The borrower has covered all the principal and interest payments (i.e. they are up to date on payments) thereby reducing the renegotiated principal, from the date of authorisation of the restructuring or refinancing operation, or, if later, from the date of its reclassification to the non-performing category.
- The borrower has made regular payments of an amount equivalent to the whole amount (principal and interest) falling due at the date of the restructuring or refinancing operation, or that were derecognised as a result of it, or, when it is deemed more



CaixaBank | 2021 Financial Statements



appropriate given the nature of the operations, the borrower complies with other objective criteria that demonstrate their payment capacity.

The borrower has no other operations with past due amounts for more than 90 days at the date the refinancing or restructured operation is reclassified to the watch-list performing category.

Furthermore, in relation to the accounting treatment of the moratoria, both legislative and sectoral, established in support of COVID-19, the Institution considers them a relevant qualitative change that gives rise to a contractual modification, but not to recognition of an affected financial instrument (see Note 3.4.1 Credit risk - COVID-19 Impact).

2.9. Foreign currency transactions

The Entity's functional and presentation currency is the euro. Consequently, all non-euro balances and transactions are foreign currency balances and transactions.

All foreign currency transactions are recorded, on initial recognition, by applying the spot exchange rate between the functional currency and the foreign currency.

At the end of each reporting period, foreign currency monetary items are translated to euros using the average exchange rate prevailing on the spot currency market at the end of each period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated to euros using the exchange rate at the date of acquisition. Non-monetary items measured at fair value in a foreign currency are translated to euros using the exchange rates at the date when the fair value is determined.

Unmatured forward foreign exchange purchase and sale transactions not considered as hedges are translated to euros at the year-end exchange rates on the forward currency market.

The exchange rates used in translating the foreign currency balances to euros are those published by the European Central Bank (ECB) at 31 December of each year.

The exchange differences arising on the translation of foreign currency balances and transactions to the presentation currency of the Entity are generally recognised under "Exchange differences (net)" in the statement of profit or loss. However, exchange differences arising on changes in the value of non-monetary items are recognised under "Equity – Accumulated other comprehensive income – Items that may be reclassified to profit or loss – Exchange differences" in the balance sheet, and exchange differences arising on financial instruments classified as at fair value through profit or loss are recognised in the statement of profit or loss with no distinction made from other changes in fair value.

Income and expenses are translated at the closing exchange rate of each month.

CaixaBank | 2021 Financial Statements

2.10. Recognition of income and expense

The main policies applied to recognise income and expenses are as follows:

	C	haracteristics	Recognition	
terest come, terest	Interest income, inte	rest expense and similar items	Recognised on an accrual basis, using the effective interest method, regardless of when the resulting monetary or financial flow arises, as previously describe	
pense, vidends and nilar items	Dividends received		Recognised as income when the right to receive payment is established. This is when the dividend is officially declared by the company's relevant body.	
	Credit fees They are an integral part of the yield or effective cost of a financing	Fees received by creating or acquiring financing operations that are not measured at fair value through profit or loss (i.e. remuneration from activities such as the assessment of the financial situation of the borrower, assessing and recording various guarantees, negotiating the terms and conditions of operations, preparing and processing documentation and closing the transaction)	They are deferred and are recognised over the life of the transaction as an adjustment to the return or effective cost of the operation.	
es lected/ id*	operation. They are received in advance.	Fees negotiated as compensation for the commitment of granting financing, when this commitment is not measured at fair value through profit or loss and it is likely that the Group enters into a specific loan agreement.	They are deferred, deposited over the life of the transaction as an adjustment to the return or effective cost of the operation. If the commitment expires and the company has not made the loan, the fee is recognised a income at the time of expiry.	
		Fees paid when issuing financial liabilities at amortised cost.	They are included together with any related direct cost the carrying amount of the financial liability, and are deposited as an adjustment to the effective cost of the operation.	
	Non-credit fees This includes those deriving from different provisions for the various financial services of the	Those related to the execution of a service provided over time (i.e. the fees for the administration of accounts and those received in advance for the issuance or renewal of credit cards).	They will be registered over time, measuring the progress towards full compliance with the execution obligation.	
	financing operations.	Those related to the provision of a service that is executed at a specific time (i.e. subscription of securities, currency exchange, consultancy or syndication of loans).	They are registered in the income statement upon collection.	
er non- ncial	Other income from or	dinary activities	As a general criterion, they are recognised inasmuch a the assets and services contractually agreed with the customers are provided. The amount of the payment t which the Group expects to have a right in exchange f these goods or services, is recognised as income, during the life of the contract.	
me and enses			If it receives or has a right to receive a payment and th goods or services have not been transferred, the Grou recognises a liability, which remains on the balance sh until it is allocated to the statement of profit or loss.	

(*) Exceptions: Fees for the financial instruments that are measured by their fair value through profit or loss and the non-availability fee (in operations where drawing down funds is optional for the credit holder) are immediately registered in the statement of profit or loss.

The accrued fees deriving from typical products or services of the financial activity are presented separate to those deriving from products and services that do not correspond to typical activity, which are presented under the heading "Other operating income" in the statement of profit or loss.

The Group can transfer the control over time or at a specific time (see the phases in the following chart). CaixaBank | 2021 Financial Statements

In particular, the Entity adheres to the following stages:

Stage 1	Identifying the contract (or contracts) with the customer and of the obligation or obligations arising out of the execution of the contract.	The Group assesses the committed goods or services and identifies – as an execution obligation – each commitment to transfer to the customer: > a good, a service or a differentiated group of goods or services, or > a series of differentiated goods or services that are practically identical and comply with the same customer transfer pattern.
Stage 2	Determining the price of the transaction	It is defined as the amount of the payment to which the Group expects to have the right in exchange for delivering the goods or providing the services, excluding amounts charged on behalf of third parties, such as indirect taxes, and not taking into consideration any cancellations, renewals or modifications to the contract. The price of the transaction can consist of fixed or variable amounts, or both, and may vary due to discounts, subsidies, reductions or other similar elements. Similarly, the price will be variable when the right to charge for the transaction depends on whether a future event will occur. To reach the transaction price it will be necessary to deduct discounts, subsidies or commercial reductions. In the event the price includes a variable payment, the Group initially estimates the amount of the payment to which it will have the right, either as an expected value, or as the amount in the most probable scenario. This amount is included, in whole or in part, in the transaction price only inasmuch as it is highly probable that there will be no significant reversal in the amount of the accumulated income recognised by the contract. At the end of each period, the Group updates the estimate of the transaction price, to accurately represent the existing circumstances at the time. To determine the price of the transaction, the Group adjusts the amount of the payment to take into account the time value of the money when the agreed payment schedule provides the customer or the company with a significant financing profit. The discount rate used is that which would be used in an independent financing transaction between the company and its customer at the start of the contract. This discount rate is not subject to subsequent updates. Notwithstanding the above, the Group does not update the amount of the payment if, at the start of the contract, the maturity is likely to be equal to or less than a year.
Phase 3	Allocating the price of the transaction between the execution obligations.	The Group distributes the price of the transaction in such a way that each execution obligation identified in the contract is assigned an amount that represents the payment that it will obtain in exchange for transferring to the customer the good or service committed in this execution obligation. This amount is allocated based on the corresponding independent selling prices of the goods and services subject to each execution obligation. The best evidence of an independent selling price is its observable price, if these goods or services are sold separately in similar circumstances. The Group allocates to the different execution obligations of the contract any subsequent change in the estimate of the transaction price on the same basis as at the start of the contract.
Phase 4	Recognising the income inasmuch as the company complies with its obligations.	The Group recognises as income the amount of the transaction price allocated to an execution obligation, inasmuch as it meets this obligation by transferring the committed good or service to the customer.

As for the accounting of the costs related to the contracts, the costs of obtaining a contract are those which the Entity incurs to obtain a contract with a customer and which it would not have incurred if the Entity had not entered into said contract.

In accordance with the accounting framework applicable to the Institution, all incremental costs of obtaining and/or fulfilling a contract are capitalised, provided that:

the costs are directly related to a contract or to an expected contract that the company can specifically identify (e.g. costs related to services that will be provided as a result of the renewal of an existing contract or design costs of an asset that will be transferred under a specific contract that has not yet been approved);



CaixaBank | 2021 Financial Statements



- the costs generate or improve the company's funds that will be used to pay (or to continue paying) for future execution obligations; and
- the costs are expected to be recovered.

The Institution recognises these capitalised costs in the statement of profit or loss based on the term of the master agreement or the transactions giving rise to the costs and, additionally, at least every six months, performs an impairment test to assess the extent to which the future profits generated by these contracts support the capitalised costs. In the event that the costs exceeded the current value of the future profits, these assets would be impaired by the appropriate proportion.

2.11. Funds managed

Collective investment institutions and pension funds managed by the Entity's companies are not presented on the face of the Entity's balance sheet since the related assets are owned by third parties. The fees and commissions earned in the period from this activity are included under "Fee and commission income" in the statement of profit or loss, based on the service provided by the Entity.

2.12. Employee benefits

Employee benefits include all forms of consideration given in exchange for services rendered to the Entity by employees or for benefits payable after completion of employment. They can be classified into the following categories:

Short-term employee benefits

These are employee benefits (other than termination benefits) which fall due wholly within 12 months after the end of the period in which the employees render the related service. It includes wages, salaries and social security contributions; paid annual leave and paid sick leave; profit-sharing and bonuses; and non-monetary benefits payable to employees such as medical care, housing, cars and free or subsidised goods or services.

The cost of services rendered is recognised under "Administrative expenses – Personnel expenses" of the statement of profit or loss, except for part of the personnel costs of the Risk Acceptance Centres which are presented as a smaller financial margin of the operations to which they are associated and certain incentives for the personnel of the branch network for the marketing of products, including insurance policies, which are also presented with a reduced financial margin or under the heading of expenses from liabilities under insurance or reinsurance contracts.

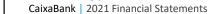
Credit facilities made available to employees at below market rates are considered to be non-monetary benefits and are calculated as the difference between market rates and the rates agreed with employees. The difference is recognised under "Administrative expenses – Personnel expenses" with a balancing entry under "Interest income" in the statement of profit or loss.

Remuneration to employees based on equity instruments

The delivery of shareholder equity instruments to employees as payment for their services – when such a delivery is made upon completion of a specific period of services – is recognised as a services expense, insomuch as it is provided by employees, with a balancing entry under the heading "Shareholders' Equity - Other equity items" elements.

On the date the equity instruments are granted, these services – as well as the corresponding equity increase – will be measured at the fair value of the services received, unless it cannot be reliably estimated, in which case they will be measured indirectly with reference to the fair value of the granted equity instruments. The fair value of these equity instruments will be determined on the date they are granted.

When external market conditions are established —among the requirements laid down in the remuneration agreement—, their performance will be taken into account when estimating the fair value of the granted equity instruments. In turn, variables that are not considered market variables are not taken into account when calculating the fair value of granted equity instruments, but they are considered when determining the number of instruments to be delivered. Both effects will be recognised in the statement of profit or loss and in the corresponding increase in equity.







In the case of share-based payment transactions that are cash-settled, an expense with a balancing entry will be recorded on the liabilities side of the balance sheet. Up to the date on which the liability is settled, this liability will be measured at its fair value, recognising value changes in the profit/(loss) for the period.

As an exception to the provision of the previous paragraph, share-based payment transactions that have a net-settlement feature to satisfy tax withholding obligations will be classified in their entirety as share-based payment transactions settled through equity instruments if, in the absence of the net-settlement feature, they have been classified as such.

Post-employment benefits

Post-employment benefits are all those undertaken with employees, to be paid after completion of their employment with the Entity. They include: retirement benefits, such as pensions and one-off retirement payments; and other post-employment benefits, such as post-employment life insurance and post-employment medical care, at the end of the employment relationship.

Defined contribution plans

The post-employment obligations with employees are deemed to be defined contribution obligations when pre-determined contributions are made to a separate entity or Pensions Fund, and has no legal or constructive obligation to make further contributions if the separate entity or Pensions Fund cannot pay the employee benefits relating to the service rendered in the current and prior periods. Defined contribution plans each year are recognised under "Administrative expenses – Personnel expenses" in the statement of profit or loss. Post-employment obligations that do not meet the aforementioned conditions are considered defined benefit obligations.

Defined benefit plans

The present value of post-employment defined benefit obligations, net of the fair value of assets, is recorded under 'Provisions – Pensions and other post-employment defined benefit obligations' in the balance sheet.

Plan assets are defined as follows:

- The assets held by a long-term employee benefit fund, and
- Qualifying insurance policies; those issued by an insurer that is not a related part of the Entity.

In the case of the assets held by a benefit fund, they must be assets:

- Held by a fund that is legally separate from the Entity and exist solely to pay or finance employee benefits, or
- They are solely available to pay or finance post-employment benefits, they are not available to cover the debts of Entity creditors (not even in the event of bankruptcy), and they cannot be returned to the Entity unless (i) the remaining assets of the plan are sufficient to meet all the related employee benefit obligations of the plan or CaixaBank, or (ii) are used to reimburse it for post-employment benefits the Entity has already paid to employees.

In the case of insurance policies, the defined benefit commitments assured through policies taken out with the entities that are not considered related parties also meet the requirements to be considered plan assets.

The value both of the assets held by a pension fund, as well as qualifying insurance policies is recognised as a decrease in the value of the liabilities under "Provisions – Pensions and other post-employment defined benefit obligations". When the value of plan assets is greater than the value of the obligations, the net positive difference is recognised under "Other assets".

Post-employment benefits are recognised as follows:

- Service cost is recognised in the statement of profit or loss and includes the following:
 - Current service cost, understood as the increase in the present value of obligations arising from employee service in the current period, recognised under "Administrative expenses – Personnel expenses".
 - Past service cost, resulting from amendments to existing post-employment benefits or the introduction of new benefits, and the cost of curtailments, recognised under "Provisions or reversal of provisions".
 - Any gain or loss arising on settlement of a plan is recognised in "Provisions or reversal of provisions".



CaixaBank | 2021 Financial Statements



- The net interest on the net defined benefit post-employment benefit liability/(asset), understood to be the change during the period in the net defined benefit liability/(asset) that arises from the passage of time, is recognised in "Interest expense", or "Interest income" if it results in income, in the statement of profit or loss.
- Remeasurements of the net liability/(asset) for defined benefit post-employment benefits are recognised in "Accumulated other comprehensive income" in the balance sheet. It includes:
 - Actuarial gains and losses arising in the period from differences between the previous actuarial assumptions and what has actually occurred and from changes in the actuarial assumptions used.
 - The return on plan assets, excluding the amounts included in the net interest on the liability/(asset) for defined benefit post-employment benefits.
 - Any change in the impact of the asset ceiling, excluding the amounts included in the net interest on the liability/(asset) for defined benefit post-employment benefits.

Other long-term employee benefits

Other long term employee benefits, understood as obligations with pre-retired employees (those who have ceased rendering services but who, without being legally retired, continue to enjoy economic rights vis-à-vis the Entity until they acquire the status of legally retired), long-service bonuses and similar items, are treated for accounting purposes, where applicable, as established for defined benefit post-employment plans, except that the actuarial gains and losses are recognised in "Provisions or reversal of provisions" in the statement of profit or loss.

Termination benefits

These benefits are payable as a result of an Entity's decision to terminate an employee's employment before the normal retirement date, a valid expectation raised in the employee or an employee's decision to accept voluntary redundancy in exchange for those benefits.

A liability and an expense for termination benefits are recognised when there is no realistic possibility of withdrawing the offer to pay the termination benefits or when the costs for restructuring – which involves the payment of termination benefits – are recognised. These amounts are recognised as a provision under "Provisions – Other long-term employee benefits" in the balance sheet until they are settled.

2.13. Income tax

The expense for Spanish income tax is considered to be a current expense and is recognised in the statement of profit or loss, except when it results from a transaction recognised directly in equity, in which case the corresponding tax effect is recognised in equity.

Income tax expense is calculated as the sum of the current tax for the year resulting from applying the tax rate to the taxable profit for the year and any changes in deferred tax assets and liabilities recognised in the year in the statement of profit or loss, less any allowable tax deductions.

Temporary differences, tax loss carry-forwards pending offset and unused tax deductions are recognised as deferred tax assets and/or deferred tax liabilities. The amounts are recognised at the tax rates that are expected to apply when the asset is realised or the liability is settled.

Tax assets are recognised under "Tax assets" in the balance sheet as current, for amounts to be recovered in the next 12 months, or deferred, for amounts to be recovered in future reporting periods.

Similarly, tax liabilities are recognised in "Tax liabilities" in the balance sheet, also by current and deferred. Current tax liabilities include the amount of tax payable within the next 12 months and deferred tax liabilities as the amount expected to be paid in future periods.

Deferred tax liabilities arising from temporary differences related to investments in subsidiaries, associates and or joint ventures are not recognised when the Entity is able to control the timing of the reversal of the temporary difference and, in addition, it is probable that the temporary difference will not reverse.

Deferred tax assets are only recognised when it is probable that they will be reversed in the foreseeable future and it is estimated that there is sufficient taxable profit against which they can be used.







2.14. Tangible assets

Property, plant and equipment for own use

They include the amount of property, land, furniture, vehicles, IT equipment and other facilities owned or acquired under a lease, as well as assets leased out under an operating lease.

Property, plant and equipment for own use includes assets held by the Entity for present or future administrative purposes, or for the production or supply of goods and services that are expected to be used over more than one financial period.

Investment property

It reflects the carrying amounts of land, buildings and other constructions - including those received by the Bank for the total or partial settlement of financial assets that represent collection rights vis-à-vis third parties – owned to obtain rental income or gains through sale.

Tangible assets are generally stated at acquisition cost less accumulated depreciation and any impairment losses determined by comparing the carrying amount of each item to its recoverable amount.

Depreciation is calculated using the straight-line method on the basis of the acquisition cost of the assets less their net carrying value. Land is not depreciated since it is considered to have an indefinite life.

The depreciation charge is recognised with a balancing entry under "Depreciation and amortisation" in the statement of profit or loss and is calculated basically using the depreciation rates set out in the table below, which are based on the years of estimated useful life of the various assets.

USEFUL LIFE OF TANGIBLE ASSETS

(Voorch

(Teurs)	ESTIMATED USEFUL LIFE
Constructions	
Buildings	16 - 50
Installations	8 - 25
Furniture and fixtures	4 - 50
Electronic equipment	3-8
Other	7 - 14

At the end of each reporting period, the Entity assesses tangible assets for any indications that their net carrying amount exceeds their recoverable amount, understood as fair value less costs to sell and value in use.

Any impairment loss determined is recognised with a charge to "Impairment/(reversal) of impairment on non-financial assets -Tangible assets" in the statement of profit or loss and a reduction to the carrying amount of the asset to its recoverable amount. After the recognition of an impairment loss, the depreciation charges for the asset in future periods are adjusted in proportion to its revised carrying amount and remaining useful life.

Similarly, when there are indications of a recovery in the value of the assets, a reversal of the impairment loss recorded in prior periods is recognised and the depreciation charge for the asset in future periods is adjusted. In no circumstances may the reversal of an impairment loss on an asset raise its carrying amount above that which it would have if no impairment losses had been recognised in prior years.

Likewise, the estimated useful lives of tangible assets are reviewed each year or whenever indications are noted which make it advisable to do so and, where appropriate, the depreciation charges are adjusted in the statement of profit or loss of future years.

Upkeep and maintenance expenses are recognised under "Administrative expenses - Other administrative expenses" in the statement of profit or loss, when they are incurred. Similarly, operating income from investment properties is recognised under "Other operating income" in the statement of profit or loss and the related operating expenses under "Other operating expenses".



CaixaBank | 2021 Financial Statements

38

2.15. Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance acquired from third parties or developed internally.

Goodwill

Goodwill represents the payment made by the acquirer in anticipation of future economic benefits from assets that are not capable of being individually identified and separately recognised. Goodwill is only recognised in the acquisition of a business combination for valuable consideration.

In business combinations, goodwill arises as the positive difference between:

- the consideration transferred plus, as appropriate, the fair value of any previously-held equity interest in the acquiree and the amount of minority interests; and
- the net fair value of the identifiable assets acquired less the liabilities assumed.

Goodwill is recognised in "Intangible assets – Goodwill" and is amortised over a useful life of 10 years, unless proven otherwise.

At the end of each reporting period or whenever there are indications of impairment, an estimate is made of any impairment that reduces the recoverable amount to below its recorded net cost and, where there is impairment, the goodwill is written down with a balancing entry in "Impairment/(reversal) of impairment on non-financial assets – Intangible assets" in the statement of profit or loss. Impairment losses recognised for goodwill are not reversed in a subsequent period.

Other intangible assets

This includes the amount of other identifiable intangible assets, such as assets arising in business combinations and computer software.

Intangible assets have a defined useful life, and will amortise in line with this, applying similar criteria to those adopted for amortising tangible assets. When the useful life of these assets cannot be reliably estimated, they will amortise over 10 years.

Likewise, the estimated useful lives of tangible assets are reviewed each year or whenever indications are noted which make it advisable to do so and, where appropriate, the depreciation charges are adjusted in the statement of profit or loss of future years.

Any impairment losses on assets are recognised with a balancing entry in "Impairment or reversal of impairment on non-financial assets – Intangible assets" in the statement of profit or loss. The policies for recognising impairment losses on these assets and for reversing impairment losses recognised in prior years are similar to those for tangible assets.

Software

Software is recognised as an intangible asset when, among other requirements, it is capable of being used or sold, and it is identifiable and its ability to generate future economic benefits can be demonstrated.

Expenses incurred during the research phase are recognised directly in the statement of profit or loss for the period in which they are incurred, and cannot subsequently be capitalised.

Practically all software recognised under this chapter of the balance sheet has been developed by third parties and is amortised with a useful life of between 4 and 15 years.



CaixaBank | 2021 Financial Statements



2.16. Inventories

This item in the balance sheet includes non-financial assets held for sale in the ordinary course of business, that are in the process of production, construction or development for such sale, or that are to be consumed in the production process or in the rendering of services.

Inventories are measured at the lower of cost, including borrowing costs, and net realisable value. Net realisable value is defined as the estimated selling price less the estimated costs of production and the estimated costs necessary to make the sale. The accounting principles and measurement bases applied to assets received as payments of debts classified under this item are the same as those set out in Note 2.17. These assets are classified as Level 2 in the fair value hierarchy.

The cost of inventories of items that are not ordinarily interchangeable and of goods and services produced and segregated for specific projects is determined individually, while the cost of other inventories is assigned mainly by using the First-In-First-Out method (FIFO) or weighted average cost formula, as appropriate.

Any write-downs to inventories or subsequent reversals of write-downs are recognised under "Impairment/(reversal) of impairment on non-financial assets – Other" in the statement of profit or loss for the year in which the write-down or reversal occurs.

When inventories are sold, the carrying amount of those inventories is derecognised and an expense recognised in the statement of profit or loss for the period in which the related revenue is recognised. The expense is recognised under "Other operating expenses" in the statement of profit or loss.

2.17. Assets and liabilities held for sale

Assets recognised under this heading in the balance sheet reflect the carrying amount of individual assets or disposal groups, or assets that form part of a line of business that will be disposed of (discontinued operation) whose sale is highly probable in their present condition within one year from the reporting date. Assets that will be disposed of within a year, but where disposal is delayed by events and circumstances beyond the Entity's control, may also be classified as held for sale when there is sufficient evidence that the Entity is still committed to selling them. The carrying amount of these assets will be recovered principally through a sale transaction.

Specifically, real estate or other non-current assets received as total or partial settlement of debtors' payment obligations in credit operations are recognised under "Non-current assets and disposal groups classified as held for sale" unless it has been decided to make continuing use of the assets.

The Entity has centralised the ownership of virtually all the real estate assets acquired or foreclosed in payment of debts in its subsidiary BuildingCenter, SAU, in a bid to optimise management.

Non-current assets classified as held for sale are generally measured initially at the lower of the carrying amount of the financial assets and their fair value less costs to sell the asset to be foreclosed:

- To estimate provisions for the financial assets, the estimated fair value less the costs to sell the asset to be foreclosed are taken as the recoverable value of the guarantee when the Company's sales experience attests to its ability to realise this asset at fair value. This recalculated carrying amount is compared with the previous carrying amount and the difference is recognised as an increase or a release of provisions as appropriate.
- To determine the fair value less the costs to sell the asset to be foreclosed, the Entity uses the market value extended in the full individual ECO appraisal at the time of foreclosure or reception. Internal valuation models are used to calculate the adjustment to be applied to this market value in order to estimate the discount on the reference price and the costs to sell. These in-house models factor in prior sales experience for similar assets in terms of price and volume.

When the fair value less costs to sell exceed the carrying amount, the Entity recognises the difference in the statement of profit or loss, as an impairment reversal, up to the limit of the impairment accumulated as from the initial recognition of the foreclosed asset.

After the initial recognition, the Entity compares the carrying amount with the fair value less costs to sell, recognising any possible additional impairment in the statement of profit or loss. For this purpose, the main valuation used to estimate fair value is updated by the Entity. In line with the procedure followed in the initial recognition process, the Entity also applies an adjustment, based on the internal models, to the main valuation.

Impairment losses on an asset or disposal group are recognised under "Profit/(loss) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations, net" in the statement of profit or loss. Gains on a non-current asset held for sale resulting from subsequent increases in fair value (less costs to sell) increase its carrying amount and are recognised also in the statement of profit or loss item up to an amount equal to the previously recognised impairment losses.

Non-current assets held for sale are not depreciated while they are classified as held for sale.

2.18. Leases

The following is a description of how to identify and account for leasing transactions in which the Entity acts as lessor or lessee:



(*) The Group records each component of the agreement that constitutes a lease regardless of the rest of the components in the agreement that are not leasing components. For any contracts that have a leasing component and one or more additional leasing components, or others that are not related to leasing, the contract payment will be distributed to each leasing component on the basis of the relative price, independent of the leasing component, and on the basis of aggregate price, independent of the components that are not related to leasing.

- > Operations in which, substantially, all the risks and benefits that fall on the leased asset are transferred to the lessee.
- > These are registered as financing in the section entitled "financial assets at amortised cost" of the balance sheet for the sum of the updated value of the charges receivable from the lessee during the term of the lease and any unguaranteed residual value corresponding to the lessor.
- > These include fixed charges (minus the payments made to the lessee) and specific variable charges subject to an index or rate, as well as the price of exercising the call option, if there is reasonable certainty that the lessee will indeed exercise this option, and the penalties for rescission by the lessee, if the term of the lease reflects the exercise of the option to rescind.
- > Financial income obtained as a lessor is registered in the statement of profit or loss under the heading "Interest income".

- Operations in which, substantially, all the risks and benefits that fall on the leased asset, and also its property, are maintained by the lessor.
- > The cost of purchasing the leased assets is recorded in the section "Tangible assets" of the balance sheet.
- These are amortised with the same criteria as those used for the rest of own-use tangible
- Income appears in the section "Other operating income" of the profit and loss account.

- > Fixed-term contracts with or without the early termination option in favour of the Entity and without permission from the other party (with only a non-significant compensation): generally, the lease term matches the initial agreed duration
- > Fixed-term contracts with the option to renew on the part of the Entity and without permission from the other party: it has been surmised that this option will be exercised, considering that there are financial incentives and in light of the Company's past practices.
- > The term of specific contracts can be affected as a result of possible restructuring plans undertaken by the Company.

Lease liability financial liabilities") Right-of-use

A lease liability is valued based on the current value of any lease payments that have not been paid by said date, using, as a discount rate, the interest rate that the lessee would have to pay to borrow - with a similar term and guarantee - the funds necessary to purchase an asset whose value is similar to that of the rightof-use asset in an similar economic climate This rate is called "additional financing rate"*.

It is measured at amortised cost using the effective interest rate method and is revalued (with the corresponding adjustment in the relative right-of-use asset) when there is a change in the future lease payments during renegotiation, changes to an index or rate or a new evaluation of contract options.

("Tangible assets land and buildings")

The asset is measured at cost and includes the amount of the initial valuation of the lease liability, the payments made on or before the start date and the initial direct costs, dismantling costs or restoring costs when there is obligation to bear the same.

It is amortised on a straight-line basis and is subject to any loss due to depreciation, where applicable, in accordance with the procedure established for the rest of the tangible and intangible assets. In particular, right-of-use assets are included within the banking CGU impairment test together with the corresponding lease liabilities

Lease liabilities are recorded as operating leases

(*) The additional financing rate has been calculated, taking the issued debt instruments - mortgage bonds and senior debt - as a reference, which are weighted according to the issue apacity of each one. The Group uses a specific rate according to the term of the operation and the business (Spain or Portugal) where the agreements are formalised.



CaixaBank | 2021 Financial Statements



Sale and leaseback transactions When acting as seller-lessee:

- · If control of the asset is not retained:
 - It derecognises the sold asset.
 - •It values the right-of-use asset derived from the subsequent lease at an amount equal to the part of the prior carrying amount of the leased asset corresponding to the proportion represented by the right of use withheld by the bank from the value of the sold asset.
 •A lease liability is recognised.
- · If control of the asset is not retained: ·
 - It does not derecognise the sold asset.
 - It recognises a financial liability for the amount of the received payment.
- The results generated in the operation are recognised immediately in the statement of profit or loss if it is determined that a sale has taken place (only for the amount of the profit or loss in relation to transferred rights of the asset), in such a way that the buyer-lessor acquires control of the asset.
- There is a procedure for monitoring the transaction prospectively, paying special attention to changes in market office rental prices compared to the contractual rents and the condition of the assets sold

2.19. Contingent assets

Contingent assets arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent assets are not recognised in financial statements, except where an inflow of economic benefits is practically certain. If there is a probable inflow of economic benefits, the group discloses the contingent asset.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements.

2.20. Provisions and contingent liabilities

Provisions cover present obligations at the date of preparation of the financial statements arising from past events which could give rise to a loss considered likely to occur. They are certain as to its nature but uncertain as to its amount and/or timing.

The financial statements include all the material provisions with respect to which it is considered more likely than not that the obligation will have to be settled. Provisions are recognised on the liability side of the balance sheet in accordance with the obligations covered.

Provisions, which are quantified based on the best information available on the consequences of the event giving rise to them and are re-estimated at the end of each reporting period, are used for specific expenditures for which the provision was originally recognised. Provisions are fully or partially reversed when the obligations cease to exist or are reduced.

The tax contingency policy is to set aside provisions for the possible tax expense and late-payment interest arising from the income tax assessments initiated by the tax authorities for the main applicable taxes, irrespective of whether an appeal has been lodged. Meanwhile, provisions are made for legal suits, in those instances where there is over a 50% probability of losing the case.

When there are present obligations but they are not likely to give rise to an outflow of resources, they are recorded as contingent liabilities. Contingent liabilities may develop in a way not initially expected. Therefore, they are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes more probable than not that an outflow of future economic benefits will be required, a provision is recognised in the balance sheet.

Provisions are recognised under "Provisions" on the liability side of the balance sheet in accordance with the obligations covered. Contingent liabilities are recognised under memorandum items in the balance sheet.

2.21. Statement of changes in equity. Part
A) Statement of comprehensive income

This statement presents the income and expense recognised as a result of the Entity's activity in the period, with a distinction between those taken to profit or loss in the statement of profit or loss and other income and expense recognised directly in equity.

2.22. Statement of changes in equity. Part

B) Statement of total changes in equity

This statement shows all changes in the Entity's equity, including those resulting from changes in accounting policies and corrections of errors. This statement presents a reconciliation between the carrying amount of each component of equity at the beginning and the end of the period, grouping movements by nature under the following headings:

- Adjustments due to accounting policy changes and error corrections: includes changes in equity as a result of the retrospective restatement of financial statement balances on account of changes in accounting policies or for correction of errors.
- Total comprehensive income: represents the aggregate of all items recognised in the statement of changes in equity part A) Comprehensive income, outlined above.
- Other changes in equity: includes the remaining items recognised in equity, such as capital increases or decreases, distribution of dividends, treasury share transactions, equity-based payments, transfers between equity items, and any other increase or decrease in equity.

Particularly, the headings 'Accumulated gains' and 'Other reserves' contain:

- The shareholder equity heading, 'Accumulated gains', includes, at year-end, undistributed gains from the appropriation of the Entity's profit/loss, and income coming from the sale of investments classified in 'Financial assets at fair value with changes in other comprehensive income Equity instruments', among others.
- The shareholder equity heading, 'Other reserves', includes, at year-end, the implications of the 1st application of accounting regulations, the remuneration of issuances with certain characteristics, and gains/losses derived from operations with own shares, among others.

2.23. Statements of cash flows

The following terms are used in the presentation of the statement of cash flows:

- Cash flows: inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are subject to an insignificant risk of changes in value.
- Operating activities: the indirect method is used to present cash flows from operating activities, which are the principal revenue-producing activities of credit institutions and other activities that are not investing or financing activities.
- Investing activities: the acquisition, sale or other disposal of long-term assets, such as equity investments and strategic investments, and other investments not included in cash and cash equivalents.
- Financing activities: activities that result in changes in the size and composition of equity and liabilities that do not form part of operating activities, such as subordinated financial liabilities. The issues placed on the institutional market are classified as financing activities, whereas the issues placed on the retail market among our customers are classified as operating activities.

3. Risk management

3.1 Risk factors and environment

From the Institution's perspective, the following factors from 2021 stand out for having a significant impact on risk management, both due to their occurrence throughout the year and their long-term implications:

Macroeconomic environment

Global economy

After the historic recession in 2020 (3.1% drop in global GDP), as a result of COVID-19 and the massive restrictions on activity imposed to contain it, the global economy recorded a strong recovery in 2021, with growth of around 6%. The rapid and forceful economic policies launched in 2020 and continued during 2021, along with the gradual withdrawal of many of the restrictions, provided support for recovery in the year.

However, this has been an unequal recovery on a country-by-country basis. This is not, in purity, an absolute novelty: when the pandemic erupted in 2020, and the waves were repeated, even though it was a global shock, different local intensities were experienced depending on the sectoral characteristics of the economy: of the containment strategy of varying degrees of aggressiveness: and, lastly, the degree of economic stimuli adopted. And if the shock was global, but the impact was local, the recovery is occurring in a similar manner. In that regard, the key factors that have defined 2021 have been the degree of vaccination of the population; the fiscal and monetary capacity to continue supporting the economy; the different variants, which have spread in very uneven vaccination contexts; and the disruption of global supply chains. Thus, while China did not contract in the 2020 annual assessment (+2.3%) and will have grown by around 8% in 2021; and the United States already reached pre-pandemic levels of GDP in 2Q21 (-3.4% in 2020 and an estimated 5.4% in 2021); the eurozone will not reach these pre-COVID-19 levels until mid-2022 (-6.5% in 2020 and around 5% in 2021).

In the forthcoming quarters, the global economic recovery will continue, albeit at a slower pace. Moreover, the risks of a further weakening in the pace of progress are not negligible. In particular, at the global level, the impact of new variants and global supply chain disruptions stand out, which in turn are further fuelling inflation concerns in many countries (e.g. in the US). In this regard, the pressure on the Fed to raise interest rates has intensified and it is estimated that it could do so up to three times by 2022. At a more regional level, the crisis of the Chinese real estate company Evergrande is concerning. While international financial contagion is limited, the main risk comes from contagion in the domestic real estate sector, which would negatively affect the Asian giant's growth rate.

Eurozone

In the Eurozone, after a remarkable recovery of activity in the second and third quarters of 2021, the latest indicators show a weaker performance in the fourth quarter. Specifically, economic activity has been negatively impacted by the shortage of supplies, which is affecting significantly countries like Germany, given their high exposure to the industrial sector (especially the automotive industry, highly integrated in the global value chains). In addition, the increase of COVID-19 cases in central and northern Europe has also led to new mobility constraints, with clear effects on the economy. Even so, the eurozone's GDP is estimated to have grown by around 5% in 2021. In 2022, annual growth will slip to around 4.0% with clear differences between countries: contracting in Italy and France; and growing in Germany and Spain. The main countries in the eurozone area will recover their lost GDP levels by mid-2022, except Spain.

Spain and Portugal

In 2021, the Spanish economy recorded a strong recovery in activity and, above all, in employment, which returned to prepandemic levels. However, the growth experienced fluctuations throughout the year. After a hesitant start of the year due to the effects of the third wave of infections and the adverse weather conditions, the economic activity was back on the path of recovery thanks to the rapid deployment of vaccinations and the resulting containment of infections and ease of the pressure on the health system. This, in turn, facilitated the reactivation of tourism and household spending, especially in activities that require more social interaction and that were most affected by the previous restrictive measures, such as hospitality, leisure and tourism, which are particularly important to our economy.

In the last part of the year, activity continued to expand, albeit at a more moderate pace, in a context of a sharp rise in inflation due to higher energy prices and difficulties in some supplies due to bottlenecks in supply chains. In 2021 as a whole, GDP increased by 5%, thus, at year-end, it would still be 4.0% below pre-crisis levels (Q4 2019).





In 2022, the economic recovery is expected to consolidate and GDP growth is projected to accelerate to 5.5%, such that GDP would reach the pre-crisis level of Q4 2019 in the last quarter of 2022. The pandemic may still generate new waves, but its impact on the health system is expected to be limited thanks to advances in vaccines, and there will be no need to reintroduce severe restrictions on activity. Growth in 2022 will be largely supported by three drivers: the recovery of the tourism sector, the impact of European funds and the pent-up demand. However, the year will be subject to uncertainties. On the one hand, the current energy crisis in Europe has led to sharp increases in energy prices which reduce households' purchasing power and put pressure on business margins. The impact of this crisis, although acute, should be temporary, and its effects should moderate once the winter is over. On the other hand, the disruptions to global supply chains will continue to hamper the industrial sector's ability to recover, especially during the first half of 2022. All in all, the energy crisis and logistical problems are expected to end up having a relatively contained impact compared to the magnitude of growth drivers. Although new waves or new variants of the virus cannot be ruled out, it is estimated that the impact on the economy will be increasingly limited, thanks to the effectiveness of vaccines to prevent the most severe cases of the disease, so it would not be necessary to implement measures to restrict activity.

In 2021, the Portuguese economy recorded a remarkable recovery, although performance was uneven throughout the year. After a weak start to the year marked by a new wave of the pandemic, from March onwards, with the gradual withdrawal of measures restricting activity and mobility, the economy recorded a significant drive, with GDP growing by 4.5% quarter-on-quarter in Q2 and by 2.9% in Q3. This recovery was supported by the success of the vaccination plan; with about 88% of the population fully vaccinated, Portugal topped the vaccination ranking worldwide, which contributed to the positive performance of tourism in the summer months. In the last quarter of the year, the pace of GDP growth is expected to decelerate, reflecting, on the one hand, the fact that activity entered into a period of greater normality, and on the other hand, due to some uncertainty factors, such as the increase in COVID-19 infections, the early elections scheduled for the end of January 2022, bottlenecks in production chains and higher energy prices. In 2021 as a whole, GDP is estimated to have grown by 4.3%, reducing its distance from the 2019 level to 2.9%.

For 2022, taking into account the implementation of possible pandemic control restrictions, potentially more pronounced in the first months of the year, GDP growth is projected at 4.9%. The recovery of tourism, the receipt of European funds and accumulated savings will be the growth drivers in 2022, and will be stronger than the factors that can hamper growth (energy crisis and bottlenecks). However, the scenario remains subject to some uncertainty that could turn out to be unfavourable if negative factors persist longer than expected, or favourable if they dissipate more quickly.

Regulatory environment

The regulatory outline on which the Entity's business model lies is crucial to its development, whether in terms of methodological or management processes. Thus, regulatory analysis represents a key point in the Entity's agenda.

Proposals for legislative and regulatory changes, as well as new legislation and regulation passed in 2021, include:

Crisis of the COVID-19:

- Measures and publications impacting the exposures that benefit from measures to combat the COVID-19 pandemic and their classification, notably including:
 - Royal Decree-Law (RDL) 5/2021, of 12 March, on extraordinary measures to support business solvency in response to the COVID-19 pandemic, as well as the Code of Good Practice for the framework of renegotiation with customers with financing guaranteed by the Official Credit Institute (ICO), provided for in RDL 5/2021.
 - Royal Decree-Law 27/2021, of 23 November, extending certain economic measures to support the recovery.
 - Resolution of 30 November 2021, of the Secretary of State for the Economy and Business Support, publishing the Agreement of the Council of Ministers of 30 November 2021, adapting the conditions and extending the application deadlines for guarantees regulated by Royal Decree-Laws 8/2020, of 17 March, and 25/2020, of 3 July, and amending the Code of Best Practices for the renegotiation framework for customers with guaranteed financing provided for in Royal Decree-Law 5/2021, of 12 March.

Sustainable finance and environmental, social and governance (ESG) factors:

Reports of authorities subject to public consultation: i) the EBA report on the incorporation of ESG risks in the management and supervision of credit institutions; ii) the ITS (Implementing Technical Standards) for ESG risk

disclosures under Pillar 3 of the EBA; iii) the European Commission's Sustainable Finance Platform reports on social taxonomy and options for extending taxonomy linked to environmental objectives.

- Legislative and regulatory proposals in discussion: i) the proposal for a Regulation on a European Green Bond Standard; ii) the proposed Corporate Sustainability Reporting Directive (CSRD).
- Legislative and regulatory texts finalised and published and under implementation: i) the delegated acts of amending MiFID II, IDD (Insurance Distribution Directive), AIFMD (Alternative Investment Managers Directive), UCITS (Undertakings for Collective Investment in Transferable Securities) and Solvency II for the integration of sustainability factors, risks and preferences; (ii) the delegated act on Climate Taxonomy (activities contributing to the goals of mitigating and adapting to climate change); (iii) the Delegated Act on Art. 8 of the Taxonomy Regulation on the degree of alignment of the activities of companies obliged to report under the NFRD with the Climate Taxonomy.
- Legislative and regulatory texts that entered into force/application: the Sustainable Finance Disclosure Regulation (SFDR), despite the lack of second-level developments.
- △ Other important texts and milestones: i) the European Climate Act, which makes the EU's commitment to achieve climate neutrality by 2050 legally binding, as well as the target of reducing net greenhouse gas emissions to 55% below 1990 levels by 2030; ii) the establishment of a global standard-setter for non-financial reporting, as well as a European one.

Prudential regulation:

- ▲ EBA public consultation on the update of the SREP guidelines proposing a new methodology for establishing the P2G requirement.
- Bank of Spain Public Consultation on the development of new macro-prudential tools introduced by RD-L 22/2018.
- Publication of the legislative proposal for CRR III (Capital Requirements Regulation) and CRD-VI (Capital Requirements Directive) implementing the final reforms of the Basel III accords in Europe. In addition, the proposal strengthens the framework for the management and supervision of ESG risks and enhances the provision of supervisory tools.
- Implementation of CRR II which, among other things, introduces a new standardised approach (SA-CCR) for the purposes of calculating capital requirements for counterparty risk.

In the digital field:

- Launch of the 24-month research phase of the Digital Euro focusing on a possible functional design and establishment of the 30-member Market Advisory Group to advise the ECB.
- Amendment of the eIDAS (electronic IDentification, Authentication and trust Services) Regulation, for the creation of a European digital identity, which will include attributes for identification (including information from financial institutions), secure authentication and for the approved signing of documents.

Markets:

- Progress in the process of replacing IBORs (Interbank Offered Rates). This came particularly in connection with the withdrawal of the LIBOR. The Commission submitted for consultation the drafts of the delegated acts, establishing the replacement indices for the CHF LIBOR and EONIA.
- Consultation on the EC Retail Investor Strategy in order to boost the participation of retail investors in capital markets.
- Publication of the proposal for a review of the Consumer Credit Directive and public consultation of the review of the Mortgage Loan Directive.
- Publication of Act 5/2021, amending the Consolidated Text of the Corporate Enterprises Act, which involves the adaptation of the new regime of related-party transactions and the new requirements for long-term shareholder involvement.
- Publication of RDL 24/2021, transposing pending Directives, including the Guaranteed Bonds Directive, which completes the regulation on covered bonds and mortgage, territorial and internationalisation bonds.
- A Bank of Spain Circular 4/2021, which determines the models of confidential statements, defining their content and the frequency with which they must be sent to the Bank of Spain, and the need for institutions to have a registry of complaints available to the supervisor with predefined content.

Prevention of Money Laundering and the Financing of Terrorism (PML/FT):

- ▲ Publication of a package of 4 legislative proposals: i) Regulation establishing the new PML/TF European Supervisory Authority (AMLA); ii) the Regulation on obligations in matters of PML/TF: iii) the 6the PML/TF Directive (amends the 5th by repealing the 4th); and iv) the Regulations on the transfer of funds.
- A RDL 7/2021, transposing Directives including the 5th Money Laundering Directive, with the aim of improving transparency and availability of beneficial ownership information.

Other:

Public consultation on the revision of the framework for managing bank crises and the deposit guarantee, from which an assessment of the measures for the preparation and prevention of bank failures will be conducted, as well as those applicable once a bank has been declared bankrupt or likely to fail.

Strategic events

Strategic events are the most relevant events that could have a significant impact on the Entity in the medium term. Only events that are not yet materialised and do not form part of the Catalogue, but which the organisation is exposed to due to causes that are external to its strategy are considered, even if the severity of their impact can be mitigated through management. If a strategic event occurs, the impact may be on one or more of the risks of the Catalogue simultaneously.

The most relevant strategic events currently identified are detailed here, with a view to better anticipate and manage their effects:

Shocks arising from the geopolitical and macroeconomic environment

Significant and persistent impairment of macroeconomic perspectives, and increase of risk aversion in financial markets. It could be, for example, a result of prolongation of the pandemic, global geopolitical shocks, domestic political factors (such as territorial tensions, populist governments and social protests), or the reappearance of tensions in the eurozone that rekindle the risks of fragmentation. Possible consequences: rise of the country risk premium (cost of financing), reduction of business volume, a worsening of credit quality, deposit withdrawals, material damages to offices or impeded access to corporate centres (due to protests or sabotage due to social unrest).

Mitigating factors: the Group understands that such risks are sufficiently managed by its capital and liquidity levels, validated by compliance with both external and internal stress exercises, and reported in the annual internal capital and liquidity adequacy assessment processes (ICAAP and ILAAP, respectively).

New competitors and application of new technologies

There is an expectation that the competition of newcomers will increase, such as fintech companies (e. g. digital banks), as well as big tech companies and other players with disruptive proposals or technologies. This could lead to the disaggregation and disintermediation of part of the chain of value, which in turn could lead to an impact on margins and cross-selling, given that we would be competing with more agile, flexible companies with, in general, low-cost proposals for the consumer. All of this could be exacerbated if the regulatory requirements applicable to these new competitors and services were not the same as those in place at present for credit institutions.

In addition, the race among competitors to develop and apply new technologies, such as Artificial Intelligence or blockchain, could pose a competitive disadvantage in certain use cases in the event of lack of momentum or low adoption in the Entity.

By way of example, the potential issuance of a digital euro could lead to the emergence of agents other than banks in the European banking system (e. g. payment institutions and digital money institutions), should intermediation be authorised in the management of digital euro wallets (e-wallets). Furthermore, insofar that payment methods associated to the digital euro could replace current electronic means, banks may lose information provided by customer transactions in terms of their end operator.

Mitigating factors: the Entity considers newcomers as a potential threat, whilst also being an opportunity as a source of collaboration, learning and stimulus for complying with the digitalisation and business transformation objectives established in the Strategic Plan. For this reason, the Group periodically monitors the evolution of the main newcomers and the big tech movements within the industry. Furthermore, an internal sandbox space has been in place since 2020 to technically analyse —in a streamlined and secure way— the solutions of certain fintech companies with which there are partnership opportunities.

Additionally, the Entity has *Imagin* as a first-rate value proposal to continue bolstering. With respect to the Entity's competition from big tech companies, it is committed to improving the customer experience with the added value represented by the Entity's social sensitivity (bits and trust), in addition to proposing possible collaboration approaches (open banking) and having agreements in some cases (e. g. *Apple, PayPal*).

Cybercrime and data protection

Cybercrime evolves criminal schemes to try to profit from different types of attacks. In this regard, the dissemination of new technologies and services that the Entity makes available to customers entails easier access to cybercrime, and thus makes their criminal operations more sophisticated. This constant evolution of criminal vectors and techniques puts pressure on the Group to constantly reassess the model for preventing, managing and responding to cyberattacks and fraud.

Campaigns to impersonate different companies and government agencies, as well as the accelerated deployment of remote working to maintain productivity during the pandemic, have meant that certain cybersecurity events have materialised in many organisations due to cybercriminals. In parallel, regulators and supervisors in the financial field have escalated the priority of this field. Taking into account the existing threats regarding cybersecurity and recent attacks received by other organisations, these events on the Group's digital environment could pose serious impacts of a different kind, notably including mass data corruption, the unavailability of critical services (e. g. ransomware), breaches of confidential information or fraud on digital service channels. Should these impacts directly related to banking operations occur, they could entail significant sanctions by the competent organisations and potential reputational damage for the Entity.

Mitigating factors: the Group is also well aware of the importance and extent of the existing threat at this time, and thus it constantly reviews the technological environment and applications relating to the integrity and confidentiality of information, in addition to systems availability and business continuity, through planned reviews and ongoing auditing by monitoring the risk indicators defined. Additionally, the Entity keeps security protocols and mechanisms up to date in order to adapt them to the threats of the current context, continually monitoring emerging risks. The evolution of security protocols and measures are included in the strategic information security plan in order to remain at the forefront of information protection, aligned with the Group's strategic objectives and in accordance with the best market standards.

Changes to the legal, regulatory or supervisory framework

The risk of increased pressure from the legal, regulatory or supervisory environment is one of the risks identified in the risk self-assessment that could entail a higher impact in the short-medium term. Specifically, we have observed a need to continue to uphold constant monitoring of new regulatory proposals and their implementation, given the high activity of legislators and regulators in the financial sector.

Mitigating factors: the control and monitoring of regulations carried out by the various departments of the Institution, under the coordination of a collegiate body, the Regulation Committee, and control over the effective implementation of regulations in the Group's companies.

Pandemics and other extreme events

It is not known what the exact impact of extreme events will be, such as future pandemics or environmental events, for each of the risks of the Catalogue, which will depend on future events and developments that are as yet unknown, including actions to contain or treat the event and curb its impact on the economies of affected countries. Taking COVID-19 as a reference, there may be high volatility in the financial markets, with significant crashes. Furthermore, macroeconomic perspectives may get significantly worse and with notable volatility in the prospective scenarios.

Mitigating factors: capacity for effective implementation of management initiatives to mitigate the effect on the risk profile caused by the deterioration of the economic environment in case of an extreme operational event, as is the specific case of COVID-19.

Operational and technological integration with Bankia (see Notes 1.9 and 7).

Once the legal and technological merger is completed, CaixaBank may be unable to successfully integrate Bankia's business from other operational perspectives (e.g. branch closures, change of management, etc.). All of this could impede the benefits identified when drawing up the joint merger project from materialising.

Mitigating factors: CaixaBank's successful track record of merger projects, in which it has managed to materialise the savings and synergies foreseen. Additionally, the compatibility of the business models of both organisations and a shared

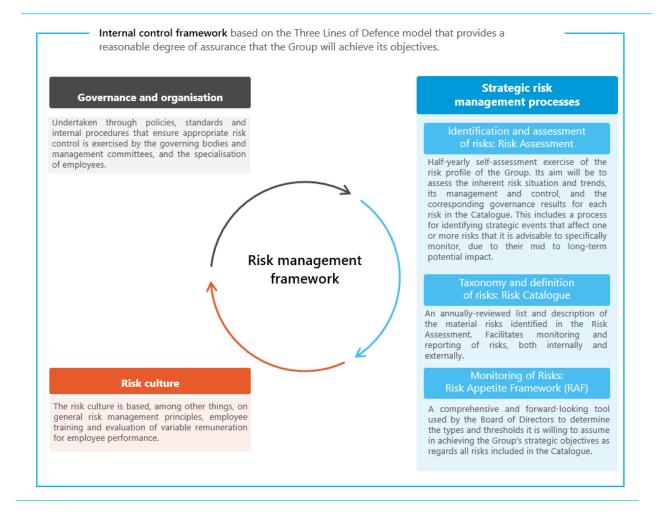


origin and corporate values, as well as solid financial strength in asset solvency and quality, allow them to face the risks of the merger with a significant margin.

3.2. Risk governance, management and control

CaixaBank aims to maintain a medium-low risk profile, a comfortable level of capital, and ample liquidity measures in line with its business model and the risk appetite established by the Board of Directors.

As part of the internal control framework and in accordance with the Corporate Global Risk Management Policy, the Entity has a risk management framework that enables it to make informed risk-taking decisions, in coherence with the objective risk profile and level of appetite approved by the Board of Directors. This framework comprises the elements described below:



The internal control framework is the set of strategies, policies, systems and procedures that exist across CaixaBank Group to ensure prudent business management and effective and efficient operations. This is carried out via:

- the suitable identification, measurement and mitigation of risks that the Group is or could be exposed to,
- the existence of comprehensive, pertinent, reliable and relevant financial and non-financial information,
- the adoption of solid administrative and accounting procedures, and
- compliance with regulations and requirements in terms of supervision, codes of ethics and internal policies, processes and standards.

This is integrated into the Group's internal governance system, is aligned with the business model and is in line with: i) the regulations applicable to financial institutions; ii) the EBA Guidelines on Internal Governance, of 21 July 2021, which develops the internal governance requirements established in Directive 2013/36/EU of the European Parliament; iii) the recommendations of the CNMV in this respect and iv) other guidelines on control functions applicable to financial institutions.

The guidelines for the Group's Internal Control Framework are set out in the Internal Corporate Control Policy and are structured around the "three lines of defence" model.

3.2.1. Internal control framework

First line of defence

Comprises the business lines and units, together with the areas providing support, that give rise to the exposure to risks in the performance of the Group's operations. They take on risks taking into account the Group's risk appetite, the authorised risk limits and policies and procedures in force, and is responsible for managing these risks. They are therefore responsible for developing and maintaining effective controls over their businesses, and for identifying, managing, measuring, controlling, mitigating and reporting the main risks that arise throughout their activity.

The business lines and support departments integrate control in their daily activities as a basic element that reflects the Group's risk culture.

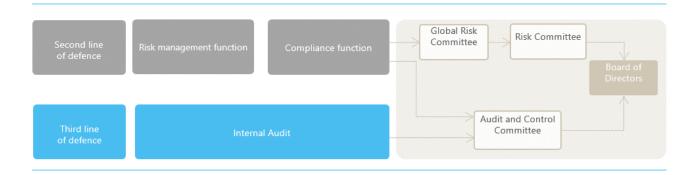
These functions may be embedded in the business units and support areas. However, when the level of complexity or intensity require it, specific control units with greater specialism are set up to ensure that the risks are properly controlled.

Second line of defence

It comprises the risk management and compliance functions. They in charge, inter alia, of:

- Preparing risk management and control policies aligned with the Risk Appetite Framework (RAF) in coordination with the first line of defence, assessing their subsequent fulfilment.
- Identifying, measuring and monitoring risks (including emerging risks), contributing to the definition and implementation of risk, process risk and control indicators.
- Regular monitoring of the effectiveness of first line of defence indicators and controls, as well as second line of defence indicators and controls.
- Following up control weaknesses that are identified, as well as establishing and implementing Action Plans.
- Issuing an opinion on the suitability of the risk control environment.





Activities of the second line of defence, as well as i) the identified weaknesses, ii) the monitoring of action plans and iii) the opinion on the adequacy of the control environment in the Institution are regularly reported to the bodies responsible for the control environment, following the established hierarchy, as well as to supervisory bodies.

Risk management function

As well as performing the identification, definition of lines of assumption, measurement, monitoring, management and reporting of risks under its area of responsibility, i) it ensures that all risks that the Group is or could be exposed to are identified, assessed, monitored and controlled adequately; ii) it provides the Governing Bodies with an aggregated vision of all the risks that the Group is or could be exposed to, including an aggregated view of the operational control environment of the risk processes; iii) it monitors the risk generating activities, assessing their alignment with the approved risk tolerance and ensuring the prospective planning of the corresponding capital and liquidity needs in normal and adverse circumstances; iv) it monitors compliance with the risk appetite limits approved by the Board of Directors, and v) validates and controls the appropriate functionality and governance of the risk models, verifying their suitability in accordance with the regulatory uses.

At CaixaBank, second-line risk management functions are carried out by the Corporate Risk Management Function & Planning and Compliance and Control divisions.

The responsibilities of the Corporate Risk Management Function & Planning directorate include the corporate coordination of the risk management function in CaixaBank Group; direct exercising of the second line of defence functions in terms of the specific risks of the business model and activity, and any cross-cutting aspects that affect the risk management activities carried out in Group companies. The Corporate Risk Management Function & Planning Director will be responsible for CaixaBank Group's risk management function and, therefore, will attest to the compliance of the supervisor's requirements in this matter and perform the functions allocated to this position by the applicable regulations.

Furthermore, the Directorate of Compliance and Control directly exercises the second line of defence functions for non-financial risks; the cross-cutting function of promotion, coordination and governance of the operational internal control activity in all the Company's risks, the reliability of information and the model risk and model validation functions.

Compliance function

The mission of the compliance function is to identify, evaluate, supervise and report on the risks of sanctions or financial losses to which the Bank is exposed, as a result of the breach of or defective compliance with laws, regulations, legal or administrative requirements, codes of conduct, ethical standards or good practices, relating to the scope of action and in reference to the legal/regulatory and conduct risks and compliance (Compliance Risk); as well as advise, inform and assist the senior management and the governance bodies in relation to regulatory compliance, promoting a culture of compliance throughout the organisation by way of training actions, information and raising awareness.

The compliance function is conducted from the Office of Compliance, dependent upon the Directorate of Compliance and Control, and reports directly to the Governing Bodies and to supervisory bodies (Bank of Spain, ECB, Executive Service of the Commission for the Prevention of Money Laundering and Monetary Offences SEPBLAC, Treasury, CNMV and other bodies).

The management model of the compliance function has two main pillars: the compliance risk taxonomy and the three lines of defence model. The function is served by the following key elements to ensure an adequate coverage of Compliance Risk: compliance programme, annual compliance plan and monitoring of gaps (control deficiencies or breaches of regulations) identified and of the action plans to mitigate them. Furthermore, the function carries out advisory activities on the matters that

fall under its responsibility, and carries out actions to foster the culture throughout the organisation (training, awareness-raising and corporate challenges.

In order to facilitate compliance with the applicable regulations and codes of conduct, CaixaBank has a confidential whistleblower and reporting channel aligned with the best practices through which interpretative queries can be submitted and possible irregularities that may result in breaches can be reported.

Lastly, in June 2021, CaixaBank obtained ISO 37301 certification on the Compliance Management System, which involved a comprehensive review of the elements comprising the function, seeking to confirm alignment with regulatory best practices.

Third line of defence

Internal Audit acts as the third line of defence, independently supervising the activities of the first and second lines to provide Senior Management and Governing Bodies with a reasonable degree of security.

In order to establish and preserve the function's independence, Internal Audit Management functionally reports to the Chair of the Board of Director's Audit and Control Committee, without prejudice to the fact that it must report to the Chairman of the Board of Directors for the due compliance of duties.

Internal Audit has a rule book governing how it operates, which has been approved by the Board of Directors. It establishes that it is an independent and objective assurance and consultation function, established to add value and improve operations. Its objective is to provide reasonable assurance to Senior Management and the Governing Bodies with regard to:

- The effectiveness and efficiency of internal control systems in offsetting the risks associated with the Entity's activities.
- Compliance with the legislation in force, with special attention to the requirements of supervising bodies and the suitable application of the Global Management and Risk Appetite Frameworks defined.
- Compliance with internal policies and regulations, and alignment with best practices and uses in the sector, for adequate internal governance of the Entity.
- The reliability and integrity of financial, non-financial and operational information, including the effectiveness of the Internal Control Systems on financial and non-financial reporting (SCIIF and SCIINF).

Its main supervisory functions include:

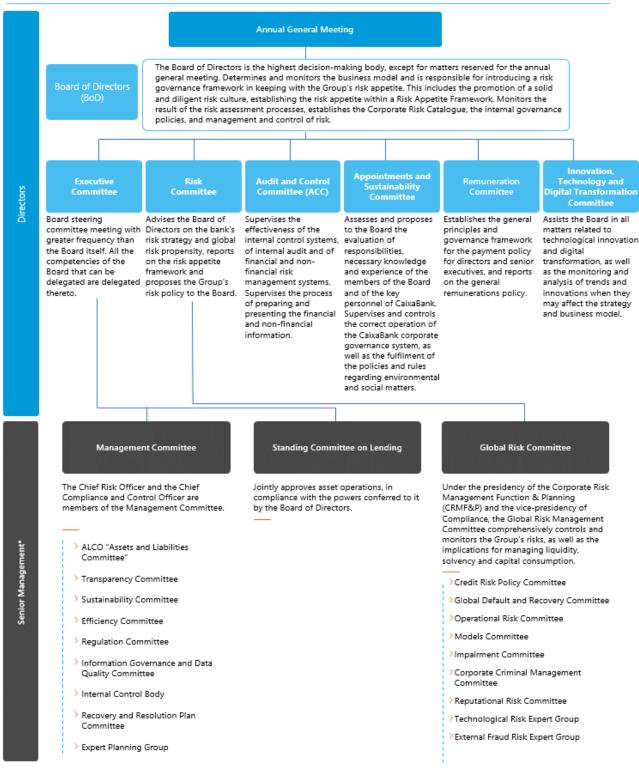
- The adequacy, effectiveness and implementation of policies, regulations and procedures.
- The effectiveness of controls.
- Adequate measurement and monitoring of first line of defence and second line of defence indicators.
- The existence and correct implementation of action plans to remedy shortcomings in controls.
- The validation, monitoring and assessment of the control environment by the second line of defence.

Its duties also include:

- i) Preparing the multi-year Annual Audit Plan based on risk assessments, which includes regulatory requirements and tasks and projects requested by Senior Management/the Management Committee and the Audit and Control Committee. In that regard, the 2021 Annual Audit Plan has focused on five particularly relevant fields: the merger with Bankia, sustainability, COVID-19 impacts, cybersecurity, compliance with regulations and supervisor expectations.
- ii) The periodical report on the conclusions of works carried out and weaknesses detected, passed on to Governing Bodies, senior management, external auditors, supervisors and all other relevant control and management environments.
- iii) Adding value by proposing recommendations to address weaknesses detected in reviews and monitoring their implementation by the appropriate centres.

3.2.2. Governance and organisation

Below is the organisational diagram in relation to the governance of risk management:



^{*} Acting within the framework of the assigned duties it comprises several committees for risk governance, management and control. Note: Not all the committees are shown.

3.2.3. Strategic risk management system

The goal of strategic risk management processes is to identify, measure, monitor, control and report risks. To this end, the processes include three key elements, which are developed below: risk assessment (identification and evaluation), the risk catalogue (taxonomy and definition) and the risk appetite framework (monitoring).

The result of strategic processes is reported at least annually, first to the Global Risk Committee and then to the Risk Committee, before finally being submitted to the Board of Directors for approval.

Risk Assessment

The Group conducts a risk profile self-assessment process every six months, seeking to:

- Identify and assess inherent risks assumed by the Group in its environment and business model.
- Make a self-assessment of its risk management, control and governance capacity, as a tool to help detect best practices and weaknesses in relation to risks.

This allows us to determine the status of each of the material risks identified in the Corporate Risk Catalogue

The Risk Assessment is one of the main sources for identifying the following:

- **Emerging risks**: a risk whose materiality or importance for the institution is increasing to the extent that it could be included directly in the Corporate Risk Catalogue.
- Strategic events: the most relevant occurrences that may result in a medium-term material impact on the Group. Only events that are not yet materialised and do not form part of the Catalogue, but which the organisation is exposed to due to causes that are external to its strategy are considered, even if the severity of their impact can be mitigated through management.

Corporate Risk Catalogue

The Corporate Risk Catalogue is the list of the Group's material risks. It covers both the definition of the material risks to which the institution is exposed and the definition of emerging risks and strategic events. It facilitates internal and external monitoring and reporting, and is subject to review at least once per year. This update process also assesses the materiality of emerging risks previously identified in the Risk Assessment process.

The definition of each risk is set out below:



Risks	Description		
Business model risks			
Business profitability	Obtaining results below market expectations or Group targets that, ultimately, prevent the company from reaching a level of sustainable returns that exceeds the cost of capital.		
Eligible own funds / Capital adequacy	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.		
Funding and liquidity	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.		
	Risks affecting financial activity		
Credit	Risk of a decrease in the value of the CaixaBank Group's assets due to uncertainty about a customer's or counterparty's ability to meet its obligations to the Group.		
Actuarial	Risk of a loss or adverse change to the value of the commitments 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.		
Structural rate	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.		
Market	Loss of value, impacting on performance or solvency, of a portfolio (set of assets and liabilities), due to unfavourable movements in prices or market rates.		
	Reputation and Operational risks		
Conduct and Compliance	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.		
Legal/Regulatory risk	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 court or administrative injunctions, or of the claims or complaints received.		
Technological	Losses due to the unsuitability or failures of the hardware or software of technological infrastructures, due to cyberattacks or other circumstances, which can compromise the availability, integrity, accessibility and security of infrastructure and data.		
Reliability of information	Deficiencies in the accuracy, integrity and approach to compiling the data and information needed to evaluate the financial position and assets of CaixaBank Group, as well as information provided to stakeholders and published to market that offers a holistic view of the stance in terms of environment sustainability and that is directly related to environmental, social and governance (ESG principles) aspects.		
Model	Possible adverse consequences for the Group that may arise as a result of decisions founded chiefly on the results of internal models with errors in the construction, application or use of these models.		
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 custody of securities or external fraud.		
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).		

The most relevant amendments of this year's review are:

Integration of the risk of impairment of other assets (such as equity holdings, deferred tax assets, intangible assets, and real estate) as part of credit risk, in line with regulatory treatment, even taking into account the specific management of some of them.

■ With respect to ESG (sustainability) risk: it remains an emerging candidate in the Corporate Catalogue during 2022, given its increasing relevance. It is already included in the Catalogue as a cross-cutting factor in several of its risks (credit, reputational, other operational risks). Furthermore, it is worth mentioning that CaixaBank includes the integration of ESG aspects into risk management in its Socially Responsible Banking Plan approved by the Board of Directors in 2017. In that regard, particularly noteworthy is the environmental strategy approved by the Management Committee, which results in active management of environmental risks and climate change risks.

In that regard, the CaixaBank lines of work in 2021 were:

- Establishing an action plan to meet the supervisory expectations of the ECB's Guide on Climate-related and Environmental Risks of November 2020.
- Conducting a materiality analysis of ESG risks (following the lines of work begun in previous years) and advancing the qualitative and quantitative analysis of climate risks, including the preparation of the ECB's climate stress exercise;
- ♦ Advancing in the classification of portfolios, pursuant to the EU Taxonomy Regulation; and
- Subscribing to the Net Zero Banking Alliance, which commits to aligning its financing portfolios with the goals of the Paris Agreement and achieving zero net emissions by 2050.

For further details, see Environmental Strategy in the Consolidated Management Report 2021.

Risk Appetite Framework

The Risk Appetite Framework (RAF) is a comprehensive and forward-looking tool used by the Board of Directors to determine the types and thresholds of risk (risk appetite) it is willing to assume in achieving the Group's strategic objectives. 1. These objectives are formalised through qualitative statements in relation to the risk appetite, expressed by the Board of Directors, and the metrics and thresholds that allow for the development of the activity to be monitored for the different risks of the Corporate Catalogue.

To determine the thresholds, as applicable, the references taken into account are current regulatory requirements, historical developments and business objectives with a sufficient additional margin to allow for early management to prevent non-compliance.

¹ It is worth noting that these goals are not only displayed through risk tolerance levels but the RAF also considers minimum risk appetite statements, such as the tax risk monitoring under legal risk covered in the Corporate Risk Catalogue.

(advised by the Risk Committee)

Metrics that supplement and implement those of Statements and primary metrics LEVEL I LEVEL I LEVEL 2

Global Risk Committee

Detailed metrics

factorial

deriving from the

decomposition of

They also include

more complex and

specialised risk

measurement

parameters

Level I metrics or from

a greater breakdown.

Areas managing / controlling Risks and Human Resources

Management mechanisms LEVEL 3

Equivalence in Risk Catalogue

adequacy

Qualitative statements Maintain a medium-low

(moderate) risk profile with a comfortable capital

through financial soundness

Be permanently in a position to meet its obligations and

funding needs in a timely

funding base to preserve and protect the interests of

Generate revenue and

diversified manner.

capital in balanced and

customer relations with

by meeting the highest

ethical and governance

Promote a risk culture

change and the

environment.

training.

standards and addressing

potential impacts on climate

embedded in management through policies,

communication and staff

Pursue excellence, quality

and operational resilience to

continue to provide financial

services to customers in line

with their expectations, even under adverse conditions.

Align business strategy and

socially responsible actions

its depositors.

manner, even under adverse market conditions. Have a stable and diversified

adequacy level to boost

customer confidence

- Own funds/Capital
- Funding and liquidity
- Cost-to-income ratios > Regulatory solvency
- Regulatory and internal liquidity metrics that oversee the upholding of comfortable liquidity levels

Risks affecting financial activity

- Credit
- Actuarial
- Market
- > Structural rate
- Calculations based on advanced models and approaches
- Accounting figures (cost of risk and NPL ratio)
- Indicators that encourage diversification (e.g. by borrower, sector)

- > Training and communication
- > Methodologies used to measure risk and assess assets and liabilities (manitaring the RAF)
- > Limits, policies and powers
- > Incentives and appointments
- > Tools and processes

Reputation and Operational risks

- Conduct and Compliance
- Legal/Regulatory risk
- > Technological
- > Reliability of information
- > Other operational risks
- Reputational
- Quantitative metrics on non-financial risks (i.e. reputational, operational)
- Metrics of number of complying incidents

Alert System Reports

Monthly to the Global Risk Committee

Green

Tolerance

- foments an action plan and draws up a schedule.
- Non-compliance
- The Global Risk Monitoring of the action Committee plan by the Global Risk Committee and specific communication to the Risk Committee.

Recovery Plan Governance

Process of the Recovery Plan to reduce the passibility of bankruptey.

Quarterly to the Risk Committe

- Trend of metrics and LEVEL I projection.
- Status of noncompliance and action plans.

Half-yearly to the Board of

- Trend of metrics and LEVEL I projection.
- Status of noncompliance and action plans.

Level 2

Level 1

Through threshold benchmarks.

3.2.4. Risk culture

The risk culture at the Group will encompass the conduct and attitudes towards risk and the management thereof of employees, reflecting the values, objectives and practices shared by the entire Group, and it is integrated into management through its policies, communication and staff training.

This culture influences employees' management decisions in their day-to-day work to prevent any behaviour that could unintentionally increase risks or lead to unacceptable risks. It is based on a high level of risk awareness and risk management, a robust governance structure, open and critical dialogue across the organisation, and the absence of incentives for unwarranted risk-taking.

Thus, actions and decisions involving an assumption of risk are:

- Aligned with the Group's corporate values and basic principles of action.
- Aligned with the Group's risk appetite and risk strategy.
- Based on exhaustive knowledge of the risks involved and how to manage them, including environmental, social and governance factors.

The risk culture includes, but is not limited to, the following elements:

Responsibility

CaixaBank's Board of Directors is responsible for establishing and supervising the implementation of a solid and diligent risk culture in the organisation, which promotes conduct in line with risk identification and mitigation. Furthermore, they shall examine the impact of such a culture on the financial stability, risk profile and appropriate governance of the institution and make changes where necessary.

All employees must be fully aware of their responsibility towards risk management; management that does not only correspond to risk experts or internal control functions, given that the business units are primarily responsible for the day-to-day management of risks.

Communication

CaixaBank's management assists the governing bodies in establishing and communicating the risk culture to the rest of the organisation, ensuring that all members of the organisation are aware of the fundamental values and associated expectations in risk management, an essential element for maintaining a robust and coherent framework aligned with the Group's risk profile.

In this regard, the Risk Culture project, which aims to raise awareness of the importance of all employees in risk management (credit, environmental, etc.) in order to be a solid and sustainable bank, has marked a turning point in the dissemination of the risk culture throughout the Institution. Various actions intended to raise awareness of the risk culture among all CaixaBank employees within the framework of this project, by publication on the intranet, as well as other places, of news related to risk projects.

More than 100 news items have been published on the intranet's risk news channel in 2021, explaining the most relevant projects, providing general information on risk measurement concepts, publicising the organisational structure, etc. One of these initiatives was the introduction of the "Risk Dictionary", making the technicalities of day-to-day risk management easily accessible to the entire organisation (e.g. RAF, Risk Assessment, NPL, etc.).

Furthermore, the (Company and Retail) corporate risk intranets comprise a dynamic environment for directly communicating key updates in the risk environment. They are notable for their content on news, institutional information, sector information, training and FAQs.



Training

Training is a key mechanism in the Group through which the risk culture is instilled, ensuring employees have the appropriate knowledge and skills to perform their duties in full awareness of their responsibility for risk-taking to achieve the Group's risk objectives. To that effect, CaixaBank provides regular training according to employees' duties and profiles, in line with the bank's business strategy to ensure they are aware of the bank's risk management policies, procedures and processes, including a review of changes in the applicable legal and regulatory frameworks.

In the area of Risks, the Entity defines the content of all training for functions supporting the Board/Senior Management covering specific matters that help high-level decision-making, as well as the rest of the organisation's functions, especially as regards branch network personnel. This is carried out to ensure: communication of the RAF throughout the whole organisation; the decentralisation of decision-making; the updating of risk analysis competencies; and optimisation of risk quality.

The Entity structures its training programme through its Risk School. It sees training as a strategic tool to provide support to business areas, whilst providing a conduit for disseminating the Entity's risk policies, providing training, information and tools for all of the staff. This proposal comprises a training circuit for specialising in risk management. This is linked to the professional development of the entire workforce from Retail Banking staff through to specialists in any field.

The Entity's main training initiatives in the area of promoting risk culture are detailed below:

RISK CULTURE AND TRAINING

COURSE			
	TITLE	GROUP TRAINED	NUMBER OF INDIVIDUALS
Basic Banking Risk course (latest edition)	Basic level university qualification	Generalist managers and staff from the business network of branches and other stakeholders who may need a basic knowledge of the organisation's risk management criteria to carry out their work	2,259 (accumulated)
Postgraduate Diploma in Banking Risk Analysis (7th edition of Retail and 3rd of Company)	University diploma	Business network branch deputy managers and managers and other stakeholders who, given their role, may be involved in approving loans or may require in-depth knowledge of risk	318 in 2021 (2,183 accumulated in the speciality of Retail and 589 in the speciality of Companies)
Specialist training in risks for AgroBank branches	Speciality	Employees that make up the AgroBank branch network	2,105 (accumulated)
Specialist training in risks for BusinessBank branches	Speciality	Employees that make up the BusinessBank branch network	277 in 2021 (631 accumulated)
Specialist training in risks for Private Banking branches	Speciality	Employees that make up the Private Banking network	552 (accumulated)
Training in Property Credit Contract Act 5/2019 (6th and 7th editions)	Certificate of specialisation from Pompeu Fabra University — BSM	A refresher course on the new act 5/2019 intended for employees that comprise the Retail, Business and Risk network	1,020 in 2021 (30,704 accumulated)
Training in Document Compliance and data quality	Internal training	Aimed at all employees to improve awareness of risk aspects such as document integrity and the quality of data entered into the systems	22,400
Basic Course on Economic – Financial Analysis	Internal training	Intended for the Retail and Company Centre network collective, including Welcome - Company Banking, Welcome - Business Bank	517 employees (397 in self-training, 39 Welcome - Company Banking, employees and 81 Welcome - Business Bank)
Risk Management and Compar Banking Circuits training	ny Internal training	A specific training course on risk policies and circuits has been developed for the group of professionals in the Risk department arising from the merger with Bankia	365

Performance assessment and remuneration

The Entity aims to keep the motivation of its employees in line with the risk culture, and with compliance of the risk levels that the Board is prepared to take on. Thus, responsibility for risk management will be embedded, as appropriate, in the duties performed by employees, including their personal goals, performance appraisal and remuneration structures.

Along these lines, there are compensation schemes in remuneration policies that establish adjustments to the remuneration of senior executives and other groups whose activities have a significant impact on the risk profile directly linked to the annual progress of the RAF metrics and which are specified in the Annual Remunerations Report.

3.3. Business model risks

3.3.1. Business profitability risk

Business profitability risk refers to the risk of underperformance relative to market expectations or the Entity's objectives, which ultimately prevents the achievement of a sustainable level of return in excess of the cost of capital.

The profitability objectives, backed by financial planning and monitoring process, are set out in the Group's Strategic Plan, over three years, and are specified annually in the Group's budget and in the commercial network challenges.

The Entity has a corporate Policy for Business Profitability risk management. Management of this risk is founded on visions of management:

- Group vision: the overall aggregated return at the level of CaixaBank Group.
- Business/Region vision: the return from businesses/territories.
 - Financial-Accounting vision: the return from different corporate businesses.
 - ◆ Commercial-Management vision: the return from the management of the CaixaBank commercial network.
- Pricing vision: the return from setting prices for CaixaBank products and services.
- Project vision: the return from relevant Group projects.

The risk management strategy for business profitability is closely integrated with the capital adequacy and liquidity management strategy of the Group, and is supported by the strategic risk processes (Corporate Risk Catalogue, risk assessment and RAF).

3.3.2. Risk of own funds and capital adequacy

The risk of own funds and capital adequacy responds to the potential restriction of the Entity to adapt its volume of own resources to regulatory requirements or a change to its risk profile.

The Entity has set an objective of maintaining a medium-low risk profile and a comfortable level of capital to strengthen its position. Capital adequacy to cover eventual unexpected losses is measured from two different perspectives and using different methodologies: regulatory capital and economic capital.

Regulatory capital is the metric required by regulators and used by analysts and investors to compare financial institutions. It is governed by Regulation 575/2013 (CRR) and Directive 2013/36/EU of the European Parliament and of the Council (CRD 4) which incorporated the Basel III regulatory framework (BIS III) into the European Union. Whereas the CRR was directly applied in Spain, CRD 4 was transposed to Spanish law through Act 10/2014 on the arrangement, monitoring and solvency of credit institutions and its subsequent regulatory development through Royal Decree 84/2015 and Bank of Spain Circular 2/2016. On 27 June 2019, a comprehensive package of reforms to amend the CRR and CRD4 directive came into force. The CRD 5 directive has been incorporated into Spanish legislation through Royal Decree-Law 7/2021 (which has amended, among others, Act 10/2014). Although RDL 7/2021 has generally been applicable since 29 April 2021, on 19 May 2021 the Spanish Parliament decided to process it as a law, so it may be subject to change. Similarly, Royal Decree 970/2021 amended, among others, RD 84/2015. Furthermore, in relation to Circular 2/2016, the Bank of Spain has published Circular 5/2021 amending this circular with the incorporation of macroprudential tools and a draft circular whose definitive publication is scheduled for 2022 and through which it will complete the transposition of CRD 5 into

the Spanish legal system. Similarly, following the transposition to European legislation in 2013, the Basel Committee and other relevant bodies published a series of additional rules and documents containing new specifications for the calculation of capital

This means that procedures are constantly being updated, and therefore the Group continuously adapts its processes and systems to ensure the calculation of capital consumption and deductions from own funds are fully aligned with the new established requirements.

Meanwhile, the economic capital measures the internal criteria for own funds and capital requirements for all risks derived from its activity. This measure complements the regulatory vision of capital adequacy, allows for it to better offset the risk assumed by the Entity and includes risks that have not been factored in at all or only partially by the regulatory measures. In that regard, in addition to the risks referred to in Pillar I (credit, market and operational risk), it includes others also included in the Corporate Risk Catalogue, (e.g. interest rate risk in the banking book, and liquidity, business and actuarial risk, etc.). This vision is used for i) the self-assessment of capital, subject to presentation and periodical review in the Entity's corresponding bodies; ii) as a control and monitoring tool; iii) risk planning and iv) calculating Risk-Adjusted Return (RAR) and Pricing. In contrast with regulatory capital, economic capital is an internal estimate which is adjusted according to the level of tolerance to risk, volume, and type of business activity.

In addition, the regime under Directive 2014/59/EU (BRRD) and Regulation 806/2014/EU (SRM) of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms, implemented in Spain through Act 11/2015 and Royal Decree 1012/2015, requires that banks must have minimum qualifying own funds and liabilities (MREL). The abovementioned comprehensive reform package also amended the BRRD and SRM Regulation, giving rise to BRRD 2 and SRM 2. BRRD 2 has been incorporated into Spanish legislation through Royal Decree-Law 7/2021 (which has amended, among others, Act 11/2015) and Royal Decree 1041/2021 which has amended Royal Decree 1012/2015.

The Entity has a Corporate Policy for Own Funds and Capital Adequacy Risk that covers a broad concept of own funds, including both eligible own funds under prudential regulations and eligible instruments for hedging MREL minimum requirements, the purpose of which is to lay down the principles on which capital objectives are determined in the CaixaBank Group, as well as to lay down a common set of guidelines in relation to the monitoring, control and management of own funds that allow this risk to be mitigated, among other aspects. Similarly, the main processes comprising the management and control of capital adequacy and own funds risk are as follows: i) ongoing measurement and internal and external reporting on regulatory capital and economic capital through relevant metrics; ii) capital planning in different scenarios (standardised and stress scenarios, including ICAAP, EBA Stress Test and Recovery Plan), integrated in the corporate financial planning process, which includes the projection of the Group's balance sheet, income statement, capital requirements and own funds and capital adequacy. All of this is accompanied by monitoring of the capital regulations applicable at present and over the coming years.

For further information on the risk management of own funds and capital adequacy, see Note 4 - Capital Adequacy Management.

3.3.3. Liquidity and funding risk

Overview

Liquidity and funding risk refers to insufficient liquid assets or limited access to market financing to meet contractual maturities of liabilities, regulatory requirements, or the investment needs of the Entity.

The Entity manages this risk in order to maintain levels of liquidity that allow it to comfortably meet its payment commitments and that do not jeopardise its investment activity due to a lack of lendable funds, while remaining within the RAF at all times. The strategic principles to achieve the liquidity management objectives are as follows:

- A decentralised liquidity management system across three units (the CaixaBank subgroup, the BPI subgroup and CaixaBank Wealth Management Luxembourg, S.A.), which includes a segregation of duties to ensure optimal management, control and monitoring of risks.
- Maintaining an efficient level of liquid funds in order to meet obligations assumed, fund business plans and comply with regulatory requirements.
- Active management of liquidity through ongoing monitoring of liquid assets and the balance sheet structure.
- Sustainability and stability, these being principles of the funding source strategy, which is based on i) the customer deposit-based funding structure and ii) capital market funding, complementing the funding structure.

The liquidity risk strategy and appetite for liquidity and financing risk involves:

Identifying significant liquidity risks for the Entity;



3. Risk management

CaixaBank | 2021 Financial Statements



- The formulation of the strategic principles that the Entity must observe in managing each of these risks;
- Establishing the relevant metrics for each of these risks;
- Setting appetite, tolerance, limit and as the case may be recovery thresholds within the RAF;
- Setting up management and control procedures for each of the risks, including mechanisms for internal and external systematic monitoring;
- Defining a stress testing framework and a Liquidity Contingency Plan to ensure Liquidity risk can be appropriately managed in moderate and severe crisis situations;
- And a Recovery Planning framework, in which scenarios and measures are devised for stress conditions.

In particular, the Entity holds specific strategies with regard to: i) management of intraday liquidity risk; ii) management of the short-term liquidity; iii) management of sources of financing/concentrations; iv) management of liquid assets; and v) management of collateralised assets. Similarly, the Entity has procedures to minimise liquidity risks in stress conditions through i) the early detection of the circumstances through which it can be generated; ii) minimising negative impacts; and iii) sound management to overcome a potential crisis situation.

Mitigation techniques for liquidity risk

On the basis of the principles mentioned in the previous section, a Contingency Plan has been drawn up defining an action plan for each of the established crisis scenarios. This sets out measures to be taken on the commercial, institutional and disclosure level to deal with this kind of situation, including the possibility of using the liquidity reserves or extraordinary sources of finance. In the event of a situation of stress, the liquid asset buffer will be managed with the objective of minimising liquidity risk.

The measures in place for liquidity risk management and anticipatory measures feature:

- Delegation of the Annual General Meeting or, where applicable, of the Board of Directors for issuance, depending on nature of the type of instrument.
- Availability of several facilities open with i) the ICO, under credit facilities mediation, ii) the European Investment Bank (EIB) and iii) the Council of Europe Development Bank (CEB). In addition, there are financing instruments with the ECB for which guarantees have been posted to ensure that liquidity can be obtained immediately:

AVAILABLE IN ECB FACILITY

(Millions of euros)

	31-12-2021	31-12-2020
Value of guarantees delivered as collateral	83,424	66,498
Drawn down	(75,890)	(45,305)
TLTRO III *	(75,890)	(45,305)
Interest on drawn guarantees	951	123
TOTAL AVAILABLE BALANCE IN ECB FACILITY	8,485	21,316

(*) Interest accrued from the borrowing from TLTRO III on 31 December 2021 and 2020 amounts to EUR 698 million and EUR 260 million, respectively. This interest is calculated for each operation of this series and reflects the Entity's estimation in the initial recognition with respect to the amount of final interest to charge upon its specific maturity, taking into account specific hypotheses of fulfilment of eligible volumes. The value "interest on drawn guarantees" is the calculation carried out by the Bank of Spain to assess the guarantees drawn in the facility.

In TLTRO III fixed-term monetary policy financing operations, there are preferential financing interest rates on condition of fulfilling variations in the admissible credit during certain periods.

The threshold established for obtaining the preferential rate for TLTRO financial has been met in the period from 1 October 2020 to 31 December 2021.

Maintaining issuance programmes aimed at expediting formalisation of securities issuances in the market.

DEBT ISSUANCE CAPACITY - 31-12-2021

(Millions of euros)

	ISSUANCE CAPACITY	TOTAL ISSUED
CaixaBank Base Prospectus for Non-Participating Securities (FBVNP) (CNMV 13-07-2021)	20,000	6,000
CaixaBank EMTN ("Euro Medium Term Note") programme (Ireland 27-04-2021)	30,000	17,925
CaixaBank ECP ("Euro Commercial Paper") programme (Ireland 13-12-2021)	3,000	590

Capacity to issue backed bonds

COVERED BOND ISSUANCE CAPACITY - 31-12-2021

(Millions of euros)

	ISSUANCE CAPACITY	TOTAL ISSUED
Mortgage covered bonds	16,755	67,662
Public sector covered bonds	9,450	4,500

- To facilitate access to short-term markets, CaixaBank currently maintains the following:
 - Interbank facilities with a significant number of (domestic and foreign) banks, as well as central banks.
 - Repo facilities with a number of domestic and foreign counterparties.
 - Access to central counterparty clearing houses for repo business (LCH SA Paris, Meffclear and EUREX Frankfurt).
- The Contingency Plan and Recovery Plan contain a wide range of measures that allow for liquidity to be generated in a wide range of crisis situations. These include potential issuances of secured and unsecured debt, use of the repo market, and so on. For all these, viability is assessed under different crisis scenarios and descriptions are provided of the steps necessary for their execution and the expected period of execution.

Liquidity situation

The following table presents a breakdown of the Entity's liquid assets based on the criteria established for determining high-quality liquid assets to calculate the LCR (HQLA) and assets available in facility not made up of HQLAs:

LIQUID ASSETS *

(Millions of euros)

	31-12-	2021	31-12-	2020
		APPLICABLE		APPLICABLE
		WEIGHTED		WEIGHTED
	MARKET VALUE	AMOUNT	MARKET VALUE	AMOUNT
Level 1 assets	154,893	154,887	84,833	84,797
Level 2A assets	71	61	253	215
Level 2B assets	1,337	669	1,529	765
TOTAL HIGH QUALITY LIQUID ASSETS (HQLAS) **	156,302	155,616	86,615	85,777
Assets available in facility not considered HQLAs				17,863
TOTAL LIQUID ASSETS		155,616		103,640

^(*) Data corresponding to the perimeter of reporting and regulatory compliance 'Single liquidity subgroup' (CaixaBank at the consolidated level without BPI and without CaixaBank Wealth Management Luxembourg, S.A.).

The liquidity and financing ratios for the Entity are presented below:

LCR AND NSFR *

(Millions of euros)

	31-12-2021	31-12-2020
High-quality liquid assets - HQLAs (numerator)	155,616	85,777
Total net cash outflows (denominator)	45,226	31,026
Cash outflows	56,862	37,883
Cash inflows	11,636	6,857
LCR (LIQUIDITY COVERAGE RATIO) (%) **	344%	276%
NSFR (NET STABLE FUNDING RATIO) (%) ***	153%	144%

^(*) Data corresponding to the perimeter of reporting and regulatory compliance 'Single liquidity subgroup' (CaixaBank at the consolidated level without BPI and without CaixaBank Wealth Management Luxembourg, S.A.).

According to Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 (and its amendment in Delegated Regulation (EU) 2018/1620 of July 2018), supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to the liquidity coverage requirement for credit institutions. The established regulatory limit for the LCR is 100%.

(***) NSFR – regulatory balance sheet structure ratio that measures the ratio between the quantity of available stable funding (ASF) and the quantity of required stable funding (RSF). Available stable funding is defined as the proportion of own funds and customer funds that are expected to be stable in the time horizon of one year. The amount of stable funding required by an institution is defined in accordance with its liquidity and the residual maturities of its assets and its balance sheet positions.

Regulation (EU) 2019/876 of the European Parliament and of the Council, of 20 May 2019, came into force in June 2021 and lays down the regulatory limit for the NSFR ratio at 100%.

Key credit ratings are displayed below:

CAIXABANK CREDIT RATINGS

e, u, u, ue, u u u e.							
	ISSUER RATING			SENIOR		RATING L	AST REVIEW DATE OF
	NON-CURRENT			PREFERRED		MORTGAGE I	MORTGAGE COVERED
	DEBTSHOR	T-TERM DEBT	OUTLOOK	DEBT	REVIEW DATE COV	ERED BONDS	BONDS
S&P Global	A-	A-2	Stable	A-	16-12-2021	AA+	21-12-2021
Fitch Ratings	BBB+	F2	Stable	A-	02-09-2021		
Moody's	Baa1	P-2	Stable	Baa1	22-09-2020	Aa1	24-08-2021
DBRS	Н	R-1(low)	Stable	Н	29-03-2021	AAA	14-01-2022

^(**) Assets under the calculation of the LCR (Liquidity Coverage Ratio). It corresponds to high-quality liquid assets available to meet liquidity needs for a 30 calendar day stress scenario.

^(**) LCR — regulatory ratio whose objective is to maintain an adequate level of high-quality available assets to meet liquidity needs over a 30-day horizon, under a stress scenario that considers a combined crisis of the financial system and reputation.



In the event of a downgrade of the current credit rating, additional collateral must be delivered to certain counterparties, or there are early redemption clauses. The breakdown of the impact on liquidity deriving from 1, 2 and 3-notch downgrading is shown below:

SENSITIVITY OF LIQUIDITY TO VARIATIONS IN THE CREDIT RATING

(Millions of euros)

	1-NOTCH DOWNGRADE	2-NOTCH DOWNGRADE	3-NOTCH DOWNGRADE
Trading in derivatives/repo operations (CSA/GMRA/GMSLA contracts)*	0	2	2
Deposits taken with credit institutions*	0	0	674

^(*) The balances presented are accumulated for each rating reduction.

Asset encumbrance – assets received and delivered under guarantee

Assets securing certain financing transactions and unencumbered assets are as follows:

ASSETS SECURING FINANCING OPERATIONS AND UNENCUMBERED ASSETS

(Millions of euros)

31-12-20	021	31-12-2	2020	
CARRYING AMOUNT CA	ARRYING AMOUNT	CARRYING AMOUNT	CARRYING AMOUNT	
	OF ENCUMBERED OF UNENCUMBERED		OF UNENCUMBERED	
ASSETS	ASSETS	ASSETS	ASSETS	
	1,385		1,148	
37,595	39,580	7,991	29,222	
7	1	6	3	
57	59		70	
34,981	36,088	6,753	26,140	
2,128	2,967	910	2,422	
422	465	323	587	
117,940	374,414	82,544	229,036	
117,940	311,754	77,046	191,433	
155,535	415,379	90,535	259,406	
	CARRYING AMOUNT CO OF ENCUMBERED OF ASSETS 37,595 7 57 34,981 2,128 422 117,940 117,940	OF ENCUMBERED OF UNENCUMBERED ASSETS ASSETS 1,385 1,385 37,595 39,580 7 1 57 59 34,981 36,088 2,128 2,967 422 465 117,940 374,414 117,940 311,754	CARRYING AMOUNT OF ENCUMBERED OF UNENCUMBERED ASSETS CARRYING AMOUNT OF ENCUMBERED OF ENCUMBER OF ENCU	

 $^{(*) \} Mainly \ corresponds \ to \ assets \ provided \ in \ repurchase \ agreements \ and \ ECB \ financing \ transactions.$

The following table presents the assets received under guarantee, segregating those unencumbered from those that are pledged guaranteeing funding operations:

ASSETS SECURING FINANCING OPERATIONS AND UNENCUMBERED ASSETS

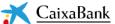
	31-12-	2021	31-12-2020		
	FAIR VALUE OF ENCUMBERED ASSETS	FAIR VALUE OF UNENCUMBERED ASSETS	FAIR VALUE OF ENCUMBERED ASSETS	FAIR VALUE OF UNENCUMBERED ASSETS	
Collateral received *	8,816	22,576	2,627	13,247	
Debt securities	8,816	19,990	2,627	11,914	
Other guarantees received		2,586		1,333	
Own debt securities other than covered bonds or own asset- backed securities **		333		249	
Own covered bonds and asset-backed securities issued and not pledged ***		16,586		24,180	
TOTAL	8,816	39,495	2,627	37,676	

^(*) Mainly corresponds to assets provided in reverse repurchase agreements, securities lending transactions and guarantees received through derivatives.

^(**) Mainly corresponds to assets pledged for securitisation bonds, mortgage covered bonds and public sector covered bonds. These issuances are chiefly used in operations of issuances to market and as a guarantee in ECB funding operations.

^(**) Senior debt treasury shares.

^(***) Corresponds to own securitisations and mortgage/public-covered bonds.



The asset encumbrance ratio is as follows:

ASSET ENCUMBRANCE RATIO

(Millions of euros)

	31-12-2021	31-12-2020
Encumbered assets and collateral received (numerator)	164,351	93,162
Equity instruments		
Debt securities	46,410	10,618
Loans and receivables	117,941	77,046
Other assets		5,498
Total assets + Total assets received (denominator)	602,305	365,815
Equity instruments	1,385	1,148
Debt securities	105,980	51,754
Loan portfolio	429,695	268,479
Other assets	65,245	44,434
ASSET ENCUMBRANCE RATIO	27.29%	25.47%

During 2021, the asset encumbrance ratio has increased by 1.8 percentage points with respect to the 2020 ratio, mainly due to a growth in weight in the repo encumbrance.

Secured liabilities and the assets securing them are as follows:

SECURED LIABILITIES

	31-12-	2021	31-12-2020			
	LIABILITIES HEDGED,	ASSETS, GUARANTEES	LIABILITIES HEDGED,	ASSETS, GUARANTEES		
	CONTINGENT LIABILITIES	RECEIVED AND TREASUREY	CONTINGENT LIABILITIES	RECEIVED AND TREASUREY		
	OR SECURITIES CEDED	INSTRUMENTS ISSUED *	OR SECURITIES CEDED	INSTRUMENTS ISSUED *		
Financial liabilities	139,475	159,549	74,909	88,335		
Derivatives	7,456	8,102	6,011	6,239		
Deposits	108,303	124,390	53,750	64,145		
Issuances	23,716	27,057	15,148	17,951		
Other sources of charges	4,130	4,802	4,331	4,826		
TOTAL	143,605	164,351	79,240	93,161		

^(*) Excluding encumbered covered bonds and securitised bonds.

Residual maturity periods

The breakdown by contractual term to maturity of the balances of certain items on the balance sheets, without taking into account, where applicable, the value adjustments or value corrections, in a scenario of normal market conditions, is as follows

RESIDUAL MATURITY PERIODS - 31-12-2021

(Millions of euros)

	DEMAND DEPOSITS <	3 MONTHS	3-12 MONTHS	1-5 YEARS	> 5 YEARS	TOTAL
Interbank assets		110,737	3,169	2,088	532	116,526
Loans and advances - Customers	1,390	20,040	56,308	132,616	105,257	315,611
Debt securities		4,155	22,068	26,696	20,512	73,431
TOTAL ASSETS	1,390	134,932	81,545	161,400	126,301	505,568
Interbank liabilities		18,276	55,908	30,294	381	104,859
FL - Customer deposits	18,109	56,492	83,705	99,437	103,343	361,086
FL - Debt securities issued	6	2,749	5,583	34,614	13,007	55,959
TOTAL LIABILITIES	18,115	77,517	145,196	164,345	116,731	521,904
Of which are wholesale issues net of treasury shares and multi-issuers		1,619	3,095	26,950	21,687	53,350
Of which are other financial liabilities for operating lease		1	14	53	1,663	1,731
Loan commitments given		5,359	13,664	24,359	36,149	79,531

FA: Financial assets; FL: Financial liabilities

The transaction maturities are projected according to their contractual and residual maturity, irrespective of any assumption that the assets or liabilities will be renewed. In the case of demand accounts, with no defined contractual maturity, the Entity's internal behaviour models are applied. In order to assess the negative gap in the short term, the following aspects must be considered:

- The Entity has high and stable retail financing with probable renewal.
- Additional guarantees are available at the European Central Bank, and there is the capacity to generate new deposits through asset securitisation and the issuance of mortgage- or public sector-covered bonds.

The calculation does not consider growth assumptions, and consequently disregards internal strategies for raising net liquidity, which are especially important in the retail market. The monetisation of available liquid assets is also not included.

With respect to issuances, the Entity's policies take into account a balanced distribution of maturities, preventing concentrations and diversifying financing instruments. In addition, the Entity's reliance on wholesale markets is limited.

3.4. Risks affecting financial activity

3.4.1. Credit risk

Overview

Credit risk corresponds to the loss of value of the Entity's assets with a customer or counterpart, due to a deterioration in the capacity of said customer or counterpart to meet its commitments with the Entity. It is the most significant risk of the Entity's financial activity, based on banking and insurance marketing, treasury operations and long-term equity instruments (shareholder portfolio).

The maximum credit risk exposure of the financial instruments included under the financial instruments headings on the asset side of the balance sheet, including counterparty risk, are set out below:

MAXIMUM EXPOSURE TO CREDIT RISK

(Millions of euros)

(Millions of euros)				
	31-12-2021	31-12-2021		
	MAXIMUM EXPOSURE TO CREDIT RISK	PROVISION	MAXIMUM EXPOSURE TO CREDIT RISK	PROVISION
Financial assets held for trading (Note 10)	600		990	
Equity instruments	186		195	
Debt securities	414		795	
Financial assets not designated for trading compulsorily measured at fair value through profit or loss (Note 11)	121		139	
Equity instruments	54		54	
Debt securities				
Loans and advances	67		85	
Financial assets at fair value with changes in other comprehensive income (Note 12)	14,665		17,347	
Equity instruments	1,144		899	
Debt securities	13,521		16,448	
Financial assets at amortised cost (Note 13)	405,741	(6,967)	248,071	(4,412)
Debt securities	63,239		19,970	
Loans and advances	342,502	(6,967)	228,101	(4,412)
Central banks	59			
Credit institutions	8,260	(9)	5,386	
Customers	334,183	(6,958)	222,715	(4,412)
Derivatives	4,284		3,973	
TOTAL ACTIVE EXPOSURE	425,411	(6,967)	270,520	(4,412)
TOTAL GUARANTEES GIVEN AND COMMITMENTS*	120,627	(395)	89,244	(124)
TOTAL	546,038	(7,362)	359,764	(4,536)

^(*) CCF (Credit Conversion Factors) for guarantees given and credit commitments amount to EUR 77,820 million and EUR 61,992 million at 31 December 2021 and 2020, respectively.

The maximum exposure to credit risk is the gross carrying amount, except in the case of derivatives, which is the exposure value according to the mark-to-market method, which is calculated as the sum of:

- Current exposure: the highest value between zero and the market value of an operation or of a portfolio of operations in a set of operations that can be offset with a counterparty that would be lost in the event of non-payment of the counterparty, assuming that none of the value of the operations will be recovered in the event of insolvency or settlement beyond the collateral received.
- Potential risk: variation of the credit exposure as a consequence of the future changes of the valuations of operations that can be offset with a counterparty during the residual term until maturity.

The Group gears its lending activity towards meeting the finance needs of households and businesses and providing value-added services to the large corporates segment, within the medium—low risk profile set as a target in the RAF.

The corporate credit risk management policy, approved by the Board of Directors, lays down the general framework and basic principles that serve as a benchmark and minimum standard for the identification, assessment, approval, monitoring and mitigation of credit risk, as well as the criteria for quantifying the provisions of expected losses from this risk, for both accounting and capital adequacy purposes.

The core principles and policies that underpin credit risk management in the Group are as follows:

- The credit risk management policy and strategy, as well as the frameworks and limits for controlling and mitigating this risk, should be integrated and consistent with the overall risk strategy and appetite.
- Clear definition and allocation of responsibilities to the different areas participating in the cycle of granting, managing, monitoring and controlling credit risk, in order to guarantee effective management of this risk.

- The business lines and units that generate credit risk will be primarily responsible for managing the credit risk generated by their activities throughout the credit life cycle. Such business lines and units will have adequate internal controls to ensure compliance with internal policies and applicable external requirements. The risk management function will be responsible for assessing the adequacy of these controls.
- Granting based on the borrower's repayment capability. In general, guarantees, whether personal or collateral, will not replace a lack of repayment capacity or an uncertain purpose of the transaction.
- Adequate assessment both of guarantees and of assets that are foreclosed or received in payment of debt.
- The pricing system will be adjusted to the risk assumed in the transactions, in such a way as to ensure the appropriate relationship of the risk/profitability duality and in which the guarantees act as a mitigation element, especially in long-term transactions.
- The development of internal models for rating exposures and borrowers, as well as to measure risk parameters for the purposes of consumption of regulatory capital or provisions, will ensure the establishment and standardisation of key aspects of these models according to a methodology adapted to suit the characteristics of each portfolio.
- There will be an independent system of internal validation and regular review of credit risk models used for both management and regulatory purposes, for which materiality criteria will be applied.
- There will be a monitoring framework that ensures that information on credit risk exposures, borrowers and collateral are relevant and kept up-to-date throughout the life cycle of credit exposures, and external reports are reliable, complete, up-to-date, and drawn up within the time limits.
- Criteria will be established for the accounting classification of transactions and for quantification of expected losses and capital requirements for credit risk that faithfully reflect the credit quality of assets.
- The recovery process will be governed by the principles of anticipation, objectivity, effectiveness, and customer orientation. The recovery circuit will be designed in such a way as to be articulated based on early detection of the possibility of default and appropriate measures will be provided for effectively claiming debts.

Credit risk cycle

The full credit risk management cycle covers the entire life of the transaction, from feasibility studies and the approval of risks as per established criteria, to monitoring solvency and returns and, ultimately, to recovering non-performing assets. Diligent management of each of these stages is essential to successful recovery.

Approval and granting

The process for admitting and granting new loans is based on the analysis of the solvency of the parties involved and characteristics of the transaction.

The power system assigns an approval level to certain employees holding a position of responsibility established as standard associated with their position. It is based on the study of four key parameters:

- Amount: financial amount applied for plus any risk already granted; this is the first key element and it involves calculating the accumulated risk for each of the title holders of the application and, where applicable, their economic group. The amount of the operation is defined through two alternative methods according to the sector to which the operations belong:
 - Product-weighted loss: based on the expected-loss calculation formula, it takes into account the risk appetite according to the nature of each product. This system is used for applications where the principal borrower is a legal person.
 - Nominal: it factors in the nominal amount and guarantees of risk operations. It applies to individuals.
- **Guarantee**: the group of assets and/or funds pledged to secure fulfilment of a repayment obligation.
- General Risk Policies: raft of criteria identifying and assessing the relevant variables of each type of transaction, and which involve specific processing. These include, among others, NPL alerts, scoring/rating diagnosis, debt ratio, ratings resulting from monitoring activity or the fact that the operation is for a reduced amount.

Term: the duration of the operations requested, which must be coherent with the purpose of the loan. There are specific policies according to the type of operation and its term, which require a higher level of authority for their approval.

In order to facilitate agility in granting, there are Risk Approval Centres (RAC) according to the type of holder:

- individuals and self-employed workers in a centralised Individuals Approval Centre in Corporate Services, and
- legal entities in Approval Centres distributed throughout the country, which manage the applications within their power levels, and transfer them to specialised Corporate Service centres in the event the application exceeds their powers.

Except those that can be approved at branch level or by the Business Area Manager, the risk of operations can only be approved when countersigned by a business manager and risk manager. Credit pre-granting is also conducted for legal entities and individuals in the micro-enterprise and small enterprise segments for certain products and in accordance with defined risk limits and criteria.

In particular, the internal organisation of Business Risk Approvals at Central Services is based on the following specialised structure, according to the type of risk and customer segment:

- Corporate Risk: centralises business groups with an annual turnover above EUR 200 million in the Corporate centre and in the International Branches.
- **Business Risk**: legal entities or business groups with turnover up to EUR 200 million and those with turnover over EUR 200 million not managed by Corporate centres or the International Branches nor those that belong to specialised sectors (Property, Agrofood, Tourism or Project Finance).
- Real Estate Risk: covers developers in any segment, regardless of turnover, and real estate investment companies, including real estate project finance.
- Tourism and Agri-food Risk: covers all companies and business groups that operate in the tourism and food and agriculture sectors. It also includes self-employed professionals in the farming sector.
- Project Finance: includes all operations presented through the project finance scheme, object finance, and asset finance operations.
- Institutional Banking: comprises public autonomous or central government institutions, town councils and local institutions, and members of economic groups or management groups whose representative/parent meets the aforementioned criteria. It also includes private institutions (foundations, universities, NGOs, religious orders, etc.) managed by the Institutions' Centres.
- Sovereign, Country and Financial Institution risk: responsible for granting and managing country risk and financial institution risk inherent in funding transactions for the various segments.

Lastly, the Permanent Credit Committee holds the power to approve individual operations up to EUR 100 million, provided the accumulated risk with the customer or its group is equal to or lower than EUR 150 million and, in general, it holds powers to approve operations that involve exceptions to the characteristics of those that can be approved in branches and in the RACs. In the event of exceeding the aforementioned amounts, the power of approval corresponds to the Executive Committee.

In order to ensure an adequate level of protection of the banking service customer, there are policies, methods and procedures for studying and granting loans, or responsible lending, as required in Act 2/2011 on Sustainable Economy and Order EHA/2899/2011 on transparency and protection of customers of banking services, or the more recent Property Credit Contract Regulatory Act 5/2019, of 15 March.

For pricing purposes, all the factors associated with the operation will be considered. In other words, costs involving structure, financing, customer historical profitability and expected loss of the operation. Furthermore, operations must provide a minimum contribution to economic capital requirements, which will be calculated net of tax.

Tools related to pricing and RAR (Risk-Adjusted Return) allow the highest standards to be reached in controlling the balance between risk and return, making it possible to identify the factors determining the returns of each customer more easily and, thus, to analyse customers and portfolios in accordance with their adjusted returns.

The Chief Business Officer is responsible for approving the prices of the operations. Following on from this, the determination of the prices is subject to a power system focused on obtaining minimum compensation and on establishing margins according to different businesses.

Mitigation of the risk

The Entity's credit risk management profile is characterised by a prudent granting policy, at a price in keeping with the conditions of the borrower and suitable coverage/guarantees. In any case, long-term operations must have more robust guarantees due to the uncertainty deriving from the passing of time. These guarantees should never be used to substitute a lack of repayment capacity or an uncertain outcome for the operation.

For accounting purposes, effective guarantees or collateral are collateral and personal guarantees that can be demonstrated as valid as risk mitigators, according to: (i) the amount of time required for their enforcement; (ii) the ability to realise the guarantees; and (iii) the experience in realising the same. The different types of guarantees and collateral are as follows:

- Personal guarantees or those constituted due to the solvency of holders and guarantors: most of these relate to risk operations with companies in which the collateral provided by the shareholders, irrespective of whether they are individuals or legal entities, is considered relevant. For individuals, collateral is estimated on the basis of asset declarations. Where the backer is a legal entity, it is analysed as the borrower for the purposes of the approval process.
- Collateral, main types:
 - ◆ Pledged collateral: they notably include the pledge of operations of liabilities or the intermediated balances. To be admitted as collateral, financial instruments must, among other requirements: i) be free of liens and charges; ii) their contractual definition must not restrict their pledge; and iii) their credit quality or change in value must not be related to the borrower. The pledge remains in place until the loan matures, it is repaid early, or it is derecognised.
 - Mortgage guarantees on properties. A real right on immovable property given as security for an obligation, on which, according to internal policy, the following is established:
 - The procedure for approval of guarantees and the requirements for drawing up operations, e.g., the documentation that must be supplied by the holders and the mandatory legal certainty of this documentation.
 - The review processes for the appraisals registered, in order to ensure proper monitoring and control of the guarantees. Regular processes are also carried out to check and confirm the appraisal values, in order to detect any anomalies in the procedures used by the valuation companies supplying the Entity.
 - ★ The outlay policy, mainly concerning property development and self-development operations.
 - The loan-to-value (LTV) of the operation. The capital to be granted in mortgage operations is limited to percentages of the value of the guarantee, which is defined as the lowest of the appraisal value and the value shown on the official deed or the accredited value of the property. IT systems calculate the level of approval required for each type of transaction.
- Credit derivatives: guarantors and counterparty. The Entity occasionally uses credit derivatives, contracted with entities with a high credit level and protected by collateral contracts, to cover against credit risk.

A breakdown of the guarantees received in the approval of the Entity's lending transactions is provided below, specifying the maximum amount of the collateral that can be considered for the purposes of calculating impairment: the estimated fair value of property according to the latest appraisal available or an update on the basis of the provisions of applicable regulations in force. In addition, the remaining collateral is included as the current value of the collateral that has been pledged to date, not including personal guarantees:

CATEGORISATION BY STAGE OF THE CREDIT INVESTMENT AND AFFECTED GUARANTEES*

(Millions of euros)

		31-12-2021				
		ALLOWANCES				
		FOR				
		IMPAIRMENT	VALUE OF	GROSS	IMPAIRMENT	VALUE OF
	GROSS AMOUNT	LOSSES	GUARANTEES **	AMOUNT	LOSSES	GUARANTEES **
Stage 1:	291,752	(591)	414,213	196,110	(570)	264,615
No collateral associated	141,662	(310)		100,992	(303)	
With real estate collateral	143,405	(280)	406,584	91,050	(265)	258,377
With other collateral	6,685	(1)	7,629	4,068	(2)	6,238
Stage 2 + POCI without impairment:	28,391	(1,389)	36,202	16,996	(792)	24,806
No collateral associated	12,625	(529)		6,708	(415)	
With real estate collateral	15,190	(847)	35,527	9,917	(375)	23,984
With other collateral	576	(13)	675	371	(2)	822
Stage 3 + POCI with impairment:	11,876	(4,955)	15,130	7,229	(3,039)	9,569
No collateral associated	3,569	(2,261)		1,789	(1,513)	
With real estate collateral	8,241	(2,671)	15,098	5,374	(1,517)	9,381
With other collateral	66	(23)	32	66	(9)	188
TOTAL	332,019	(6,935)	465,545	220,335	(4,401)	298,990

^(*) Includes loans and advances to customers under the headings 'Financial assets at amortised cost' (Note 13) and 'Financial assets not designated for trading compulsorily measured at fair value through profit or loss' (Note 11)

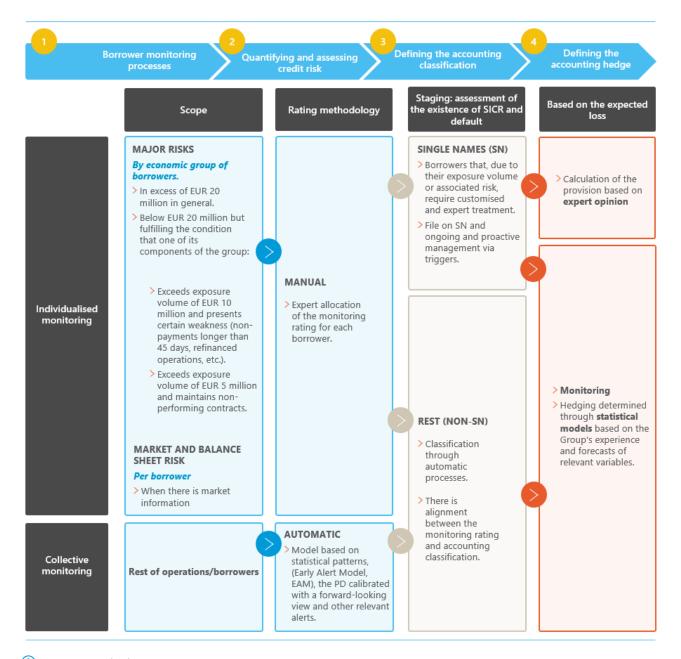
On the other hand, counterparty risk mitigation measures are specified at the end of this section.

Monitoring and measurement of credit risk

The Entity has a monitoring and measurement system that guarantees the coverage of any borrower and/or operation through methodological procedures adapted to the nature of each holder and risk:

^(**) Reflects the maximum amount of the effective collateral that can be considered for the purposes of the impairment calculation, i.e. the estimated fair value of real estate properties based on their latest available valuation or an update of that valuation based on the applicable standard in force. In addition, the remaining collaterals are included as the current value of the collateral that has been pledged to date, not including personal guarantees.





1 Borrower monitoring processes

The aim is to determine the quality of the risk assumed with the borrower ("Monitoring Rating") and actions that need to be taken according to the result, including the estimation of impairment. The targets of risk monitoring are the borrowers that hold the debt instruments and off-balance sheet exposures that bear credit risk, and the profit or loss is a reference for the future granting policy.

The Credit Risk Monitoring Policy is prepared based on the type and specific nature of the exposure, segregated into differentiated areas, in accordance with the various credit risk measurement methods.

The Monitoring Rating is an assessment of each customer's situation and risks. All borrowers have a monitoring rating which classifies them into one of five categories² which are, from best to worse: insignificant risk, low risk, moderate risk, high risk or doubtful; and

- Insignificant risk: all customer transactions are performing correctly and there are no indications that call the repayment capacity into question.
- Low risk: the payment capacity is adequate, although the customer or one or more of their transactions shows some minor indication of weakness.

² The different monitoring rating categories are:



they can be generated manually (in the case of the scope of borrowers under individualised monitoring) or automatically (for the rest).

According to the scope of monitoring and rating relating to the borrowers, monitoring can be:

Individualised: applied to exposures of a significant amount or that have specific characteristics. The monitoring of major risks leads to the issuance of group monitoring reports, concluding in a monitoring rating for the borrowers in the group.

The Group defines individually significant borrowers (Single Names) as those that meet the following thresholds or characteristics3:

- Exposure of greater than EUR 30 million for two consecutive months or greater than EUR 36 million for one month.
- Exposure of greater than EUR 10 million for two consecutive months or greater than EUR 12 million for one month, which meet at least one of the following criteria: expected loss of greater than EUR 200 thousand, with refinanced operations, with early non-performing loans (>45 days) or those that form part of the Entity's consolidated group through the equity consolidation method.
- Exposure of greater than EUR 5 million with doubtful operations (objective or subjective) representing more than 5% of the total risk of the borrower.
- Borrowers that form part of the Group (due to global integration), with the exception of BPI.
- Collective: The ratings are obtained by combining a statistical model, referred to as the Early Alert Model (EAM), the Probability of Default (PD) calibrated with a forward-looking view (consistent with the PD used to calculate the credit risk provisions) and other relevant alerts. Both the EAM and the PD are obtained at least on a monthly basis, and daily in the case of the alerts.
 - Similarly, the EAM and PD models are subject to the credit risk model management policy.

Quantifying and assessing credit risk

Credit risk quantifies losses that might derive from failure by borrowers to comply with their financial obligations, based on two concepts: expected loss and unexpected loss.

- **Expected Loss** (EL): This is the average or mathematical expectation of potential anticipated losses calculated by multiplying the three following factors: probability of default (PD), exposure at default (EAD) and loss given default (LGD).
- Unexpected loss: potential unforeseen loss caused by variability in losses with respect to the estimated expected loss. It can occur due to sudden changes in cycles or alterations in risk factors, and the dependence between the credit risk for the various debtors. Unexpected losses have a low probability and large amount, and should be absorbed by the Group's own funds. The calculation of unexpected loss is also mainly based on the operation's PD, EAD and LGD.

Credit risk parameters are estimated based on the historical default experience. To do so, the Bank has a set of tools and techniques for the specific needs of each type of risk, described below according to how they affect the three factors for calculating the expected loss:

EAD: an estimate of the outstanding debt in the event of default by the customer. This measurement is significant for financial instruments with a repayment structure that varies according to customer drawdowns (in general, any revolving credit product).

The estimate is based on observing internal default experience, relating the drawdown levels upon default to drawdown levels over the 12 preceding months. To build the model, several variables are considered, such as product type, term to maturity and customer characteristics.

Medium risk: there are indications of customer impairment, nonetheless, these weaknesses do not currently put at risk the debt repayment
capacity.

[•] Medium-high risk: the customer's credit quality has been seriously weakened. If the customer impairment continues, the customer may not have the capacity to repay the debt.

Doubtful: there is evidence of sustained impairment or non-performance as regards the customer capacity to meet their obligations.

No rating: there is insufficient information to assign a monitoring rating.

³ In addition to these borrowers, an individual assessment of the credit loss will be required for operations with a low credit risk, qualified as such as a result of having no appreciable risk, that are nevertheless in a doubtful situation. Applying materiality criteria, the individual estimate of expected losses will be performed whenever a borrower represents an exposure of more than EUR 1 million and more than 20% is considered doubtful.

PD: the Group uses management tools covering virtually all of its lending business to help predict the probability of default associated with each borrower.

These tools, implemented in the branch network and the risk monitoring and granting channels, were developed on the basis of NPL experience and include the measurements required to fine-tune the results both to the business cycle, with a view to securing relatively stable measures in the long term and to recent experience and future projections. The models can be classified according to their orientation toward the product or customer:

- Product-oriented tools are used mainly within the scope of authorisation of new retail banking operations (approval scorings) and take account of the debtor's characteristics, information deriving from the customer relationship, internal and external alerts, as well as the specific characteristics of the operation to determine its probability of default.
- Customer-oriented tools assess the debtor's probability of default. They comprise behavioural 'scoring' models for monitoring the risk of individuals and ratings or companies.
 - A Rating tools for **companies** are specific according to the segment to which they belong. The rating process for micro-enterprises and SMEs, in particular, is based on a modular algorithm, which rates three different sets of data: the financial statements, the information drawn from dealings with customers, internal and external alerts and certain qualitative factors.
 - As regards large corporates, the Group has models that require the expert judgement of analysts and seek to replicate and be coherent with the ratings of rating agencies. In view of the lack of sufficient frequency of internal default rates for drawing up purely statistical models, the models in this segment were built in line with the Standard & Poor's methodology, enabling the public global default rates to be used, making the methodology much more reliable.

The customers are scored and rated on a monthly basis in order to keep the credit rating up-to-date, except for the rating of large corporations, which is updated at least annually or if significant events arise that can alter credit quality. For legal entities, the financial statements and qualitative information is updated periodically to achieve the maximum level of coverage of the internal rating.

■ LGD: quantifies the unrecoverable debt in the event of customer default.

The historic loss given default is calculated using internal information, taking into account the cash flows associated with contracts from the moment of default. The models allow different loss given defaults to be obtained based on the guarantee, the loan to value ratio (LTV), the product type, the borrower's credit quality and, for uses in which it is required by regulation, the recessional conditions of the economic cycle. An estimate is also made of the indirect expenses (office staff, infrastructure costs and similar) associated with the recovery process. In the case of large corporates, loss given default also includes elements of expert judgement, coherent with the rating model.

It is worth noting that the Group considers, through severity, the income generated in the sale of defaulted contracts as one of the possible future flows generated to measure the expected impairment losses of the value of loans and advances. This income is calculated on the basis of the internal information of the sales carried out in the Group⁴. The sale of these assets is considered to be reasonably predictable as a method of recovery, thus, as part of its strategy for reducing doubtful balances, the Group considers portfolio sales as one of the recurring tools. In this regard, an active market for impaired debt exists, which ensures with a high probability the possibility to make future sales of debt⁵.

In addition to regulatory use to determine the Group's minimum capital requirements and the calculation of provisions, the credit risk parameters (PD, LGD and EAD) are used in a number of management tools, such as in the risk-adjusted return calculation tool, the pricing tool, the customer pre-qualification tool, monitoring tools and alert systems.

3 <u>Defining the accounting classification</u>

The accounting classification of operations with credit risk⁶ among the different Stages of IFRS 9 is defined in the event of a default and/or significant increase in credit risk (SICR) since the operation's initial recognition.

⁴See Note 2.7, in reference to cases of sales with a significant increase in credit risk not compromising the business model of maintaining assets to receive contractual cash flows

⁵ See Note 27.4, detailing the sales of the non-performing and defaulted loan portfolio.

⁶ See Note 2.



It will be considered that there has been an SICR from the first recognition, whereby these operations are classified as Stage 2, when there are weaknesses that may involve assuming significantly higher losses than expected at the time the loan is granted. To identify it, the Group has the monitoring and rating processes described in ②. Specifically, when the operations meet any of the following qualitative or quantitative criteria, unless they must be classified as Stage 3:

- 1) Refinanced exposures that do not classify as Stage 3.
- 2) Operations involving borrowers that are in administration which do not classify as Stage 3, because:
 - The borrower has paid at least 25% of the company's loans affected by the administration situation —after discounting the agreed write-off, where applicable.
 - Two years have passed since the deed of approval of the creditors' agreement was registered in the Companies Register, provided that this agreement is being faithfully complied with and the company's equity and financial situation eliminates any doubts over the amounts owed being fully reimbursed, unless interest charges that are clearly below market rates have been agreed.
- 3) Operations with amounts that are more than 30 days overdue (but less than 90, in which case they would be classified as Stage 3).
- 4) Operations which can be identified as having registered a SICR on the basis of market indicators/triggers.
- 5) Operations for which there has been an SICR since the date of initial recognition on the basis of any of the following two criteria?: a deterioration in its monitoring rating or a relative increase in PD (see in further detail below).

There have not been any changes since the prior year in the general criteria for identifying a significant increase in credit risk. Without prejudice to the above, in the context of COVID-19, in 2021, like in 2020, the Company has applied certain prudent adjustments that are covered in the "COVID-19 impact" section.

Unless they are identified as refinancing, refinanced or restructured operations, those that no longer meet the conditions to qualify for Stage 2 will be classified as Stage 1.

With respect to refinancing, refinanced or restructured operations that classify as Stage 2 due to failing to proceed to classify them as Stage 3 on the date of refinancing or restructuring or due to having been reclassified from the Stage 3 category, they will remain identified as Stage 2 for a probationary period until they meet all the following requirements:

- i) More than 2 years have passed since the refinancing date, or from that operation's date of entry on the most recent special watch-list in the different refinancing/restructuring operations in which it is involved should this date be later than the refinancing date.
- ii) There is no capital deferred to maturity in any of the operations involved in refinancing/restructuring.
- iii) There is no non-payment in any of the operations involved in refinancing/restructuring.
- iv) The borrower has made regular payments of an amount equivalent to the whole amount (principal and interest) falling due at the date of the restructuring or refinancing transaction, or that were derecognised as a result of it, or, when it is deemed more appropriate given the nature of the transactions, the borrower complies with other objective criteria that demonstrate their payment capacity.
- v) There is a holder in the operations involved in the refinancing/restructuring that has no operations (refinancing or other) with amounts past due more than 30 days ago, or if the holder does have them, they do not exceed the threshold. The threshold is considered by applying as reference debt the total unpaid debt (past due + pending) of contracts that fulfil the condition and, as a divisor, the total debt of that holder (asset debt/asset drawn + company risk, excluding equity).
- vi) The full instalment has been paid for 13 consecutive months.
- vii) Theoretically, no non-payment cycles will be taken into account, solely to consider that the full instalment is started to be paid the first time.
- viii) It will be deemed that an operation is not paying the full instalment (not being repaid, or the repayment is not all that it should be) if:

⁷ Unless, for exposures with individually significant borrowers, the individual analysis determines that there has not been any SICR.

- a. It is in the process of delivery, or a grace or waiting period.
- b. The operation has capital deferred to the last maturity (bullets, atypical, etc.)
- c. The operation appears to be refinanced in a moratorium after the date of the analysed refinancing/restructuring.
- ix) An assessment is conducted as to whether all contracts in force within the same refinancing (refinancers and refinanced) fulfil the condition of payment of the 13 consecutive instalments.
- x) The operation is not on a "special watch-list" in any other refinancing/restructuring other than the one in question.
- xi) The operation is not on a "special watch-list" in the product, or if it is, it is not "through refinancing".

Furthermore, the borrower must have made regular payments of an amount equivalent to the whole amount (principal and interest) falling due at the date of the restructuring or refinancing operation, or that were derecognised as a result of it, or when it is deemed more appropriate, given the nature of the operations, that the borrower complies with other objective criteria that demonstrate their payment capacity. This implies that there are no contractual clauses that may delay repayments, such as grace periods for the principal.

It will be considered that there has been a default and, therefore, an operation will be classified at Stage 3 when – regardless of the borrower and the guarantee – there is an amount overdue (capital, interests or contractually agreed costs) by more than 90 days, as well as the operations of all other holders when operations with past due amounts of over 90 days account for more than 20% of the amounts pending collection.

Operations classified as Stage 3 due to the customer being non-performing will be reclassified to Stage 1 or Stage 2 when, as a result of charging part of the overdue amounts, the reasons that caused their classification as Stage 3 disappear and there remain no reasonable doubts regarding their full repayment by the holder for other reasons.

In addition, the following operations will be classified as Stage 3:

- i) Operations with legally demanded balances.
- ii) Operations in which the collateral execution process has been initiated.
- iii) Operations of borrowers who have declared insolvency proceedings or are expected to declare insolvency proceedings where no liquidation petition has been made.
- iv) Guarantees extended to borrowers that are undergoing insolvency proceedings where the liquidation phase has or will be declared, or that have undergone a significant and irrecoverable loss of solvency, even though the beneficiary of the guarantee has not demanded payment.
- v) Refinancing, refinanced or restructured operations classifiable as non-performing including those that having been classified as non-performing before the trial period, are refinanced or restructured or that have amounts that are more than 30 days past-
- vi) Operations that have a second-call mortgage guarantee or later when the first-call guarantee operation is classified as non-performing.
- vii) Operations in which all of the holders have operations refinanced under a Code of Good Practice.
- viii) Operations with borrowers who, after an individualised review, pose reasonable doubts regarding full repayment (principal and interest) in the contractually agreed terms.

Unless they are identified as refinancing, refinanced or restructured operations, those classified as Stage 3 for reasons other than the customer being non-performing can be reclassified to Stage 1 or Stage 2 if, as a result of an individualised study, the reasonable doubts regarding their full repayment by the holder on the contractually agreed terms disappear and there are no amounts overdue by more than ninety days on the date of reclassification to Stage 1 or Stage 2.

In the case of refinanced, restructured or refinancing operations, in order to consider the credit quality of the operation to have improved and, therefore, to proceed to reclassify it to Stage 2, all the following criteria must be verified in general:

- i) More than 1 year has elapsed since the refinancing date.
- ii) More than 1 year has elapsed since any refinancing contracts were unpaid for more than 30 days.
- iii) There is no non-payment in any of the operations involved in refinancing/restructuring.

- iv) The borrower has made regular payments of an amount equivalent to the whole amount (principal and interest) falling due at the date of the restructuring or refinancing transaction, or that were derecognised as a result of it, or, when it is deemed more appropriate given the nature of the transactions, the borrower complies with other objective criteria that demonstrate their payment capacity.
- v) The full instalment has been paid for 13 consecutive months.
- vi) Theoretically, no non-payment cycles will be taken into account, solely to consider that the full instalment is started to be paid the first time.
- vii) Furthermore, it will be deemed that an operation is not paying the full instalment (not being repaid, or the repayment is not all that it should be) if:
 - a. It is in the process of delivery, or a grace or waiting period.
 - b. The operation has capital deferred to the last maturity (bullets, atypical, etc.)
 - c. The operation appears to be refinanced in a moratorium after the date of the analysed refinancing/restructuring.
- viii) An assessment is conducted as to whether all contracts in force within the same refinancing (refinancers and refinanced) fulfil the condition of payment of the 13 consecutive instalments.
- ix) There is a holder in the operations involved in the refinancing/restructuring that has no operations (refinancing or other) with amounts past due more than 90 days ago, or if the holder does have them, they do not exceed the threshold. This threshold is considered by applying as reference debt the total unpaid debt (past due + pending) of contracts that fulfil the condition and, as a divisor, the total debt of that holder (asset debt/asset drawn + company risk, excluding equity).
- x) The operation is not "non-performing" in any other refinancing/restructuring other than the one in question.
- xi) The operation is not "non-performing" in the product, or if it is, it is not "through refinancing".

Risks of borrowers declared bankrupt without a liquidation request will be reclassified as special watch-list performing when they have fulfilled one of the following conditions:

- The borrower has paid at least 25% of the company's loans affected by the administration situation —after discounting the agreed write-off, where applicable.
- Two years have passed since the deed of approval of the creditors' agreement was registered in the Companies Register, provided that this agreement is being faithfully complied with and the company's equity and financial situation eliminates any doubts over the amounts owed being fully reimbursed, unless interest charges that are clearly below market rates have been agreed.

All risks incurred after the approval of the agreement will not be classified as non-performing provided that the borrower is complying with the agreement and there are no doubts surrounding collection, and they will remain classified as performing. The process for determining the borrower's accounting classification is specified below:

Single Name: these borrowers are constantly assessed as regards the existence of evidence or indications of impairment, as well as a potential significant increase in credit risk (SICR) from the initial recognition, and losses associated with the assets of this portfolio are assessed.

In order help with the proactive management of evidence and indications of impairment and a SICR, the Group has developed triggers, which are an indication of impairment of the asset affecting the customer or the operations, and are assessed by the analyst to determine classification to Stage 2 or Stage 3 of the customer's operations. They are based on internal and external available information, per borrower and per operation, grouped according to the sector, which conditions the type of information required to analyse the credit risk and the sensitivity to the changes of variables indicative of the impairment. We have:

Global triggers:

Financial difficulties of the issuer or debtor: subjective doubtful triggers (i.e. unfavourable financial information on the debtor, measured via various ratios on their financial statements) and triggers of a minimum of Stage 2 (due to deterioration of the monitoring rating).



- A breach of contract, such as a default or delinquency in interest or principal payments: Stage 3 triggers (i. e., non-payments exceeding 90 days) and triggers of a minimum of Stage 2 (non-payments exceeding 30 days).
- In the event of financial difficulties, the borrowers are given concessions or advantages that would otherwise not be considered. Trigger of a minimum of Stage 2 (refinancing).
- Probability of the borrower declaring bankruptcy or restructuring. Stage 3 trigger (declaration of insolvency).
- Triggers referring to identifying financial difficulties of the debtor or issuer, either due to breaches of contractual clauses or to the disappearance of an active market for the financial security:
 - External or internal rating that indicates either default or near to default (level 6 rating as defined in the CRR).
 - Significant downgrading of the borrower's credit rating by the Group.
 - Automatic rating downgrading.
 - External rating below CCC+.
 - Relative change in the CDS compared to a reference index (iTraxx).
 - Significant downgrading in the external rating of the issuer with respect to when the operation was initially granted.
 - O Non-payment event other than those mentioned in the ISDA definition of default.
 - O Decrease in the price of the borrower's bond issues of > 30% or quoted price below 70%.
 - Suspension of the listing of the borrower's shares.
- Specific triggers: For sectors such as property developers, project finance and public administrations.
 - In cases in which, in the opinion of the analyst, contracts are classified as Stage 2 or Stage 3, the expert calculation of the specific provision is used.
- Other contracts (not Single Name): as previously stated, when the borrower's monitoring rating has significantly deteriorated or when there is a relative increase of relevant PD with respect to the start of the operation, the Entity proceeds to classify the contract at accounting Stage 2. For these purposes, the classification is revised monthly, taking into account that the fulfilment of any of the two conditions below will determine that a SICR exists:
 - ◆ A deterioration of the monitoring rating: it will be considered that there has been an SICR if, on the date of classification for accounting purposes (each month-end close), the borrower has exacerbated their monitoring rating, to a moderate risk or worse, since the operation's initial recognition.
 - ◆ A relative increase in PD: It will be considered that there has been an SICR if the regulatory PD⁸ of the operation on the accounting classification date exceeds a certain absolute threshold and there has been a relative increase in the regulatory PD (exceeding a certain threshold) of the operation in question since its initial recognition (in the case of exposures with individuals, a comparison is made with the first and oldest live risk PD of the operation). It must therefore be classified as Stage 2, if the following conditions are met:
 - Master scale⁹ is greater than or equal to 4, i.e. PD greater than 0.4205%.
 - The contract's current PD is more than 3.75 times its original PD.
 - The difference between the current Master Scale and the original Master Scale is equal to or greater than two degrees.

⁸ Regulatory or through-the-cycle PD: probability of default estimated as the average PD expected through-the-cycle, in accordance with the CRR requirements for its use for the effect of calculating risk-weighted assets under the internal-ratings-based (IRB) approach.

⁹ The Master Scale is a table of correlation between probability of default (PD) ranges and a scale between 0 and 9.5, 0 being the score associated with the best PDs and 9.5 being the score associated with the highest PDs of the performing portfolio. The use of this Master Scale is linked to the use in management of probabilities of default, since elements such as cut-off points or levels of power are expressed in terms of Master Scale score instead of PD.

The monitoring rating and PD classification are the most recent. Both are updated at least monthly in the same way as the other criteria for classification to Stage 2 or Stage 3.

In the context of COVID-19, there have been no changes in the criteria for determining the SICR. Without prejudice to the foregoing, the Group has applied certain prudent adjustments, strengthening the recurring criteria. Specifically, additional criteria have been included in customers in which the company and family support mechanisms (chiefly general moratoria and state-backed financing) may have affected their classification under general criteria, either due to the lower financial burden born by the borrowers from the individuals sector, or for other reasons such as the gap between the effect of the COVID-19 and the formulation and presentation of companies' annual account. It is a temporary overlay on SICR criteria, which has been reviewed with the evolution of the environment during the year, for example after the completion of the majority of general moratoria.

Under no circumstances has the granting of financial aid involved an improvement in the accounting classification of the exposure, and the ordinary accounting management procedures of credit impairment have not been suspended or relaxed.

4 <u>Defining the accounting coverage</u>

The aim of the IFRS 9 requirements as regards impairment is to ensure recognition of the expected credit losses of operations, assessed collectively or individually, considering all the reasonable and substantiated information available, including forward-looking information.

Principles for measuring expected credit losses for the purpose of defining the credit risk loss provisions

The calculated accounting coverage or provision is defined as the difference between the gross carrying amount of the operation and the estimated value of future expected cash flows, discounted at the original effective interest rate of the operation, considering the effective guarantees received.

The Group estimates the expected credit losses of an operation so that these losses reflect:

- a weighted and non-biased amount, determined through the assessment of a series of possible results;
- B the time value of the money, and
- the reasonable and substantial information that is available at the reference date, at no disproportionate cost or effort, on past events, current conditions and forecasts of future economic conditions.

In line with applicable rules, the coverage calculation method is set according to whether the borrower is individually significant and its accounting category. 10

- If, in addition to being individually significant, the customer has operations that are non-performing (whether for reasons of delinquency or for other reasons) or in Stage 2¹¹, the allowances for the non-performing operations will be estimated through a detailed analysis of the status the borrower and their capacity to generate future flows.
- In all other cases, coverage is estimated collectively using internal methodologies, subject to the credit risk model management policy in force, based on past experience of portfolio defaults and recoveries, and factoring in the updated and adjusted value of the effective guarantees. Additionally, future economic condition predictions will be considered under various scenarios.

¹⁰ The existence of the collateral, particularly for the individual analysis, is not used to assess the credit quality of borrowers, however, for activities that are closely related to the collateral, such as real estate developments, the reduced value of said collateral is analysed to assess the increase or reduction of the borrower's risk level.

As indicated in 3 the collective analysis, the automatic rating is generated using a combination of i) a risk-model rating and ii) an alert-based rating. Considering that the Entity's policy in relation to granting asset operations follows the customer's repayment capacity as a criterion, and not recovery via the allocation of guarantees, the collective analysis is focused on assessing the credit quality of borrowers and not the assessment of collateral provided. In this regard, the main guarantees (or collateral) of the Group are mortgage-related, with no significant value fluctuations that could be considered evidence of a significant risk of credit risk in mortgages.

¹¹ As indicated in (3) the Single Names portfolio analysis is carried out individually in its totality, determining the stage in an expert manner for each of the instruments analysed, on the basis of the knowledge of the borrowers and experience. When required, the coverage calculation also uses this individualised approach.

The credit loss of the instruments of the portfolio that are monitored individually, and which are classified individually in stage 1, is calculated collectively on the basis of the knowledge of the borrowers and experience. This way of estimating expected losses would not have led to material differences in their totality, compared with an estimate using individual estimates. This is due to the fact that, in general, the information to be considered in performing the collective calculation would have been equivalent to that used for individual estimates.



CaixaBank | 2021 Financial Statements



To determine provisions for credit losses of portfolios under collective analysis, models are used to estimate the PD; probability of correcting defaulting cycles (specifically its complementary measurement, PNC); loss given loss (LGL) in the event of no correction; recoverable value models for mortgage guarantees (haircuts); as well as adjustments to include lifetime or forward-looking effects, according to the agreement's accounting classification. We must emphasise that the set of models of haircuts, LGL and PNC are models of LGD or severity.

The models used are re-estimated or re-trained every six months, and they are executed monthly in order to properly reflect the current economic environment at any given time. This makes it possible to reduce the differences between estimated loss and recent observations. The models will include an unbiased view of the potential forward-looking evolution to determine the expected loss, taking into account further relevant macroeconomic factors: i) GDP growth; ii) the unemployment rate; iii) 12-month Euribor; and iv) changes in property prices. Following on from this, the Group generates a baseline scenario, as well as a range of potential scenarios that make it possible to perform a weighted adjustment of the estimated expected loss, based on its probability. Without prejudice to the above, in the context of COVID-19, the Company has applied a prudential approach to constitute a collective provision fund that is covered in the "COVID-19 impact" section.

The calculation process is structured in two steps:

- Setting the basis for the calculation of allowances which, in turn, is divided into two steps:
 - Calculation of the exposure amount, which is the sum of the gross carrying amount at the time of calculation and off-balance sheet amounts (available or exposure) expected to be disbursed when the borrower fulfils the conditions to be considered non-performing.
 - Calculation of the recoverable value of the effective guarantees linked to the exposure. In order to establish the recoverable value of these guarantees, for real estate collateral the models estimate the amount of the future sale of the collateral, which is discounted from the total expenses incurred until the moment of the sale.
- Establishing the coverage to be applied on the basis for the calculation of allowances:

This calculation factors in the probability of the borrower defaulting on the operation obligations, the probability of the situation being remedied or resolved and the losses that would occur if this did not happen.

For insignificant portfolios where it is considered that the internal model approach is not suitable due to the processes involved or a lack of past experience, the Group may use the default coverage rates established in the current national regulations.

Transactions classified as not bearing appreciable risk and those that, due to their type of collateral, are classified as not bearing appreciable risk, could have 0% accounting coverage. In the case of the latter, this percentage will only be applied to the guaranteed part of the risk.

The provisions estimated individually or collectively must be consistent with the way in which the categories into which the operations can be classified are processed. In other words, the coverage level for an operation must be higher than the coverage level that would correspond to it, if it were classified in another category of a lower credit risk.

The necessary improvements detected in the backtesting and benchmarking exercises are also incorporated into the review cycles. Similarly, the models developed are documented so they can be replicated by a third party. The documentation contains key definitions, information regarding the process of acquiring samples and data processing, methodological principles and results obtained, as well as the comparison of said results with those of previous years.

CaixaBank has a total of 81 models, in order to obtain the parameters necessary to calculate the provisions using a collective analysis. For each of the risk parameters, different models can be used to adapt to each type of exposure. Specifically, the models include those indicated below:

- 18 Scoring and Rating parameter models
- 21 PD parameter models
- 10 EAD parameter models
- 19 PNC parameter models
- 9 LGL parameter models
- ♦ 3 Haircut parameter models
- 1 LT/FL (Life-time/Forward-looking) transformation parameter model

The amount of the operations of holders that have not been classified as Stage 3 despite there being amounts more than 90 days overdue with the same debtor

Operations by holders that have not been classified as Stage 3 despite there being amounts overdue by more than 90 days with the same debtor are not of a significant amount.

Inclusion of forward-looking information into the expected loss models

The accounting and prudential authorities have issued recommendations in relation to upholding an adequate provision level, considering the macroeconomic environment of heightened uncertainty generated due to COVID-19.

In this regard, as shown in the following section, the Group has taken into account different levels of severity of macroeconomic scenarios, consistent with internal planning processes. These stages have been contrasted and they are aligned with those issued by public bodies, following the recommendation of the European Central Bank in its letter of 1 April 2020.

The projected variables considered are as follows:



FORWARD-LOOKING MACROECONOMIC INDICATORS *

(% Percentages)

(70 Tercentuges)						
	3	31-12-2021			-12-2020 **	
	2022	2023	2024	2021	2022	2023
GDP growth						
Baseline scenario	6.2	2.9	1.6	6.0	4.4	2.0
Upside range	7.8	4.3	1.9	7.7	5.0	1.9
Downside range	3.7	2.1	1.6	1.7	5.5	2.8
Unemployment rate						
Baseline scenario	14.5	13.2	12.5	17.9	16.5	15.4
Upside range	14.2	12.2	11.2	16.9	14.9	14.1
Downside range	15.7	15.8	15.1	20.8	18.4	16.7
Interest rates (**)						
Baseline scenario	(0.4)	(0.2)	0.2	(0.5)	(0.4)	(0.2)
Upside range	(0.3)	(0.1)	0.5	(0.4)	(0.3)	(0.1)
Downside range	(0.6)	(0.5)	(0.3)	(0.6)	(0.5)	(0.4)
Evolution of property prices						
Baseline scenario	1.60	2.50	2.80	(2.00)	0.80	1.80
Upside range	2.70	5.40	4.50	0.00	2.60	2.20
Downside range	(0.80)	(0.50)	1.50	(5.20)	(1.30)	1.30

^(*) Source: CaixaBank Research. At the date preparation of these annual accounts, there are updates to the macro data for employees in the calculation of the provisions after the year-end (as presented in section 3.1) that have no material impact on the provisions constituted by the Group, see Sensitivity Analysis.

The weighting of the scenarios considered in each of the financial years is as follows:

PROBABILITY OF OCCURRENCE OF THE CONSIDERED SCENARIOS

(% percentages)

		31-12-2021		31-12-2020			
	BASELINE	UPSIDE	DOWNSIDE	BASELINE	UPSIDE	DOWNSIDE	
	SCENARIO	SCENARIO	SCENARIO	SCENARIO	SCENARIO	SCENARIO	
Spain	60	20	20	60	20	20	

Assumptions and adjustments to models

The application of a prudent approach resulting from the impacts of COVID-19 has entailed the execution of a Post Model Adjustment (PMA) in order to constitute provisions for credit insolvencies. PMA provisions in the Entity amount to EUR 1,230 million as at 31 December 2021. These provisions will be reviewed periodically in the future as new information becomes available.

In accordance with the principles of the applicable accounting standard, the coverage level factors in a forward-looking (12-month) or life-time vision, according to the accounting classification of the exposure (12 months for Stage 1 and life-time for Stages 2 and 3).

Sensitivity analysis

The relationship between the various variables that measure or quantify the economic situation, such as gross domestic product growth and the unemployment rate, is well known. These interrelationships make it difficult to establish clear causality relationships between a specific variable and an effect (e.g. expected credit losses), as well as making it difficult to interpret the sensitivities to calculations performed using expected credit loss models when these sensitivities are applied to various variables simultaneously.

Interest rates, which also form part of the group of forward-looking indicators, have only a minor impact on the calculation of expected credit losses and apply only to the portfolio of consumer loans, among the significant portfolios.

^(**) For models for default frequency projection in Spain, the unemployment rates shown in this table have increased, including 10% of the workers included in Temporary Redundancy Plans

The table below shows the estimated sensitivity to a loss of 1% of gross domestic product, as well as a 10% drop in real estate prices in the expected losses due to credit risk at 2021 year-end, broken down by portfolio type for business in Spain:

SENSITIVITY ANALYSIS - SPAIN

(Millions of euros)

_	INCREASE IN EX	PECTED LOSS
	1% DROP IN GDP	10% DROP IN REAL ESTATE PRICES
Credit institutions	1	
Public administrations		
Other financial institutions	3	
Non-financial corporations and individual entrepreneurs	46	63
Project finance	10	19
For financing real estate construction and development, including land	5	14
For financing civil engineering work	3	5
Other project finance	1	
Purposes other than project finance	37	44
Large corporates	9	4
SMEs	24	34
Individual entrepreneurs	4	7
Households (excluding individual entrepreneurs)	76	257
Home purchases	54	216
For the purchase of a main residence	49	203
For the purchase of a second residence	5	13
Consumer credit	15	12
Consumer credit	15	12
Other purposes	7	29
TOTAL	126	320

The models and the estimates on macro-economic variations are periodically reviewed to detect possible impairment in the quality of the measurements. This continual risk assessment provides information on the distribution of risk exposure in the various portfolios with respect to creditworthiness, expressed as a probability of default.

NPL management

The recovery and NPL management function is aligned with the Group's risk management guidelines. The activity to monitor non-payment and recovery becomes especially relevant in the current unfavourable economic context as a result of the pandemic due to COVID-19, with the main goal being to minimise the impact on the volume of non-performing positions and provisions.

The underlying principles of NPL management are not only geared towards the management of non-payment, but also preventive and anticipatory actions on the basis of various impairment indicators available to the bank, preventing triggers that would result in positions being classified to Stage 2 and their consequent impact on the income statement.

Furthermore, proactive monitoring is conducted on the portfolio classified as Stage 3 for reasons other than default in order to reorganise it, designing specific management plans geared towards the reasons that caused its switch to that accounting classification

On one hand, the governance model and the operational framework of problematic asset management maintains the comprehensive approach to the overall life cycle and specialised management according to the moment of non-payment of the debt. Responsibility for the management is broken down into two different fields:

Flow management: comprises early NPL management of customers with between 1 and 90 days of non-payment. From the business field, the Solutions & Collections area centrally coordinates the branch network and recovery agencies in managing the recovery prior to entering accounting arrears. In the current economic outlook, the capillarity of the branch network and its proximity to customers continues to be key to identifying the situation and needs of customers, especially situations of social vulnerability.

CaixaBank | 2021 Financial Statements

Stock management: concentrates the management of customers who are in accounting arrears, with non-payments in excess of 90 days. This is the responsibility of the Risk Area, with management differentiated into the individual customer and business customer segments. The team specialists is geared towards seeking concluding solutions in more advanced situations of nonpayment.

On the other hand, the overall management of recovery and NPLs has been adapted to the measures adopted by CaixaBank since 2020 to support the economy in order to combat the pandemic. In terms of non-performing assets, it has collaborated in identifying and providing support with sustainable solutions for customers whose debt is still structurally viable, ensuring that the financing needs of customers arising from a temporary reduction of their income are covered. Similarly, it is worth mentioning the Company's commitment to the original contracts of the ICO COVID facilities relating to the Code of Good Practice measures to continue supporting the business fabric that continues to be affected by the impacts of the pandemic.

All this management has been subject to the application of the policies and procedures in force which, in accordance with accounting and regulatory standards, lay down the guidelines for the suitable classification of borrowings and estimation of provisions.

A noteworthy key line of work is the accompaniment throughout the management cycle of the moratoria and ICO-backed loans granted, especially through active monitoring of the maturity of the measures granted.

Foreclosed assets

BuildingCenter is the Group's company responsible for the ownership of property assets in Spain, which basically originate from the streamlining of the Entity's credit activity through any of the following ways: i) acquisition at auctions held after assets have been foreclosed, mainly in relation to mortgage loans; ii) acquisition of mortgaged real estate assets of individuals, with the subsequent subrogation and cancellation of the debts; and iii) acquisition of real estate assets of companies, mainly real estate developers, to cancel their debts.

The acquisition process includes conducting full legal and technical reviews of the properties using the committees appointed for such purpose. In all cases, purchase prices are based on appraisals performed by appraisal firms approved by the Bank of Spain and in accordance with the parameters set forth in the approved internal rules.

The strategies undertaken for the sale of these assets are as follows:

- Individual sale: through a servicing contract with Servihabitat Servicios Inmobiliarios, S.A. and Haya Real Estate, S.A., which performs multi-channel marketing activities via its own branches, the external collaboration of the network of real-estate agents and has an active presence on the Internet. This marketing activity comes in addition to a key factor: support in prescribing properties generated by the branch network.
- Institutional sales: the Entity takes into account institutional operations of sales of asset portfolios to other specialised companies.
- Completion of housing developments: a number of minor measures to improve some of these developments are made to ensure they can be sold. These measures are performed using the synergies of the Group.
- Rental: it is a means of benefiting from rising demand and generating recurring income, as well as creating added value on the property in the event of its future sale.

The table below shows foreclosed assets by source and type of property:



FORECLOSED REAL ESTATE ASSETS 31-12-2021 *

(Millions of euros)

	GROSS CARRYING AMOUNT	ALLOWANCES FOR IMPAIRMENT **	OF WHICH: FROM FORECLOSURE	NET CARRYING AMOUNT
	AWOUNT	IIVIPAIKIVIENT	FURECLUSURE	AWOUNT
Real estate acquired from loans to real estate constructors		(45)	(0)	40
and developers	55	(15)	(8)	40
Buildings and other completed constructions	36	(11)	(4)	25
Homes	26	(7)	(3)	19
Other	10	(4)	(1)	6
Buildings and other constructions under construction	8	(1)	(1)	7
Homes	3	(1)	(1)	2
Other	5			5
Land	11	(3)	(3)	8
Consolidated urban land	7	(2)	(2)	5
Other land	4	(1)	(1)	3
Real estate acquired from mortgage loans to homebuyers	410	(73)	(65)	337
Other foreclosed real estate assets or received in lieu of		,	,	
payment of debt	104	(29)	(23)	75
Foreclosed equity instruments of real estate asset holding				
companies or received in lieu of payment of debt	9,182	(7,097)		2,085
Foreclosed finance to real estate asset holding companies or				
received in lieu of payment of debt	5,135			5,135
TOTAL	14,886	(7,214)	(96)	7,672

^(*) Includes foreclosed assets classified as "Tangible assets – Investment property" amounting to EUR 30 million, net, and includes foreclosure rights deriving from auctions in the amount of EUR 176 million, net.

FORECLOSED REAL ESTATE ASSETS 31-12-2020 *

	GROSS CARRYING AMOUNT	ALLOWANCES FOR IMPAIRMENT **	OF WHICH: FROM FORECLOSURE	NET CARRYING AMOUNT
Real estate acquired from loans to real estate constructors				
and developers	52	(17)	(4)	35
Buildings and other completed constructions	35	(13)	(3)	22
Buildings and other constructions under construction	7	(1)		6
Land	10	(3)	(1)	7
Real estate acquired from mortgage loans to homebuyers	114	(19)	(11)	95
Other real estate assets or received in lieu of payment of debt	45	(9)	(3)	36
Foreclosed equity instruments of real estate asset holding				
companies or received in lieu of payment of debt	9,056	(6,864)		2,192
Foreclosed finance to real estate asset holding companies or				
received in lieu of payment of debt	3,024			3,024
TOTAL	12,291	(6,909)	(18)	5,382

^(*) Includes foreclosed assets classified as "Tangible assets – Investment property" amounting to EUR 13 million, net, and includes foreclosure rights deriving from auctions in the amount of EUR 97 million, net.

^(**) Cancelled debt associated with the foreclosure assets totalled EUR 1,012 million and total write-downs of this portfolio amounted to EUR 560 million, EUR 117 million of which are allowances for impairment recognised in the balance sheet.

^(**) Cancelled debt associated with the foreclosed assets totalled EUR 310 million and total write-downs of this portfolio amounted to EUR 144 million, EUR 45 million of which are impairment allowances recognised in the balance sheet.

Refinancing policies

The general principles published by the EBA for this type of operation are covered in the Corporate Credit Risk Management Policy, and the Policy on Refinancing and Recovering of Customer Debt.

According to the provisions of the regulation, these relate to operation in which the customer has, or will foreseeably have, financial difficulty in meeting its payment obligations under the contractually agreed terms and, therefore, has amended the agreement or even arranged a new operation.

These operations may derive from:

- A new operation (refinancing operation) granted that fully or partially cancels other operations (refinanced operations) previously extended by any Group company to the same borrower or other companies forming part of its economic group that become up-to-date on its payments for previously past-due loans.
- The amendment of the contract terms of an existing transaction (restructured operations) that changes its repayment schedule, reducing the payment amounts (grace periods, extension of loan maturities, reduction in interest rates, change in the repayment schedule, extension of all or part of the capital on maturity, etc.).
- The activation of contract clauses agreed at source that extend the debt repayment terms (flexible grace period).
- The partial cancellation of the debt without the contribution of funds by the customer (foreclosure, purchase or received in lieu of payment of the collateral, or forgiveness of capital, interest, fees and commissions or any other cost relating to the loan extended to the borrower).

The existence of previous defaults is an indication of financial difficulty. Unless otherwise demonstrated, a restructuring or refinancing operation is assumed to exist when the amendment to contractual term affects operations that have been past-due for more than 30 days at least once in the three months prior to the amendment. However, previous defaults are not a requirement for an operation to be classified as refinanced or restructured.

In contrast, debt renewals and renegotiations may be granted when the borrower does not have, or is not expected to have, financial difficulties; i.e. for business reasons, not to facilitate repayments.

For an operation to be classified as such, the borrower must have the capacity to obtain credit from the market, at the date in question, for a similar amount and on similar terms to those offered by the Entity. In turn, these terms must be adjusted to reflect the terms offered to borrowers with a similar risk profile.

The risk management procedures and policies applied allow for detailed monitoring of credit transactions. In this regard, any transaction uncovered whose terms may need to be changed due to evidence of impairment of the borrower's solvency is marked appropriately so the associated accounting classification and provision for impairment at the date of the change is made. Therefore, as these transactions are correctly classified and valued according to the Group's best judgement, no additional provisions emerge in relation to the impairment of refinanced loans.

Refinancing operations

The breakdown of refinancing by economic sector is as follows:



REFINANCING OPERATIONS 31-12-2021

(Millions of euros)

	WITHOUT	COLLATERAL		WITH CO	DLLATERAL			
	NO. OF	GROSS CARRYING	NO. OF	GROSS CARRYING	MAXIMUM AM COLLAT MORTGAGE		E _IMPAIRMENT DUE TO	
	OPS.	AMOUNT	OPS.	AMOUNT	COLLATERAL	COLLATERAL	CREDIT RISK	
Public administrations	53	150	2,148	36	30)	(6)	
Other financial corporations and individual								
entrepreneurs (financial business)	27	9	29	90	89)	(3)	
Non-financial corporations and individual entrepreneurs (non-financial business)	22,009	3,452	14,853	2,516	1,872	! 19	9 (1,333)	
Of which: Financing for real estate construction and development (including land)	153	11	2,032	418	308	}	(99)	
Other households	42,391	430	128,631	5,426	4,428	3 .	5 (1,174)	
TOTAL	64,480	4,041	145,661	8,068	6,419	24	4 (2,516)	
Of which: in Stage 3								
Public administrations	18	3	833	11	7	,	(4)	
Other financial corporations and individual entrepreneurs (financial business)	13	1	22	2	1		(1)	
Non-financial corporations and individual entrepreneurs (non-financial business)	10,675	1,392	10,811	1,429	1,097	' 12	2 (1,196)	
Of which: Financing for real estate construction and development (including land)	118	11	1,258	212	154	1	(67)	
Other households	22,164	221	98,933	3,851	3,043	3	3 (1,069)	
TOTAL STAGE 3	32,870	1,617	110,599	5,293	4,148	1!	5 (2,270)	

Memorandum items: Financing classified as non-current assets held for sale *

REFINANCING OPERATIONS 31-12-2020

(Millions of euros)

WITHOUT							
WITHOUT	COLLATERAL						
			MAXIMUM AMOUNT OF THE				
GROSS			GROSS	COLLAT	ERAL	IMPAIRMENT	
NO. OF	CARRYING	NO. OF	CARRYING	MORTGAGE	OTHER	DUE TO	
OPS.	AMOUNT	OPS.	AMOUNT	COLLATERAL	COLLATERAL	CREDIT RISK	
43	161	192	47	43	}		
23	3	22	1	1	=	(1)	
6,743	1,210	12,700	1,230	955	13	(703)	
49	21	2,035	454	355	5	(93)	
25,120	220	119,771	3,426	2,784	1 6	(750)	
31,929	1,594	132,685	4,704	3,783	19	(1,454)	
22,066	822	106,972	3,640	2,828	3 17	(1,383)	
	NO. OF OPS. 43 23 6,743 49 25,120 31,929	GROSS OPS. CARRYING AMOUNT 43 161 23 3 6,743 1,210 49 21 25,120 220 31,929 1,594	GROSS NO. OF CARRYING OPS. 43 161 192 23 3 3 22 6,743 1,210 12,700 49 21 2,035 25,120 220 119,771 31,929 1,594 132,685	NO. OF OPS. GROSS CARRYING AMOUNT NO. OF OPS. GROSS CARRYING AMOUNT 43 161 192 47 23 3 22 1 6,743 1,210 12,700 1,230 49 21 2,035 454 25,120 220 119,771 3,426 31,929 1,594 132,685 4,704	NO. OF OPS. CARRYING AMOUNT NO. OF OPS. CARRYING AMOUNT NO. OF CARRYING AMOUNT MORTGAGE COLLATERAL 43 161 192 47 43 23 3 22 1 1 6,743 1,210 12,700 1,230 955 49 21 2,035 454 355 25,120 220 119,771 3,426 2,784 31,929 1,594 132,685 4,704 3,783	COLLATERAL COLLATERAL	

Memorandum items: Financing classified as non-current assets held for sale (*)

^(*) Corresponds to "Non-current assets and disposal groups classified as held for sale".

^(*) Corresponds to "Non-current assets and disposal groups classified as held for sale".

Concentration risk

In the Corporate Risk Catalogue, concentration risk is included within credit risk, since it is the main risk source, although it covers all types of assets, as recommended by sector supervisors and they carry out best practices.

The Entity has developed policies setting out concentration risk guidelines or frameworks that develop calculation methodologies and establish specific limits within management. Additionally, mechanisms have been developed to systematically identify the aggregated exposure and, wherever it is considered necessary, limits on relative exposures have been defined, under the RAF.

Concentration in customers or in "major risks"

The Entity monitors compliance with the regulatory limits (25% of Tier 1 capital) and the risk appetite thresholds. At year-end, no breach of the defined thresholds had been observed.

Geographical and counterparty concentration

Similarly, CaixaBank monitors a full perspective of accounting positions, segregated by product and issuer/counterparty, classified under loans and advances, debt securities, equity instruments, derivatives and guarantees given, that complement the other positions of the Entity and of the secured investment and pension funds.

Risk by geographic area is as follows:

CONCENTRATION BY GEOGRAPHICAL LOCATION

(Millions of euros)

			DECT OF THE		
			REST OF THE EUROPEAN		REST OF THE
	TOTAL	SPAIN	UNION	AMERICA	WORLD
Central banks and credit institutions	118,926	99,093	10,476	1,386	7,971
Public administrations	90,226	85,111	3,949	108	1,058
Central government	70,199	65,347	3,833	35	985
Other public administrations	20,027	19,764	116	73	73
Other financial corporations and individual entrepreneurs (financial business)	32,538	30,224	1,658	242	414
Non-financial corporations and individual entrepreneurs (non-financial business)	168,203	140,516	15,502	5,301	6,884
Real estate construction and development (including land)	5,855	5,852	2		1
Civil engineering	7,386	6,180	319	746	141
Other	154,962	128,484	15,181	4,555	6,742
Large corporates	101,205	77,721	13,946	3,777	5,761
SMEs and individual entrepreneurs	53,757	50,763	1,235	778	981
Other households	152,239	149,928	660	241	1,410
Homes	131,721	129,486	643	225	1,368
Consumer lending	9,859	9,838	6	5	9
Other purposes	10,659	10,604	11	11	33
TOTAL 31-12-2021	562,132	504,872	32,245	7,278	17,737
TOTAL 31-12-2020	335,522	300,928	19,307	5,979	9,308

The breakdown of risk in Spain by Autonomous Community is as follows:

CONCENTRATION BY AUTONOMOUS COMMUNITY

(ivilinons of cures)												
			BALEARIC	CANARY	CASTILE-LA					VALENCIAN	BASQUE	
	TOTAL	ANDALUSIA	ISLANDS	ISLANDS	MANCHA CA	ASTILE-LEON	CATALONIA	MADRID	NAVARRE C	OMMUNITY	COUNTRY	REST*
Central banks and credit institutions	99,093	339					544	96,687		34	912	575
Public administrations	85,111	1,661	1,294	1,824	908	1,353	1,894	4,196	289	2,276	618	3,451
Central government	65,347											
Other public administrations	19,764	1,661	1,294	1,824	908	1,353	1,894	4,196	289	2,276	618	3,451
Other financial corporations and individual												
entrepreneurs (financial business)	30,224	165	46	8	3	37	1,752	26,969	179	171	861	33
Non-financial corporations and individual												
entrepreneurs (non-financial business)	140,516	9,317	5,087	3,646	2,090	2,726	20,572	70,247	1,782	10,416	3,643	10,991
Real estate construction and development												
(including land)	5,852	530	212	214	88	119	1,534	2,221	99	369	206	260
Civil engineering	6,180	475	160	153	92	145	674	3,078	90	401	243	669
Other	128,484	8,312	4,715	3,279	1,910	2,462	18,364	64,948	1,593	9,646	3,194	10,062
Large corporates	77,721	1,850	2,794	1,302	413	639	5,273	55,562	689	3,803	1,504	3,894
SMEs and individual entrepreneurs	50,763	6,462	1,921	1,977	1,497	1,823	13,091	9,386	904	5,843	1,690	6,168
Other households	149,928	22,149	6,933	7,442	4,249	4,466	33,372	33,161	2,786	16,912	3,503	14,957
Homes	129,486	18,689	6,151	6,550	3,752	3,870	27,621	29,532	2,397	14,696	3,100	13,128
Consumer lending	9,838	1,540	436	536	264	278	2,606	1,723	187	1,110	199	960
Other purposes	10,604	1,920	346	356	233	318	3,145	1,906	202	1,106	204	869
TOTAL 31-12-2021	504,872	33,631	13,360	12,920	7,250	8,582	58,134	231,260	5,036	29,809	9,537	30,007
TOTAL 31-12-2020	300,928	23,901	7,717	9,037	4,531	5,409	52,370	121,423	4,846	15,132	8,430	18,556

^(*) Includes autonomous communities that combined represent no more than 10% of the total

Concentration by economic sector

Risk concentration by economic sector is subject to RAF limits, differentiating between private business economic activities and public sector financing, and the channels of the internal report. Particularly, for the private business sector, a maximum concentration limit in any economic sector is established by aggregating the accounting positions recognised, excluding treasury repo/depo operations and those of the trading portfolio.

Total gross loans to customers by activity were as follows (excluding advances):

CONCENTRATION BY ACTIVITY OF LOANS TO CUSTOMERS 31-12-2021

(Millions of euros)

		OF WHICH:	OF WHICH:				INT BASED OI AN TO VALUE	
	TOTAL	MORTGAGE COLLATERAL	OTHER COLLATERAL	≤ 40%	> 40% ≤ 60%	> 60% ≤ 80%	> 80% ≤100%	>100%
Public administrations	18,509	460	573	647	220	73	33	60
Other financial corporations and individual entrepreneurs (financial business)	15,208	543	986	1,265	108	39	51	66
Non-financial corporations and individual entrepreneurs (non-financial business)	139,716	25,038	4,985	14,336	8,096	4,327	1,437	1,827
Real estate construction and development (including land)	5,289	4,718	22	1,429	1,583	954	461	313
Civil engineering	6,619	597	221	442	192	76	30	78
Other	127,808	19,723	4,742	12,465	6,321	3,297	946	1,436
Large corporates	79,294	5,983	3,891	5,769	1,775	1,364	354	612
SMEs and individual entrepreneurs	48,514	13,740	851	6,696	4,546	1,933	592	824
Other households	151,651	136,998	745	43,839	46,707	32,821	7,409	6,967
Homes	131,721	129,158	253	39,821	44,444	31,686	6,973	6,487
Consumer lending	9,826	2,719	249	1,588	775	361	124	120
Other purposes	10,104	5,121	243	2,430	1,488	774	312	360
TOTAL	325,084	163,039	7,289	60,087	55,131	37,260	8,930	8,920
Memorandum items: Refinancing, refinanced and restructured operations	9.593	6.647	230	1.431	1.622	1.811	972	1,041

CONCENTRATION BY ACTIVITY OF LOANS TO CUSTOMERS 31-12-2020

		OF WHICH:	OF WHICH:				UNT BASED ON LATEST DAN TO VALUE)		
	TOTAL	MORTGAGE COLLATERAL	OTHER COLLATERAL	≤ 40%	> 40% ≤ 60%	> 60% ≤ 80%	> 80% ≤100%	>100%	
Public administrations	14,854	398	241	293	146	96	45	59	
Other financial corporations and individual entrepreneurs (financial business)	11,141	463	235	480	168	48	1	1	
Non-financial corporations and individual entrepreneurs (non-financial business)	97,814	19,817	3,345	10,139	7,188	3,448	1,114	1,273	
Other households	92,123	83,503	671	27,879	30,340	19,764	3,836	2,355	
TOTAL	215,932	104,181	4,492	38,791	37,842	23,356	4,996	3,688	
Memorandum items: Refinancing, refinanced and restructured operations	4,844	3,866	23	644	1,026	1,615	362	241	



BREAKDOWN OF LOANS AND ADVANCES TO CUSTOMERS BY TYPE

(Millions of euros)

_		31-12-2021	TACE 3 : DOC		31-12-2020	TACE 3 + DOC
		STAGE 2 + POCIS	WITH		WITHOUT	WITH
Loan type and status	STAGE 1	IMPAIRMENT	IMPAIRMENT	STAGE 1	IMPAIRMENT	IMPAIRIMENT
Public administrations	18,105	364	59	14,495	346	22
Other financial corporations	15,050	171	6	11,028	119	3
Loans and advances to companies and individual						
entrepreneurs	121,931	16,066	4,978	88,356	8,852	2,677
Real estate construction and development (including land)	9,840	1,901	726	8,341	1,430	551
Other companies and individual entrepreneurs	112,091	14,165	4,252	80,015	7,422	2,126
Other households	136,666	11,790	6,833	82,231	7,679	4,527
Homes	119,317	9,462	5,128	69,190	5,706	3,008
Other	17,349	2,328	1,705	13,041	1,973	1,519
TOTAL	291,752	28,391	11,876	196,110	16,996	7,229

BREAKDOWN OF PROVISIONS OF LOANS AND ADVANCES TO CUSTOMERS BY TYPE

(Millions of euros)

		31-12-2021			31-12-2020	
		STAGE 2 +			STAGE 2 +	
		POCI	STAGE 3 +		POCI	STAGE 3 +
		WITHOUT	POCI WITH		WITHOUT	POCI WITH
	STAGE 1	IMPAIRMENT	IMPAIRMENT	STAGE 1	IMPAIRMENT	IMPAIRMENT
Public administrations		(3)	(16)	(1)		(6)
Other financial corporations	(9)	(7)	(3)	(4)	(4)	(1)
Loans and advances to companies and individual						
entrepreneurs	(245)	(619)	(2,395)	(343)	(371)	(1,357)
Real estate construction and development						
(including land)	(49)	(141)	(369)	(40)	(87)	(244)
Other companies and individual entrepreneurs	(196)	(478)	(2,026)	(303)	(284)	(1,113)
Other households	(337)	(760)	(2,541)	(222)	(417)	(1,675)
Homes	(124)	(467)	(1,595)	(62)	(228)	(1,046)
Other	(213)	(293)	(946)	(160)	(189)	(629)
TOTAL	(591)	(1,389)	(4,955)	(570)	(792)	(3,039)
Of which: identified individually		(124)	(983)	·	(54)	(714)
Of which: identified collectively	(591)	(1,265)	(3,972)	(570)	(738)	(2,325)

BREAKDOWN OF LOANS AND ADVANCES TO CUSTOMERS BY ARREARS STATUS AND INTEREST RATE TYPE

	31-12-2021	31-12-2020
By arrears status		
Of which: default on payment of less than 30 days or up to date on payments	324,580	216,094
Of which: default on payment between 30 and 60 days	840	319
Of which: default on payment between 60 and 90 days	571	285
Of which: default on payment between 90 days and 6 months	870	358
Of which: default on payment between 6 months and 1 year	1,169	541
Of which: default on payment of more than 1 year	3,989	2,738
By interest rate type		
Fixed	119,814	77,842
Floating	212,205	142,493



Concentration by economic activity

The breakdown of loans and advances to non-financial companies by economic activity is set out below:

CONCENTRATION BY ECONOMIC ACTIVITY OF NON-FINANCIAL COMPANIES - 31-12-2021

(Millions of euros)

	GROSS CARRYING		
		OF WHICH: STAGE 3	PROVISION
Agriculture, livestock, forestry and fishing	2,437	115	(58)
Mining and quarrying	902	11	(10)
Manufacturing industry	19,373	592	(418)
Electricity, gas, steam and air conditioning supply	10,281	118	(119)
Water supply	1,382	31	(15)
Buildings	11,550	585	(363)
Wholesale and retail trade	18,805	685	(457)
Transport and storage	11,482	339	(224)
Accommodation and food service activities	8,607	458	(177)
Information and communication	3,212	91	(56)
Financial and insurance activities	13,024	68	(53)
Real estate	17,624	317	(153)
Professional, scientific and technical activities	5,865	353	(222)
Administrative and support service activities	4,772	81	(62)
Public administration and defence; compulsory social security	1,394	0	0
Education	639	55	(41)
Human health services and social work activities	1,622	32	(18)
Arts, entertainment and recreation	1,208	207	(77)
Other services	3,112	179	(607)
TOTAL	137,291	4,317	(3,130)

Concentration according to credit quality

The methodology applied to assign credit ratings to fixed income issuances is based on:

- Fixed-income instruments: the regulatory banking criteria defined in the CRD IV regulation and the CRR on capital requirements, and therefore, the second best rating of all those available is used, if more than two ratings are available. In this context, for example, as of 31 December 2021, Spain's sovereign debt rating stands at (A-). In 2020 it was A.
- Loan portfolio: certification of the internal classifications to the Standard & Poor's methodology.

The risk concentration according to credit quality of credit risk exposures associated with debt instruments for the Entity, at the end of the financial year, is stated as follows:



CONCENTRATION ACCORDING TO CREDIT QUALITY - 31-12-2021

(Millions of euros)

(Willions of Caros)											
	FA A	AT AMORT	ISED COST	(NOTE 1	3)			FA AT FV W/ CHANGES IN	LOAN CO	OMMITMEN	NTS.
						FA HELD	FA NOT HELD			GUARANTE	
						FOR	FOR TRADING	COMPREHENS	THER CON	IMITMENTS	GIVEN
	LOANS AND	ADVANCE	s to custo	MERS		TRADING	* - DEBT SEC.	IVE INCOME_	1)	IOTE 24)	
	STAGE 1	STAGE 2	STAGE 3	POCI	DEBT SEC.	(NOTE 10)	(NOTE 11)	(NOTE 12)	STAGE 1	STAGE 2	STAGE 3
AAA/AA+/AA/AA-	16,105	33			2,447			60	5,282	10	
A+/A/A-	42,239	601			55,304	147		11,676	8,269	62	
BBB+/BBB/BBB-	76,803	1,745			3,478	170		1,687	29,052	288	
INVESTMENT											
GRADE	135,147	2,379			61,229	317		13,423	42,603	360	
Allowances for impairment	(291)							(1)	(4)	(1)	
BB+/BB/BB-	63,277							79	27,993	1,628	
B+/B/B-	18,827	10,607	34						6,186	2,024	
CCC+/CCC/CCC-	1,305	3,538	175		114				279	492	6
No rating	76,588	14,644	20,725	689	1,896	97		20	37,598	544	914
NON- INVESTMENT											
GRADE	159,997	28,789	20,934	689	2,010	97		99	72,056	4,688	920
Allowances for impairment	(323)	(1,389)	(4,873)	(82)					(43)	(49)	(298)
TOTAL	294,530	29,779	16,061	607	63,239	414		13,521	114,659	5,048	920

DEBT SEC.: Debt securities; FA: Financial assets

CONCENTRATION ACCORDING TO CREDIT QUALITY - 31-12-2020

(Millions of euros)

_	FA AT AMORTISED COST (NOTE 13)					FA AT FV W/ CHANGES IN				
		ND ADVANCE	ES TO		FOR	FA NOT HELD FOR TRADING (* - DEBT SEC.	COMPREHENS	LOAN COMMI GUARANT COMMITMEN	EES AND O	THER
	STAGE 1	STAGE 2	STAGE 3	DEBT SEC.	(NOTE 10)	(NOTE 11)	(NOTE 12)	STAGE 1	STAGE 2	STAGE 3
AAA/AA+/AA/AA-	28,926	83		394	10		61	10,712	18	
A+/A/A-	26,042	733		16,238	458		13,788	8,290	29	
BBB+/BBB/BBB-	32,205	1,109		3,134	253		2,429	20,456	239	
INVESTMENT										
GRADE	87,173	1,925		19,766	721		16,278	39,458	286	
Allowances for impairment	(287)						(1)	(3)	(3)	
BB+/BB/BB-							124			
B+/B/B-	39,640	4,915	1					16,622	1,054	
CCC+/CCC/CCC-	10,956	5,868	19	47				4,096	1,114	5
No rating	60,720	4,289	7,209	157	74		47	25,185	844	580
NON- INVESTMENT										
GRADE	111,316	15,072	7,229	204	74		171	45,903	3,012	585
Allowances for										
impairment	(293)	(793)	(3,039)					(24)	(24)	(70)
TOTAL	197,909	16,204	4,190	19,970	795		16,448	85,361	3,298	585

DEBT SEC.: Debt securities; FA: Financial assets

^(*) Compulsorily measured at fair value through profit or loss $% \left\{ \left(1\right) \right\} =\left\{ \left($

^(*) Compulsorily measured at fair value through profit or loss

Concentration according to sovereign risk

The Entity's position in sovereign debt is subject to the general risk-taking policy, which ensures that all positions taken are aligned with the target risk profile:

- The position in public, regional and local debt is subject to the general concentration and country risk limits established. Regular control procedures are in place for preventing new positions in countries in which there is a high risk concentration, unless express approval is given by the pertinent authority.
- For fixed-income securities, a framework is in place regulating the solvency, liquidity and geographic location of all of the fixed-income issues and any similar transaction implying payment in cash for the buyer and the assumption of the issuer's credit risk or related collateral. This control is exercised during the risk acceptance phase and throughout the life of the position in the portfolio.
- Public debt positions held on the Treasury Desk are subject to the framework for market risk control and limits.

The risk associated with exposures to sovereign risk, whether direct exposure or assets with sovereign backing, is continuously monitored in view of publicly available information, which includes the ratings of public agencies. At the close of 2021, all these exposures are backed by sovereign states whose credit rating is BBB or higher, and no coverage is deemed to be required for these exposures.

Furthermore, as specified in the table "Maximum exposure to credit risk" in Note 3.4.1, there are no material impairments of debt securities.

The carrying amounts of the main items related to sovereign risk exposure for the Entity are detailed below:



SOVEREIGN RISK EXPOSURE - 31-12-2021

(Millions of euros)

(Millions of	eurosj					
		FA AT	FA HELD FOR	FA AT FV W/ CHANGES IN OTHER COMPREHENSIVE	FA NOT DESIGNATED FOR FL	. HELD FOR TRADING
COUNTRY	RESIDUAL MATURITY	AMORTISED COST	TRADING	INCOME	TRADING *	SHORT POSITIONS
	Less than 3 months	2,720		1,307		
	Between 3 months and 1 year	6,231	4	3,281		
	Between 1 and 2 years	23,557	12	3,492	65	(10)
Spain	Between 2 and 3 years	1,644	4	2,110		(6)
	Between 3 and 5 years	13,200	11	195		(10)
	Between 5 and 10 years	15,621	57	809		(59)
	Over 10 years	11,152	40			(35)
	TOTAL	74,125	128	11,194	65	(120)
	Between 1 and 2 years		7			(7)
	Between 2 and 3 years		51	276		(49)
Italy	Between 3 and 5 years	140	40			(39)
italy	Between 5 and 10 years	1,953	13	422		(18)
	Over 10 years	553	8	65		(6)
	TOTAL	2,646	119	763		(119)
	Less than 3 months	273		1		
	Between 3 months and 1 year	54				
Other **	Between 1 and 2 years	230				
· · · · · ·	Between 3 and 5 years	53				
	Over 10 years	28				
	TOTAL	638		1		
TOTAL COU	INTRIES	77,409	247	11,958	65	(239)

FA: Financial assets; FL: Financial liabilities; FV: Fair value

SOVEREIGN RISK EXPOSURE - 31-12-2020

(Millions of euros)

			FA AT FV W/ CHANGES IN OTHER		
	FA AT AMORTISED	FA HELD FOR			FL HELD FOR TRADING -
COUNTRY	COST	TRADING	INCOME	FOR TRADING *	SHORT POSITIONS
Spain	31,419	441	13,357	84	(224)
Italy	550	22	1,367		(20)
Portugal		152			(5)
Other	442		1		
TOTAL COUNTRIES	32,411	615	14,725	84	(249)

FA: Financial assets; FL: Financial liabilities; FL: Financial liabilities

^(*) Compulsorily measured at fair value through profit or loss

 $^{(\}mbox{\ensuremath{^{\ast}}})$ Compulsorily measured at fair value through profit or loss



Information regarding financing for real estate construction and development, home purchasing, and foreclosed assets

The main data regarding financing for real estate development, home purchasing and foreclosed assets are discussed below.

Financing for real estate construction and development

The tables below show financing for real estate developers and developments, including developments carried out by non-developers (business in Spain):

FINANCING ALLOCATED TO CONSTRUCTION AND REAL ESTATE DEVELOPMENT

(Millions of euros)

	31-1	2-2021	31-12-2020	
	TOTAL AMOUNT	OF WHICH: STAGE 3	TOTAL AMOUNT	OF WHICH: STAGE 3
Gross amount	5,706	361	5,465	378
Allowances for impairment	(277	(159)	(231)	(139)
CARRYING AMOUNT	5,429	202	5,234	239
Excess gross exposure over the maximum recoverable				
value of effective collateral	922	2 123	858	125
Memorandum items: Asset write-offs	1,99	7	1,968	
Memorandum items: Loans to customers excluding public administrations (business in Spain) (carrying amount)	298,36	3	195,346	

The amounts shown in the tables above do not include funding extended by the Entity to its subsidiary companies, as follows:

FUNDING EXTENDED TO GROUP REAL ESTATE COMPANIES

(Millions of euros)

	CARRYING	AMOUNT
	31-12-2021	31-12-2020
Finance to Group subsidiaries	5,135	3,024
BuildingCenter	5,135	3,024

The tables below show the breakdown of financing for real estate developers and developments, including developments carried out by non-developers (business in Spain), by collateral:

FINANCING FOR REAL ESTATE DEVELOPERS AND DEVELOPMENTS BY COLLATERAL

(Millions of euros)

	GROSS AM	OUNT
	31-12-2021	31-12-2020
Without mortgage collateral	619	546
With mortgage collateral	5,087	4,919
Buildings and other completed constructions	3,429	3,294
Homes	2,313	2,250
Other	1,116	1,044
Buildings and other constructions under construction	1,240	1,251
Homes	1,100	1,158
Other	140	93
Land	418	374
Consolidated urban land	156	193
Other land	262	181
TOTAL	5,706	5,465

The following table presents financial guarantees given for real estate construction and development, including the maximum level of exposure to credit risk (i.e. the amount the Entity could have to pay if the guarantee is called on).

FINANCIAL GUARANTEES

(Millions of euros)

	31-12-2021	31-12-2020
Financial guarantees given related to real estate construction and development	446	105
Amount recognised under liabilities		

The table below provides information on guarantees received for real estate development loans by classification of customer insolvency risk:

GUARANTEES RECEIVED FOR REAL ESTATE DEVELOPMENT TRANSACTIONS *

(Millions of euros)

	31-12-2021	31-12-2020
Value of collateral	13,710	12,575
Of which: guarantees non-performing risks	766	749

^(*) Reflects the maximum amount of the effective collateral that can be considered for the purposes of the impairment calculation, i.e. the estimated fair value of real estate properties based on their latest available valuation or an update of that valuation based on the applicable standard in force. In addition, the remaining collaterals are included as the current value of the collateral that has been pledged to date, not including personal guarantees.

Financing for home purchases

The breakdown of home-purchase loans (business in Spain), as well as the annual financing granted to purchase homes from credit streamlining at the end of these financial years, is as follows:

LOANS GRANTED TO BUYERS OF FORECLOSED HOMES HOMES

(Millions of euros)

	2021	2020
Financing granted in the year	210	166
Average percentage financed	92%	94%

Home purchase loans with mortgage at these dates by the loan-to-value (LTV) ratio, based on the latest available appraisal, are as follows:

HOME PURCHASE LOANS BY LTV

(Millions of euros)

	31-12-2021		31-12-2020	
		OF WHICH: NON-		OF WHICH: NON-
	GROSS AMOUNT	PERFORMING	GROSS AMOUNT	PERFORMING
Not real estate mortgage secured	1,115	9	629	5
Real estate mortgage secured, by LTV ranges*	125,565	4,718	72,950	2,714
LTV ≤ 40%	36,716	400	21,950	217
40% < LTV ≤ 60%	42,862	648	26,773	381
60% < LTV ≤ 80%	30,558	854	17,416	552
80% < LTV ≤ 100%	6,946	827	3,727	513
LTV > 100%	8,483	1,989	3,084	1,051
TOTAL	126,680	4,727	73,579	2,719

^(*) LTV calculated based on the latest available appraisals. The ranges for non-performing transactions are updated in accordance with prevailing regulations.

Counterparty risk generated by transactions with derivatives, repos, securities lending and deferred settlement transactions

Monitoring and measurement of counterparty risk

Counterparty risk is credit risk generated by transactions with derivatives, repos and securities lending and deferred settlement transactions in financial market activity. It quantifies the losses derived from the counterparty's potential default before the cash flows are definitively settled.

In the Entity, the granting of new transactions involving the assumption of counterparty risk has an internal framework approved by the Global Risk Committee, which enables rapid decision-making both for the financial counterparty environment and for the rest.

In the case of transactions with financial institutions, the Entity has a specific internal framework setting out the methodology used to grant credit lines. The maximum authorised credit risk exposure with an entity is primarily determined on the basis of the entities' ratings and the analysis of their financial statements. The abovementioned framework also includes the model for determining limits and calculating consumer risk for central counterparties (CCPs).

In transactions with other counterparties, including retail customers, derivative transactions relating to asset applications (loan interest rate risk hedging) are approved jointly with the asset transaction. All other transactions subject to counterparty risk will not require explicit approval, provided that the consumption does not exceed the allocated risk limit. Otherwise, an individual study will be requested. Approval of transactions corresponds to the risk areas responsible for credit risk analysis and approval.

The definition of limits for counterparty risk is complemented by internal concentration limits, mainly for country and large exposure risks.

Counterparty risk relating to **derivative transactions** is quantitatively associated with the related market risk. The amount owed by the counterparty must be calculated by reference to the market value of the contracts and their related potential value (possible changes in their future value under extreme market price conditions, based on the historical pattern). The equivalent credit exposure for derivatives is understood as the maximum potential loss over the life of an operation that the bank might incur should the counterparty default at any time in the future. This is calculated using Monte Carlo simulation with portfolio effect and offsetting of positions, as applicable, at a 95% confidence interval, based on stochastic models incorporating the volatility of the underlying asset and all of the characteristics of the operations.

Counterparty risk exposure for **repos and securities lending** is calculated in the Group as the difference between the market value of the securities/cash granted to the counterparty and the market value of the securities/cash received from the counterparty as collateral, considering the applicable volatility adjustments in each case.

When calculating the exposure of derivatives, repos and securities lending, the mitigating effect of collateral received under framework collateral agreements is also considered.

In general, the methodology for calculating counterparty risk exposure described above is applied during the acceptance of new operations and in recurrent calculations on subsequent days.

Counterparty risk in the Group for **financial counterparties** is controlled through an integrated system that provides real-time data on the available exposure limit for any counterparty, product and maturity. For the **remaining counterparties**, counterparty risk is



controlled through corporate applications, which contain both the limits of the lines of derivatives risk (if any) and credit exposure of derivatives and repos.

Mitigating counterparty risk

The main risk mitigation policies and techniques employed for counterparty risk with financial institutions involve:

- ISDA/CMOF contracts. Standardised contracts for global derivative operations with a counterparty. These explicitly provide for the possibility of offsetting the flows of outstanding collections and payments between the parties for all derivatives trading hedged by the contracts.
- CSA Appendix (ISDA) / Appendix III (CMOF). Agreements whereby each of the parties undertake to provide collateral (usually a cash deposit) as security for the net counterparty risk position arising from the derivatives traded between them. The calculation of the collateral to be exchanged takes into account the compensation clauses included in the ISDA or CMOF contracts.
- GMRA/ CME/ GMSLA contracts (repo agreements and securities lending). Agreements whereby the parties undertake to deliver collateral to each other for the net counterparty risk exposure arising from differences between the value of the sum accrued by simultaneous buying and selling of securities and the market value of the securities.
- Break-up clauses. Such clauses provide for early termination of the agreement by one of the parties of its own free will, at a certain point in a contract. This mitigates counterparty risk by reducing the effective duration of the operations subject to the clause, or reducing the counterparty's counterparty risk exposure.
- Delivery-versus-payment in securities settlement systems. Systems that eliminate settlement risk with a counterparty, since clearing and settlement occur simultaneously and in an inseparable fashion. One major system is the CLS system for delivery versus payment in the case of simultaneous collection and payment flows in different currencies.
- Central Counterparties (CCP). The use of CCPs in derivatives and repo transactions can mitigate the associated counterparty risk, as these entities act as intermediaries on their own account between the two parties to the transaction, thus absorbing the counterparty risk. The EMIR regulations set forth an obligation to clear certain OTC derivative contracts through these Central Counterparties, as well as to give notification of all transactions conducted.

For non-financial counterparties, the mitigation techniques for counterparty risk involve: ISDA/CMOF contracts, CSA/CMOF Appendix III and break-up clauses, pledges of financial guarantees and guarantees issued by counterparties with higher credit quality than the original counterparty in the operation.

The Group has signed collateral agreements, mainly with financial institutions. Risk is quantified daily, in most cases, by marking to market all outstanding transactions, subject to the collateral framework agreement, and comparing this amount to the current guarantee received/delivered. This entails modification, where applicable, of the collateral delivered by the debtor. Meanwhile, in a hypothetical downgrade to the Group's rating, the impact on collateral would not be significant as most of the collateral agreements do not include franchises related to the Group's external credit rating.

Risk associated with the investee portfolio

The risk associated with equity investments (or "investees") is included under credit risk for investments that are not classified in the held-for-trading portfolio. More specifically, the Corporate Risk Catalogue includes it as a specific credit risk item, reflecting the possible loss or reduction in the Group's solvency through equity instruments caused by adverse movements in market prices, potential sales or investee insolvency with a medium to long-term horizon. The way in which each share is methodologically processed for capital consumption will depend on:i) the **accounting classification** of the share, for investments classified in the portfolio at fair value with changes in other comprehensive income, the calculation is carried out using the internal VaR model; and ii) the **longevity strategy**, for investments intended to be held on a long-term basis or there is a long-term link in their management, the most significant risk is credit risk, and, therefore, the PD/LGD approached is used whenever possible.

If the requirements for applying the aforementioned methods are not met or there is not sufficient information, the simple risk-weight approach is applied in accordance with current regulations. Without prejudice to the foregoing, for certain cases laid down in the regulation corresponding to significant financial holdings, the capital consumption will be subjected to deductions from own funds or a fixed weighting of 250%.

As regards management, a financial analysis and control is conducted on the main investees by specialists exclusively responsible for monitoring changes in economic and financial data and for understanding and issuing alerts in the event of changes in regulations and fluctuations in competition in the countries and sectors in which the investees operate. These analysts also interact with the





Investor Relations departments of the listed investees and compile the information needed, including third-party reports (e. g. investment banks, rating agencies) needed for an overall outlook of possible risks to the value of the shareholdings.

In general, with the most significant shareholdings, both the estimates of and actual data on investees' contributions to income and equity (where applicable) are updated regularly by these analysts. In these processes, the outlook for securities markets and analysts' views (e.g. recommendations, target prices, ratings, etc.) are shared with Senior Management for regular comparison with the market.

It is worth noting that, on 5 November 2021, CaixaBank transferred all of its 9.92% stake in Erste Group Bank AG (Erste) (see Note 15).

COVID-19 impact

In the specific context of COVID-19 (see Note 3.1), the Entity is responding to the public sector's funding needs, arising from an exceptional context, while continuing to monitor the Entity's level of exposure and risk appetite in this segment.

Furthermore, in relation to the private sector in Spain, the Entity has added to the legislative moratoria through other chiefly sector-based agreements. The Entity has also made efforts to ensure the deployment of ICO (Spanish Official Credit Institute) guarantee facilities under Royal Decree-Law 8/2020 and 25/2020, which the Entity has also extended using working capital facilities and special funding facilities, among others¹².

Other extraordinary provisions implemented by the Entity are those arising from Royal Decree-Law 25/2020 and Royal Decree-Law 26/2020, on adopting urgent measures to support economic and employment reactivation, with the former having a special focus on the tourism and automobile sector, and the latter concentrating on transport and housing. They provide economic measures covering a line of guarantees for companies and self-employed workers aimed at specific moratoria and investments (financing of property pertaining to tourist activity, of vehicles used for public transportation of bus passengers and public transportation of goods, and others). Furthermore, Royal Decree-Law 26/2020 extended the application period for mortgage and non-mortgage moratoria (Royal Decree-Law 8/2020 and Royal Decree-Law 11/2020) up to 29 September 2020, provided that the debtor is in a situation of vulnerability.

Originally, the period established for granting these guarantees ended on 31 December 2020, in accordance with the initial provisions of EU regulations on State Aid. However, in the fourth amendment to the Temporary Framework of State Aid, the European Union extended the availability period of guarantees released under the scheme until 30 June 2021, having aligned the Spanish regulation to this new term through RDL 34/2020, which established the same date of 30 June 2021 as the deadline for granting public guarantees to meet the liquidity needs of self-employed workers and businesses, thus amending the provisions of RDL 8/2020, of 17 March, and RDL 25/2020, of 3 July. Furthermore, RDL 34/2020 foresaw the extension, for debtors that meet certain requirements, of up to 3 additional years on the maximum maturity term of the loans with public guarantees granted under RDL 8/2020, which were accompanied by an extension for the same term of the public guarantee (provided that the guaranteed operation total did not exceed 8 years from the operation's initial formalisation date). The new loans granted subsequently under this scheme will also have an extended maximum term of up to 8 years. With respect to the loans with guarantees released under RDL 8/2020 and RDL 25/2020, it also extended the grace period on the payment of the guaranteed loan's principal for a maximum of 12 months, thus establishing a total grace period of 24 months.

In 2021, the Entity implemented measures resulting from the approval of the new RDL:

- With the adoption of RDL 3/2021, of 2 February, measures are taken to reduce the gender gap and other subjects in the fields of social and economic security, and the deadline is extended to 30 March 2021 to request moratoria on the following: Mortgage-backed debts (RDL 8/2020), non-mortgage-backed loans (RDL 11/2020) and moratoriums granted to the tourism sector and the road passenger transport sector (RDL 25/2020 and RDL 26/2020). Similarly, persons benefiting from any moratoriums are allowed to benefit from them for a maximum cumulative duration of nine months.
- With the approval of RDL 5/2021 of 12 March, on extraordinary measures to support corporate solvency, in response to the pandemic arising from COVID-19, a set of measures is coordinated to mobilise public investment of up to EUR 11 billion around four lines of action: three additional funds to finance direct aid, balance sheet restructuring and corporate recapitalisation, and the extension of fiscal and bankruptcy moratoriums.

¹² The existence of collateral, backers or other guarantees is not grounds to avoid the classification of the operation as Stage 2, if it is deemed that it has been impaired applying the absolute and relative thresholds that the Entity has established for identifying SICRs. However, these collateral, backers or other guarantees will be considered when estimating the expected losses, based on the nature and amount of the collateral or the credit quality of the backers.





These measures regulate both the extension of the application period for guarantees and the adaptation of certain conditions of the COVID-19 ICO guarantees, the Code of Good Practice (CGP), to which the Group voluntarily adhered to continue to support the business fabric affected by the pandemic, and the collection regime for operations with COVID 19 ICO guarantees.

The Code of Good Practice regulates 3 measures that the debtor may request for each secured financial transaction: i) extension of the maturity of the secured transaction; ii) The possibility of converting financing transactions supported by Spain's Ministry of Economic Affairs and Digital Transformation (MAEyTD) into participatory loans that cannot be converted into capital; and iii) the deadline for the application of these measures is set at 15 October 2021.

The possible reduction in the principal of transactions financed by the allocation of EUR 3,000 million of direct aid, of which EUR 2,750 million will be used for transactions guaranteed by Spain's MAEyTD and the rest of the transactions with guarantees managed by CERSA or CESCE. The application deadline for this measure is 1 December 2022.

The adoption of these measures comes with the need for customers to meet the regulated eligibility criteria and, in the case of financial institutions, the obligation to maintain working-capital facilities for customers under the CGP until 31 December 2022 and for all customers until 31 December 2021.

It also postpones until 31 December 2021 the obligation to request bankruptcy proceedings for insolvent debtors.

- Spain's Royal Decree-Law 27/2021, of 23 November, lays down a series of provisions whose validity extends beyond December 2021 to provide a legal security framework that grants economic stability and supports companies in this recovery stage. This will be mainly achieved through:
 - Extending the deadline for liquidity and solvency aid: the date of 30 June 2022 is established as the deadline for granting public guarantees to meet the liquidity needs of self-employed workers and businesses, thus amending the provisions of article 29 of Royal-Decree Law 8/2020, of 17 March, and article 1 of Royal-Decree Law 25/2020, of 3 July.
 - Excluding 2020 and 2021 losses for the purpose of the business dissolution process: the extension of the exceptional measure provided for in article 13 of Law 3/2020, of 18 September, is provided for exclusively during 2021. For the purposes of the legal grounds for dissolution due to losses, the losses for 2020 and 2021 will not be taken into account, and any losses that reduce equity to half of the share capital will not take effect until the result of the financial year 2022.
 - Extending the moratorium on the obligation to declare bankruptcy in the case of equity imbalances, pending the approval of the new bankruptcy regime: the moratoriums provided for in article 6 of Law 3/2020, of September 18, are extended to 30 June 2022 to prevent the automatic triggering of bankruptcy proceedings, to provide additional time for companies that are experiencing greater difficulties as a result of the economic situation arising from the COVID-19 crisis, to be able to restore their equity balance, avoiding unnecessary bankruptcy.
- ↑ The Council of Ministers of 30 November 2021 agreed to a 6-month extension of the deadlines for self-employed persons and companies to apply for the Guarantee Facilities and to benefit from the measures to strengthen solvency contained in the Code of Good Practice (CGP) signed with financial institutions. Thus, it extends the possibility for self-employed persons and companies to apply for the Guarantee Facilities until 1 June 2022, and amends the CGP for to request term extensions or conversion into participative loans until 15 April 2021, relaxing the eligibility requirements for those affected by the La Palma volcano to enable them to be eligible for the moratorium approved by the state of emergency established in RDL 20/2021. The deadline for requesting the reduction of principal through the transfer measure is extended to 1 June 2023.

The adoption of these measures comes with the obligation for financial institutions to maintain working-capital facilities for customers under the CGP until 30 June 2023 and for all customers until 30 June 2022.

It also postpones until 31 December 2021 the obligation to request bankruptcy proceedings for insolvent debtors.

The government-backed financing has been subject to a similar accounting treatment as any other financing covered by a financial guarantee; this guarantee has been considered solely for purposes of calculating the operation's expected loss. The financial guarantee has been considered an incremental cost directly attributable to the operations, which involves the accrual of a lower effective interest rate in the operation. No grant or public aid or any tax effects have been recognised under IAS 12.

The breakdown of government-backed financing operations and current moratorium applications is provided below:

MORATORIUM BREAKDOWN - 31-12-2021*

(Williams by Euros)							
	AMOUNT OF MORATORIUMS			MORATORIU MS MATURED (B)	CLASSIFICAT	ION BY STAG	GES (A+B)
	OUTSTANDING	<6	6-12				
	(A)	MONTHS	MONTHS	TOTAL	STAGE 1	STAGE 2	STAGE 3
Public administrations							
Non-financial corporations and individual entrepreneurs (non-financial business)	44	44		1,502	783	584	179
Real estate construction and development (including land)	16	16		46	26	29	7
Civil engineering				7	6		1
Other	28	28		1,449	751	555	171
Large corporates				285	191	67	27
SMEs and individual entrepreneurs	28	28		1,164	560	488	144
Other households	111	111		13,217	8,620	3,282	1,426
Homes	96	96		10,906	7,346	2,617	1,039
Consumer lending	6	6		729	394	217	124
Other purposes	9	9		1,582	880	448	263
TOTAL MORATORIUMS GRANTED	155	155		14,719	9,403	3,866	1,605

^(*) Of which EUR 5,734 million come from the business combination with Bankia, S.A. (Note 7)

MORATORIUM BREAKDOWN - 31-12-2020

(Millions of euros)

(Willions of Edios)							
	AMOUNT OF MORATORIUMS	AMOUNT OF MS		MORATORIU MS MATURED (B)	CLASSIFICATION BY STAG		GES (A+B)
	OUTSTANDING (A)	<6 MONTHS	6-12 MONTHS		STAGE 1	STAGE 2	STAGE 3
Non-financial corporations and individual							
entrepreneurs (non-financial business)	900	403	497	156	632	358	66
Real estate construction and development (including land)	54	16	38	1	17	32	6
Civil engineering	1	1				1	
Other	845	386	459	155	615	325	60
Large corporates	156		156		139	17	
SMEs and individual entrepreneurs	689	386	303	155	476	308	60
Other households	7,764	7,470	294	1,435	5,037	3,462	700
Homes	6,452	6,206	246	661	4,072	2,592	449
Consumer lending	33	33		668	346	287	68
Other purposes	1,279	1,231	48	106	619	583	183
TOTAL MORATORIUMS GRANTED	8,664	7,873	791	1,591	5,669	3,820	766
MORATORIUMS UNDER ANALYSIS	1						
TOTAL MORATORIUMS	8,665	·				·	

BREAKDOWN OF GOVERNMENT-BACKED FINANCING

(Millions of euros)

	31-12-2021	31-12-2020
Public administrations	9	6
Non-financial corporations and individual entrepreneurs (non-financial business)	20,297	12,386
Real estate construction and development (including land)	94	41
Civil engineering	1,674	966
Other	18,529	11,379
Large corporates	4,612	2,687
SMEs and individual entrepreneurs	13,917	8,692
TOTAL	20,306	12,392
Of which: from the business combination with Bankia, S.A. (Note 7)	8,700	

In this context, as regards the principles for measuring expected credit losses for the purpose of defining the credit risk loss provisions, the following considerations are noteworthy:

Processing the significant increase in credit risk (SICR):

The recurring criteria for determining the significant increase in credit risk have been strengthened, taking into account additional criteria besides those of the recurring framework. Specifically, additional criteria have been included in customers in which the company and family support mechanisms (chiefly general moratoria and state-backed financing) may have affected their classification under general criteria, either due to the lower financial burden born by the borrowers from the individuals sector, or for other reasons such as the gap between the effect of the COVID-19 and the formulation and presentation of companies' annual account. It is a temporary overlay on SICR criteria, which will be reviewed with the evolution of the environment during the year, for example after the completion of the majority of general moratoria in Spain.

Under no circumstances has the granting of financial aid involved an improvement in the accounting classification of the exposure, and the ordinary accounting management procedures of credit impairment have not been suspended or relaxed.

Processing of the planned moratoriums:

The abovementioned regulatory moratoria require financial institutions to suspend the loan payment (repayment of capital and payment of interest) for a specific period.





The government authorities have defined requirements that, in the event that they are met by the beneficiary, involve the granting of moratoria by the Entity on the payment of capital or interest on the various credit operations that customers may have contracted.

Objective criteria were established for the granting of principal and interest grace periods on mortgage and non-mortgage loans (including credit cards) for a period of between 3 and 6 months, depending on the transaction. Customers that requested the application of the measure and met and demonstrated said criteria, were provided an automatic deferral without accruing interest on the payments due during the period of suspension. Following the aforementioned period, the contract's obligations again become effective. In the case of loans with mortgage collateral the maturity date agreed upon in the contract has been extended for the same time as the suspension, and in the case of non-mortgage credit (including credit cards), the amount of the monthly payments that were suspended will be payable once the suspension period ends.

For accounting purposes, the application of the government measures has been considered by the Entity as a relevant qualitative change that has given rise to a contractual modification. Under the accounting framework, if an entity revises its estimates of collections (excluding changes in expected losses), the carrying amount of the financial asset must be adjusted to reflect the revised contractual cash flows discounted at the financial instrument's original effective interest rate. The adjustment's impact is recognised as gains or losses in the profit/(loss) for the period. Therefore, the Entity has calculated this impact (generally known as modification gain and loss and including the best estimate of the operation's economic loss), and immediately recognised it in the income statement, which in 2021 was immaterial. This adjustment in the carrying amount of the affected financial assets is reversed throughout the 3-month or 6-month moratorium in the net interest income.

The majority of the moratoria matured during 2021.

Post model adjustment:

The accounting and prudential authorities have issued recommendations in relation to upholding an adequate provision level, considering the macroeconomic environment of heightened uncertainty generated due to COVID-19.

Due to this uncertain environment, an accounting adjustment (Post Model Adjustment) of EUR 1,230 million at 31 December 2021 (EUR 1,012 million at 31 December 2020) has been maintained in the Entity in the form of a fund not specifically earmarked for specific operations. This estimate methodology is intended to be temporary (associated with the uncertainty and effects of the pandemic), it is covered under the guidelines issued by the supervisors and regulators in the environment of the pandemic, and it is backed by duly documented processes and subject to strict governance. In that regard, this collective fund will be reviewed in the future with newly available information and reduced uncertainties regarding the real impact of the health crisis.

3.4.2. Actuarial risk

The Entity is only exposed to actuarial risk as a result of pension commitments that are not insured by any insurance firm. Given that the majority are insured, this risk is not significant in CaixaBank. Furthermore, insurance activity, which is what has and manages actuarial risk resulting from customers' insurance contracts, takes place via VidaCaixa, and therefore has no impact on CaixaBank's financial statements (non-consolidated).

3.4.3. Market risk

Overview

The Entity identifies market risk as the loss of value, impacting on performance or solvency, of a portfolio (set of assets and liabilities), due to unfavourable movements in prices or market rates. Market risk quantifies possible loss in the trading portfolio that may be due to fluctuations in interest rates, exchange rates, credit spread, external factors or prices on the markets where trading is conducted.

Market risk encompasses almost all the Group's trading portfolio, as well as the deposits and repos arranged by trading desks for management.

Risk factors are managed according to the return-risk ratio determined by market conditions and expectations, the limits structure and the authorised operating framework.

Market risk cycle

Monitoring and measurement of market risk

On a daily basis, the Group monitors the operations traded, calculating how market changes will affect the profit and loss of positions held, quantifying the market risk undertaken, and monitoring compliance with limits. With the results obtained from these activities, a daily report is produced on positions, risk quantification and the utilisation of risk thresholds, which is distributed to Senior Management, the officers in charge of managing them, to Model Validation and Risk and to the Internal Audit division.

As a general rule, there are two types of measurements which constitute a common denominator and market standard for the measurement of market risk:

Sensitivity

Sensitivity represents risk as the impact a slight change in risk factors has on the value of positions, without providing any assumptions about the probability of such a change.

Value-at-risk (VaR)

The benchmark market risk measurement is VaR at 99% with a one-day time horizon for which the RAF defines a limit for trading activities of EUR 20 million (excluding the economic hedging CDS for the CVA, recognised for accounting purposes in the held-fortrading portfolio). Daily VaR is defined as the highest of the following three calculations:

- Parametric VaR with a covariance matrix deriving from a 75-day window of history, giving more weight to recent observations. The parametric VaR technique is based on volatilities and matching fluctuations in the prices and interest and exchange rates of the assets comprising the portfolio.
- Parametric VaR with a covariance matrix arising from historical performance over one year and equal weightings.
- The historical VaR technique, which calculates the impact on the value of the current portfolio of historical changes in risk factors. Daily changes observed over the last year are taken into account, with a confidence interval of 99%. Historical VaR is an extremely useful system for completing the estimates obtained by the parametric VaR technique, since it does not include any assumptions on the statistical behaviour of risk factors. The parametric VaR technique assumes fluctuations or returns that can be modelled using normal statistical distribution. Historical VaR is also an especially suitable technique since it includes non-linear relationships between the risk factors.

Moreover, since a downgrade in the credit rating of asset issuers can also give rise to adverse changes in market prices, quantification of risk is completed with an estimate of the losses arising from changes in the volatility of the credit spread on private fixed-income and credit derivative positions (spread VaR), which constitutes an estimate of the specific risk attributable to the security issuers. This calculation is made using a historical method while taking into account the potentially lower liquidity of these assets, with a confidence interval of 99%, and assuming absolute weekly variations in the simulation of credit spreads.

Total VaR results from the aggregation of VaR arising from fluctuations in interest rates, exchange rates (and the volatility of both) and from the Spread VaR, which are aggregated on a conservative basis, assuming zero correlation between the two groups of risk factors, and the addition of VaR of the equities portfolio, inflation and VaR of the commodities portfolio (currently with no position), assuming in both cases a correlation of one with the other risk factor groups.

Additional measures to VaR

As an analysis measurement, the Group completes the VaR measurements with the following risk metrics, updated weekly:

- Stressed VaR indicates the maximum loss on adverse movements in market prices based on a stressed historical period of one year, with a 99% confidence level and a daily time horizon (subsequently extrapolated to the regulatory horizon of 10 market days, multiplying by the root of 10). The stressed VaR calculation is leveraged by the same methodology and infrastructure as the historical VaR, with the only significant difference being the historical window selected.
- The incremental default and migration risk reflects the risk related to changes in credit ratings or breach of positions in fixed-income instruments and credit derivatives in the trading portfolio, with a confidence level of 99.9%, one-year time horizon, and a quarterly liquidity horizon, which is justified by the high liquidity of portfolio issuances. The estimate is made using Monte Carlo simulation of possible future states of external rating of the issuer and the issuance, based on transition matrices published





by the main ratings agencies, where dependence between credit quality variations between the different issuers is modelled using Student's t-distribution.

The maximum, minimum and average values of these measurements in this year, as well as their value at the close of the period of reference, are shown in the following table.

SUMMARY OF RISK MEASUREMENTS

(Millions of euros)

	MAXIMUM	MINIMUM	AVERAGE	LAST
1-day VaR	3.7	1.0	2.0	1.2
1-day Stressed VaR	11.7	2.1	3.8	11.7
Incremental risk	24.1	7.3	16.6	7.3

<u>Backtest</u>

To confirm the suitability of the estimates of the internal model, daily results are compared against the losses estimated under the VaR technique, which is what is referred to as backtesting. The risk estimate model is checked in two ways:

- Through net or hypothetical backtesting, which relates the portion of the daily marked-to-market result of open positions at the close of the previous session to estimated VaR over a one-day time horizon, calculated on the basis of the open positions at the close of the previous session. This backtesting is the most appropriate means of performing a self-assessment of the methodology.
- Gross (or actual) backtesting, which compares the total result obtained during the day (including intraday transactions) to VaR for a time horizon of one day, calculated on the basis of the open positions at the close of the previous session. This provides an assessment of the importance of intraday transactions in generating profit and estimating the risk.

The daily result used in both backtesting exercises does not include mark-ups, reserves, fees or commissions.

No significant incidents have been detected in the year.

Stress test

Two stress testing techniques are used on the value of the trading positions to calculate the possible losses on the portfolio in situations of extreme stress:

Systematic stress: this technique calculates the change in value of the portfolio in the event of a specific series of extreme changes in the main risk factors. It considers parallel interest rate shifts (rising and falling); changes at various points of the slope of the interest rate curve (steepening and flattening); variation of the spread between the instruments subject to credit risk and government debt securities (bond-swap spread); shifts in the EUR/USD curve differential; higher and lower volatility of interest rates; variation of the euro with respect to the USD, JPY and GBP; and variation in exchange rate volatility, share prices; and higher and lower volatility of shares and commodities.

Historical scenarios: this technique addresses the potential impact of actual past situations on the value of the positions held.

Reverse stress test: a technique that assumes a high-vulnerability scenario given the portfolio's composition and determines what variations in the risk factors lead to this situation.

Based on the set of measures described above, the management of market risk on trading positions in markets is in accordance with the methodological and monitoring guidelines.

Mitigation of market risk

As part of the required monitoring and control of the market risks taken, there is a structure of overall VaR limits complemented by the definition sublimits, stressed VaR and incremental default and migration risk, Stress Test and Stop Loss results and sensitivities for the various management units that could assume market risk.

The risk factors are managed using economic hedges on the basis of the return/risk ratio determined by market conditions and expectations, always within the assigned limits.

Beyond the trading portfolio, fair-value hedge accounting is used, which eliminates potential accounting mismatches between the balance sheet and statement of profit or loss caused by the different treatment of hedged instruments and their hedges at market





values. In the area of market risk, limits for each hedge are established and monitored, in this case expressed as ratios between total risk and the risk of the hedged items.

3.4.4. Risks in the banking book

Interest rate risk in the banking book

Risk defined as the negative impact on the economic value of balance sheet items or on financial income due to changes in the temporary structure of interest rates and their impact on asset and liability instruments and those off the Group's balance sheet not recognised in the trading book.

The management of this risk by the Group seeks to i) optimise the net interest margin and ii) maintain the economic value of the balance sheet, while at all times taking into account the metrics and thresholds of the RAF in terms of volatility of the financial margin and value sensitivity.

This risk is analysed considering a broad set of market-type scenarios, including the potential impact of all possible sources of interest rate risk in the banking book, i.e. gap risk (with its components: repricing risk, curve risk, basis risk and optionality risk. Optionality risk considers automatic optionality related to the behaviour of interest rates and the optionality of customer behaviour, which is not only dependent on interest rates.

The Entity applies best practices in the market and the recommendations of regulators in measuring interest rate risk, using various measurement techniques that make it possible to analyse the Entity's positioning and its risk situation. These include:

- Static gap: it shows the contractual distribution of maturities and interest rate reviews for applicable balance sheet or off-balance aggregates at a particular date. GAP analysis is based on comparing the values of the assets and liabilities reviewed or that mature in a particular period.
- Sensitivity of net interest income: it shows the impact on the net income caused by changes in the interest rate curve as a result of the review of balance sheet transactions. This sensitivity is determined by comparing a net interest income simulation in the event of various interest rate scenarios (immediate parallel and progressive movements of different intensities, as well as changes in slope). The most likely scenario, which is obtained using the implicit market rates, including the business trend and hedge management forecasts, is compared with other scenarios of rising or falling interest rates and parallel and non-parallel movements in the slope of the curve. The difference between these stressed net interest income figures compared to the baseline scenario give us a measure of the sensitivity, or volatility, of net interest income.
- Balance sheet economic value: it is calculated as the sum of i) the fair value of net interest-rate sensitive assets and liabilities on the balance sheet; ii) the fair value of off-balance sheet products (derivatives); and iii) the net carrying amounts of non-interest-rate sensitive asset and liability items.
- Economic value sensitivity: the economic value of sensitive balances on and off the balance sheet is reassessed under the various stress scenarios considered by the Entity. The difference between this value and the economic value calculated at current market rates gives us a numeric representation of the sensitivity of economic value to the various scenarios employed.
- Balance sheet VaR: defined as the maximum economic value that could be lost from the balance sheet in a certain period of time, applying market prices and volatilities as well as correlation effects using a specific confidence level and time horizon.



The sensitivities of net interest income and economic value are measurements that complement each other and provide an overview of the interest rate risk in the banking book, which focuses more on the short and medium term, in the case of net interest income, and on the medium and long term in the case of equity.

The tables below show, using a static gap, the distribution of interest rate revaluations and maturities of sensitive items on the Entity's balance sheet, without taking into account, where applicable, the value adjustments or value corrections at year-end:

MATRIX OF MATURITIES AND REVALUATIONS OF THE SENSITIVE BALANCE SHEET

(Millions of euros)

	<1 YEAR	1–2 YEARS	2-3 YEARS	3–4 YEARS	4–5 YEARS	>5 YEARS	TOTAL
ASSETS							
Interbank and Central Banks	113,906	1,116	143	508	320	532	116,525
Loans and advances to customers	230,543	28,167	12,240	9,482	6,520	28,660	315,612
Fixed income portfolio	30,617	6,272	4,190	5,778	6,646	19,928	73,431
TOTAL ASSETS	375,066	35,555	16,573	15,768	13,486	49,120	505,568
LIABILITIES							
Interbank and Central Banks	103,160	1,260	125	65	36	211	104,857
Customer deposits	158,302	42,248	26,655	17,336	13,199	103,343	361,083
Issuances	10,031	7,875	6,997	12,198	6,194	12,664	55,959
TOTAL LIABILITIES	271,493	51,383	33,777	29,599	19,429	116,218	521,899
ASSETS LESS LIABILITIES	103,573	(15,828)	(17,204)	(13,831)	(5,943)	(67,098)	(16,331)
HEDGES	(31,994)	6,392	2,630	10,641	3,052	9,226	(53)
TOTAL DIFFERENCE	71,579	(9,436)	(14,574)	(3,190)	(2,891)	(57,872)	(16,384)

Below is the sensitivity of the net interest income and economic value to sensitive balance sheet assets and liabilities for a scenario of rising and falling interest rates of 100 basis points:

INTEREST RATE SENSITIVITY

(incremental % with respect to the market baseline scenario / implicit rates)

	+100 BP	-100 BP
Net interest income (1)	16.59%	(4.90%)
Economic value of equity for sensitive balance sheet aggregates (2)	3.69%	(9.67%)

- (1) Sensitivity of the 1-year NII of sensitive balance sheet aggregates.
- (2) Sensitivity of economic value for sensitive balance sheet aggregates on Tier 1.

With regard to measurement tools and systems, relevant information is obtained at the transaction level of the sensitive balance sheet transactions from each computer application used to manage the various products. This information is used to produce databases with a certain amount of aggregation in order to speed up the calculations without impairing the quality or reliability of the information or results.

The assets and liabilities management application is parameterised in order to include the financial specifics of the products on the balance sheet, using behavioural customer models based on historical information (pre-payment models). The sensitivity to interest rates —conditioned by the speed with which market rates are transposed and the expected terms to maturity— have been analysed for items without a contractual maturity date (demand accounts) on the basis of past experience of customer behaviour, including the possibility that the customer may withdraw the funds invested in this type of product. For other products, in order to define the assumptions for early termination, internal models are used which include behavioural variables of customers, products, seasonality and interest rate fluctuations.

The projection tool is also fed with growth data budgeted in the financial plan (volumes, products and margins) and information on the various market scenarios (interest and exchange rate curves), in order to perform a reasonable estimate of the risks associated with the net interest income and economic value of sensitive balance sheet aggregates.

To mitigate the interest rate risk in the banking book, the Entity actively manages risk by arranging additional hedging transactions on financial markets to supplement the natural hedges generated on its own balance sheet as a result of the complementarity



between the sensitivity to fluctuations in interest rates on deposits and on lending transactions arranged with customers or other counterparties.

The interest rate risk in the banking book assumed by the Entity is substantially below levels considered significant under current regulations.

No events with a material impact on interest rate in the banking book risk occurred during 2021.

Exchange rate risk in the banking book

Exchange rate risk in the banking book corresponds to the potential risk in the assets affected by adverse movements in exchange rates.

The Entity has foreign currency assets and liabilities in its balance sheet as a result of its commercial activity and its shares in foreign currencies, in addition to the foreign currency assets and liabilities deriving from the Entity's measures to mitigate exchange rate risk.

The equivalent euro value of all foreign currency assets and liabilities in the Entity's balance sheet is as follows:

FOREIGN CURRENCY POSITIONS

(Millions of euros)

	31-12-2021	31-12-2020
Cash and cash balances at central banks and other demand deposits	456	321
Financial assets held for trading	4,425	325
Financial assets with changes in other comprehensive income	26	53
Financial assets measured at amortised cost	17,426	12,463
Equity Investments	-	2
Other assets	491	34
TOTAL FOREIGN CURRENCY ASSETS	22,824	13,198
Financial liabilities at amortised cost	8,753	6,548
Deposits	6,929	5,597
Central banks	883	652
Credit institutions	1,435	1,228
Customers	4,610	3,717
Debt securities issued	1,718	867
Other financial liabilities	107	84
Other liabilities	4,987	559
TOTAL FOREIGN CURRENCY LIABILITIES	13,740	7,107

The Entity maintains the hedging of foreign currency risk, which may be carried out via transactions in cash or financial derivatives that mitigate asset and liability positions in the balance sheet. However, the nominal amount of these instruments is not reflected directly in the balance sheet, but rather as memorandum items for financial derivatives. This risk is managed by seeking to minimise the level of currency risk assumed in its commercial activity, which explains why the Entity's exposure to the risk is low.

The remaining minor foreign currency positions in the banking book and of the treasury activity are chiefly held with credit institutions in major currencies. The methods for quantifying these positions, which are the same, are applied alongside the risk measurements used for the treasury activity as a whole.

The breakdown by currency of the main headings of the balance sheet are set out below:



BREAKDOWN OF THE MAIN BALANCE SHEET ITEMS BY CURRENCY - 31-12-2021

(Millions of euros)

	CASH*	FA HELD FOR TRADING	FA WITH CHANGES IN OCI	FA AT AMORTISED COST		OTHER LIABILITIES
USD	234	3,232	21	12,035	6,875	3,776
JPY	55	1		272	136	1
GBP	37	1,169	4	2.224	1,141	1,181
PLN (Polish Zloty)	40			1,086	80	4
CHF	10			186	237	
CAD	8	104		872	11	95
Other	72	(81)	1	751	273	(70)
TOTAL	456	4,425	26	17,426	8,753	4,987

FA: Financial assets; FL: Financial liabilities

Given the reduced exposure to exchange rate risk and considering the existing hedges, the sensitivity of the balance sheet's economic value is not significant.

IBOR reform

Global financial regulators have driven the gradual abandonment of IBORs and their replacement with new risk-free rates in recent years. This has led to the need for a transition from the old LIBORs to the new rates recommended by the task forces established in the various jurisdictions.

This transition has been expedited with the announcement of the cessation of some LIBOR indices at the beginning of 2022. For this reason, market participants need to start using new risk-free rates and remedy those contracts that were affected by the cessation of publication of the rate (see Note 1.2).

Since the regulators' first announcements, the Entity has taken an active position both externally — participating in the working group on Risk-Free Rates (RFR) for the eurozone — and internally, where it has laid down a rate transition project with a robust governance structure to meet the regulatory, financial, commercial and technical needs of rate transition.

The rate transition project featured an internal task force to manage the various risks to which the Entity is exposed as a result of this transition:

- risk of litigation on contracts, services and contracts indexed to rates that will disappear,
- operational risks arising from the need for technological changes, operational processes and controls,
- legal risks when remedying existing contracts or other documentation,
- financial and accounting risks from the use and change to new rates in accounting and assessment methodologies and instruments,
- reputational risks of conduct in the transfer of the reform and its impacts on stakeholders and in particular on customers.

The Entity has a high exposure to the Euribor index that is not affected by the transition, while this index, following a reform of its methodology — conducted during phase-in in the second half of 2019 — has received the backing of supervisors and regulators and fully complies with the index regulation.¹³. The Entity uses Euribor for mortgages, loans, deposits and debt issuances, as well as in a broad range of derivative instruments. However, the eurozone working group and the European authorities recommend that all contracts indexed to Euribor include replacement clauses in the event of a possible future termination of the Euribor based on the new RFR indices for the euro, i.e. in temporary structures of €STR. Thus, the group is adding such fallbacks in all the contracts indexed Euribor.

With regard to EONIA, the Entity has basically used it in current account contracts, transferred into €STR since April 2020, and in derivatives settled through Central Clearing Houses (CCH) that have migrated to €STR in October 2021. The other contracts indexed to EONIA are those that refer to collateral remuneration in the various framework contracts of financial transactions that have been indexed to €STR at the end of 2021. It is worth noting the regulation of an EONIA Statutory fallback by the European Commission

^(*) Cash and cash balances at central banks and other demand deposits

¹³ On 2 July 2019, the European Money Markets Institute received an authorisation from the Belgian Financial Services and Markets Authority (FSMA) under Article 34 of the EU Reference Regulation for the administration of Euribor.



outlining €STR +8.5bp as a replacement. Similarly, the ISDA protocol on remuneration of the framework agreements for derivatives which fixes €STR +8.5bp as a replacement for EONIA.

Lastly, with regard to the LIBOR indices, the Group's exposure can be considered non-material given the low volume of assets and liabilities referenced to these indices, the LIBOR USD being the most representative in terms of exposure. On 31 December 2021 the LIBOR, GBP, CHF, JPY and EUR indices ceased publication. The 1-week and 2-month periods for the USD also ceased on that date. For the remaining LIBOR USD terms, the planned termination date is June 2023. Currently, the new production indexed in GBP, JPY and CHF is already conducted in connection with the various structures of the respective risk-free-rates of each currency (SONIA, TONA and SARON).

The carrying amount of financial instruments referenced to the indices subject to the IBOR Reform is shown below:

BREAKDOWN OF FINANCIAL INSTRUMENTS INDEXED TO INDICES SUBJECT TO THE IBOR REFORM - 31-12-2021 (Millions of euros)

	LOANS AND	DEDT			DEDUKATU (EC	DEDUKATIVES
	LOANS AND ADVANCES	DEBT SECURITIES	DEPOSITS DEBT SECU	RITIES ISSUED	DERIVATIVES - ASSETS	LIABILITIES
Indexed to LIBOR						679
indexed to LIBOR	10,210	0	0	853	759	0/9
USD	8,227			853	754	677
GBP	1,602				5	2
JPY	91					
Other	290					
TOTAL	10,210	0	0	853	759	679

The nominal amount of the hedging instruments referenced to indices subject to the IBOR Reform is shown below:

BREAKDOWN OF HEDGING INSTRUMENTS INDEXED TO INDICES SUBJECT TO THE IBOR REFORM - 31-12-2021 (Millions of euros)

	LIBOR USD	LIBOR GBP	LIBOR JPY	OTHER
Fair value hedges	965			
Cash flow hedges	1,810			
TOTAL	2,775	0	0	0

3.5. Reputation and Operational risks

3.5.1. Operational risk

Overview

Operational risk is defined as the possibility of incurring losses due to the failure or unsuitability of processes, people, internal systems and external events. Given the heterogeneity of the nature of operational events, CaixaBank does not record operational risk as a single element in the Corporate Risk Catalogue, but rather it has included the following risks of an operational nature: legal/regulatory, conduct, technology, reliability of information, model and other operational risks. For each of these risks in the Catalogue, the Group upholds the corresponding specific management frameworks, without prejudice to the additional existence of a comprehensive operational risk management framework.

The purpose of this comprehensive framework is to improve the quality of business management, supplying relevant information to allow decisions to be made that ensure the organisation's long-term continuity, the optimisation of processes and the quality of both internal and external customer service. To achieve this, various lines of work have been established:

- To identify and anticipate existing and/or emerging operational risks.
- To adopt measures to sustainably mitigate and reduce operational losses.
- To ensure the organisation's long-term continuity.
- To promote the establishment of systems for the ongoing improvement of the operating process and of the control structure.
- To exploit operational risk management synergies.





- To promote an operational risk management culture.
- To comply with the current regulatory framework and requirements for the applicability of the management and calculation models chosen.

Operational risk management cycle

Although the standardised method is used to calculate regulatory capital, the Group's operational risk measurement and management is based on policies, processes, tools and methodologies that are risk-sensitive, in line with market best practices.

Operational risks are structured into four categories or hierarchical tiers, from the most generic to the most specific and detailed:

- Tier 1 and 2: of the regulations. Tier 1 comprises 7 subcategories (Internal Fraud, External Fraud, Employment practices and security in workplace, Customers, products and business practices, Damages to physical assets, business interruptions and system faults, Execution and Delivery and process management) and Tier 2 comprises 20 subcategories.
- Level 3: Internal Group level based on identification of the risks detailed.
- Tier 4: Individual risks, obtained after assignment of a Tier 3 risk to a process or activity.

Operational risk is measured with the following aspects:

Qualitative measurement

Operational risks are subjected to self-assessments on an annual basis, which make it possible to: i) obtain greater knowledge of the operational risk profile and the new critical risk; and ii) maintain a standardised update process for the taxonomy of operational risks, which is the foundation upon which this risk's management is defined.

A series of expert workshops and meetings are also held to generate hypothetical extreme operational loss scenarios. The purpose is for these scenarios to be used to detect areas of improvement in the management and to supplement the available external and internal historical data on operational losses.

Quantitative measurement

The internal operational loss database is one of the foundations for managing operational risk (and the future calculation of capital for operational risk). With this aim in mind, the technological environment of the operational risk system provides all the functionality required and is fully integrated into the bank's transactional and information systems.

An operational event is the implementation of an identified operational risk, an event that causes an operational loss. It is the concept around which the entire data model revolves in the Internal Database. Loss events are defined as each individual economic impact related to an operational loss or recovery.

Gross losses by type of risk are broken down as follows:

Image from Charts (G21: I23)

The internal historical data on operational losses is supplemented by external data. For this reason, the Group is registered with the ORX (Operational Riskdata eXchange) consortium, which anonymously exchanges operational loss information from banks on a worldwide level, and allows geographical subgrouping, among other functions, to manage risks (news service, working groups, methodological initiatives on operational risk). ORX requires its members to classify operational loss data using a series of parameters, both regulatory and proprietary. As a result, all events in the database include the parameters required by the ORX

Additionally, measurement using Operational Risk indicators (KRIs) is a quantitative/qualitative methodology that: i) enables us to anticipate the development of operational risks, taking a forward-looking approach to their management and ii) provide information on development of the operational risk profile and the reasons for this. A KRI is a metric that detects and anticipates changes in said risk; its monitoring and management is integrated in the operational risk corporate management tool. KRIs are not by nature a direct result of risk exposure. They are metrics that can be used to identify and actively manage operational risk.

Mitigation of operational risk

With the aim of mitigating the operational risk, the following have been defined: action plans that entail appointing a centre to be in charge, setting out the actions to be undertaken to mitigate the risk covered by the plan, the percentage or degree of progress, which is updated regularly, and the final commitment date. This allows mitigation by i) decreasing the frequency at which the events occur, as well as their impact; ii) holding a solid structure of sustained control in policies, methodologies, processes and systems and iii) integrating – into the everyday management of the Group – the information provided by operational risk management levers.

In addition, the corporate insurance programme for dealing with operational risk is designed to cover certain risks, and it is updated annually. Risk transfer depends on risk exposure, tolerance and appetite at any given time.

Lastly, an operational loss budgeting exercise is carried out annually that covers the entire scope of management, and enables monthly monitoring to analyse and correct, where applicable, any deviations.

Risk of an operational nature

The risks of an operational nature in the Corporate Catalogue are set out below

Conduct and compliance risk

Insofar as operational risk is concerned, according to the regulatory definition, conduct and compliance risk is defined as the Entity's risk arising from the application of conduct criteria that run contrary to the interests of its 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. The Entity's objective is: i) to minimise the probability of this risk occurring and ii) if it does, to detect, report and address the weaknesses promptly.

The management of compliance and conduct risk is not limited to any specific area, but rather the entire Entity. All employees must ensure compliance with prevailing regulations, applying procedures that capture regulations in their activity.

In order to manage conduct and compliance risk, CaixaBank Group drives the awareness-raising and promotion of the values and principles set out in the Code of Business Conduct and Ethics, and its employees and other members of its governing bodies must ensure that they are compliant as a core criterion guiding their day-to-day activities. Therefore, as the first line of defence, the areas whose business is subject to conduct and compliance risk implement and manage first-level indicators or controls to detect potential sources of risk and act effectively to mitigate them.

Legal and regulatory risk

Legal and regulatory risk is defined as the potential loss or decrease in the profitability of the Entity as a result of changes in the legislation, of the incorrect implementation of this legislation in the Entity's processes, of the inappropriate interpretation thereof in various operations, of the incorrect management of court or administrative injunctions, or of the claims or complaints received.

It is managed in accordance with certain principles to ensure compliance with the risk appetite and tolerance limits defined in the Entity's RAF.

In this regard, the Entity conducts actions for the appropriate implementation of standards, and constantly monitors and tracks regulatory changes, in pursuit of better legal security and legitimate interests, chiefly those described in Note 3.1 in relation to the regulatory environment. As regards the latter, the activities are coordinated in the Regulation Committee, the body responsible for defining the Group's strategic stance in financial regulation—related matters, driving the representation of the Entity's interests and coordinating the regular assessment of the regulatory initiatives and proposals that may affect the Entity.

Along the same lines, the Group coordinates a set of committees (Transparency Committee, Privacy Committee), the purpose of which is the monitoring —in each of the bank's initiatives— of its adaptation to consumer protection and privacy standards.

In order to ensure the correct interpretation of the standards, in addition to work on the study of jurisprudence, and decisions of the statutory authorities, in order to adjust the bank's activity to such criteria, it also enquires as to when it is necessary for the relevant administrative authorities.

In relation to the claims filed with the Customer Service Office, as well as the sustained flow of existing litigiousness, the Entity has policies, criteria, analysis and monitoring procedures for these judicial claims and processes. These enable the Entity to gain better knowledge of the activities that it develops, to identify and establish ongoing improvement in contracts and processes, to implement measures to raise awareness on regulations and early restoration of customers' rights in the event of any incidents, through





agreements and establishing the appropriate accounting hedges, in the form of provisions, in order to cover hypothetical financial damages whenever they are deemed likely to occur.

Technology risk

Also within the framework of regulatory operational risk, technology risk in the Corporate Risk Catalogue is defined as the risk of losses due to the inadequacy or failures of the hardware or software of technological infrastructure, due to cyber attacks or other circumstances that may compromise the availability, integrity, accessibility and security of infrastructure and data. The risk is broken down into 5 categories that affect ICT (Information and Communications Technology): i) availability; ii) information security; iii) change operation and management; iv) data integrity; and v) governance and strategy.

Its current measurement is incorporated into a RAF recurring follow-up indicator, calculated on the basis of individual indicators and controls linked to the different areas comprising technology risk. Regular reviews are carried out by sampling, which make it possible to check the quality of the information and the methodology used in creating the indicators reviewed.

The internal governance frameworks associated with different fields of technology risk have been designed according to renowned international standards and/or they are aligned with the guidelines published by different supervisors:

- IT governance, designed and developed under the ISO 38500 standard.
- Information security, designed and developed under the ISO 27002 standard, and certification of the Information Security Management System based on the ISO 27001 standard.
- Information Technology contingency, designed and developed under the ISO 27031 standard.
- Information governance and data quality, designed and developed under the standard BCBS 239.

With the different frameworks of governance and management systems, CaixaBank seeks to guarantee:

- Compliance with recommendations issued by regulators: Bank of Spain, European Central Bank, etc.
- Maximum security in its operations, both in regular processes and in one-off situations.

And it also demonstrates to its customers, investors, and other stakeholders:

- Its commitment to the governance of information technologies, and business security and continuity.
- The implementation of management systems according to most renowned international standards.
- The existence of different cyclical processes based on ongoing improvement.

Similarly, CaixaBank has been designated a critical infrastructure operator by virtue of the provisions of Act 8/2011 and is under the supervision of the National Centre for the Protection of Critical Infrastructures dependent on the State Secretary of Home Office Security.

Furthermore, CaixaBank holds a general emergency plan and various internal regulations on security measures, which include priority aspects such as: i) cybersecurity strategy; ii) the fight against customer fraud and internal fraud; iii) data protection; iv) security governance and disclosure; and v) supplier security.

CaixaBank's second line of defence has developed a control framework for this risk, based on international standards, which assesses the effectiveness of the control environment and measures the level of residual risk, establishing mitigation plans where necessary.

Information Reliability Risk

Information Reliability Risk is defined in the Corporate Risk Catalogue as the risk stemming from possible deficiencies in the accuracy, integrity and approach to compiling the data and information needed to evaluate the financial position and assets of CaixaBank Group, as well as information provided to stakeholders and published to market that offers a holistic view of the stance in terms of environment sustainability and that is directly related to environmental, social and governance (ESG principles) aspects.

The Group has Corporate Policies approved by the CaixaBank Board of Directors that establish the risk management and control framework, notably including:

- The Corporate Risk Management Policy on the reliability of financial information, the purpose of which is to establish and define:
 - ♦ As regards financial information reliability risk:





- a benchmark framework that enables the Group to manage this risk in respect of the disclosure of information, both individual and consolidated, generated by CaixaBank, unifying the criteria on control and verification activities;
- the scope of the financial reporting to be covered;
- the governance framework to be followed both for information to disclose and for verification of documentation, and:
- he criteria related to the control and verification of information to be disclosed in order to guarantee the existence, design, implementation and correct operation of an Internal Control System on Financial Reporting (SCIIF), which mitigates this risk.
- In relation to non-financial information reliability risk:
 - governance and the review process established as regards the Statement of Non-financial Information included in the Management Report,
- Corporate Policy on Information Governance and Data Quality, that regulates data governance and filing of reports.

This risk is mainly managed by assessing whether the group's information complies with the following principles:

- **Existence and occurrence**: the transaction, circumstances, or other event described in the financial information actually exist and were reported at the right time.
- Integrity: the information includes all transactions, circumstances and other events in which the Group is the affected party.
- Measurement: the transactions, circumstances or other events have been reported and measured in accordance with applicable rules and regulations.
- Presentation, breakdown, and comparability: transactions, facts and other events have been classified, presented and disclosed in the financial and non-financial information in accordance with applicable standards.
- **Rights and obligations**: financial information fails to show, at the corresponding date, the Entity's rights and obligations under the corresponding assets and liabilities, in accordance with applicable standards.

Model risk

In the Corporate Risk Catalogue, model risk is defined as the possible adverse consequences for the Group that may arise from decisions founded chiefly on the results of internal models, due to errors in their construction, application or use.

In particular, the subrisks identified under model risk that are subject to management and control are as follows:

- Quality risk: the potential detrimental impact due to unpredictable models, either due to defects under construction or for not having being updated over time.
- Governance risk: the potential detrimental impact due to the inadequate governance of Model Risk (e.g. models not formalised by committees, relevant models with no opinion on second line of defence, incorrectly inventoried models).
- Control environment risk: the potential detrimental impact due to weaknesses in the control environment of models, (e.g. models with expired recommendations, and breached mitigation plans).

The general model risk strategy is based on the following pillars:

- Identification of the model risk, using the Corporate Inventory of Models as a key element to set the scope of the models. In order to be able to manage model risk, it is necessary to identify the existing models, their quality and how they are used in the Group. It is necessary to have a single model registry, that unifies the model concept and defines a homogenous taxonomy that features among other attributes their relevance and assessment.
- Model governance, addressing key aspects including, but not limited to:
 - Identifying the most relevant phases within a model's life cycle, defining the minimum functions and standards to carry out these activities.





- ◆ The concept of tiering-based management, in other words, the way in which the control framework of models can be modulated according to the relevance of the model, generally speaking. This attribute will condition the model's control environment, such as the type and frequency of validation, the type and frequency of monitoring, the body that must approve its use, as well as the level of internal supervision and the level of involvement of senior management.
- Governing and processing changes to models from a transversal perspective, offering the various owners of models the necessary flexibility and agility to change the affected models, in line with the most suitable governance in each case.
- Laying down Internal Validation standards that guarantee the suitable application of controls for an independent unit to assess a model.
- Monitoring, using a control framework with a pre-emptive approach to Model Risk, which makes it possible to keep the risk within parameters laid down in the Group's RAF, by regularly calculating appetite metrics and other indicators specific to model risk.

Major milestones include the framework for model risk management and control developed in 2021, with the involvement of related areas (developers and validation units). Similarly, the reporting framework has been implemented, which enables the most relevant models to be made known, as well as the significant aspects of risk management. Lastly, the progressive deployment of the function in major subsidiaries has continued.

In 2022, there are plans to further consolidate the development of the function, emphasising the effective implementation of the governance framework for non-regulatory models, the evolution of the model risk monitoring framework, the development of architectures for efficient risk management and the advancement of corporate deployment of the function.

Other operational risks

In the Corporate Risk Catalogue, these are defined as loss or damage caused by errors or failures in processes, by external events or by the accidental or malicious actions of third parties outside the Entity. It includes, among others, risk factors related to outsourcing, operational continuity or external fraud.

All of the Group's areas and companies are responsible for the set of other operational risks that arise within their respective remits. This means identifying, assessing, managing, controlling and reporting the operational risks of their activity and helping CaixaBank's Non-Financial Risk Control Division to implement the management model throughout the Group.

CaixaBank's second line of defence has developed control frameworks for outsourcing and external fraud risks, similar to those used in technology risk, to assess the effectiveness of the control environment and measure the level of residual risk, establishing mitigation plans where necessary. These reports are presented to management and governing bodies, as required.

3.5.2. Reputational risk

Reputational risk is defined as the possibility that the Entity's competitive edge could be blunted by loss of trust by some of its stakeholders, based on their assessment of actions or omissions, real or purported, by the Entity, its Senior Management or Governance Bodies, or because of related unconsolidated entities becoming bankrupt (step-in risk).

Some areas of risk identified by the Entity in which such trust could be impaired are, among others, the inadequate design and marketing of products, inefficient information security systems, and the need to promote ESG aspects (Environmental, Social and Corporate Governance) in the business, including climate change, talent development, work—life balance, diversity and occupational health.

The risk is monitored using internal and external selected reputational indicators from various sources of stakeholder expectations and perception analysis. The measurement indicators are weighted according to their strategic importance and are grouped in a balanced reputation scorecard that enables a Global Reputation Index (GRI) to be obtained. This metric enables the positioning to be monitored quarterly by sector and time, and the tolerated ranges and metrics to be set in the RAF.

As of this year, the Group has a specific reputational risk management policy based on the entity's three lines of defence model, which defines and extends the principles governing the management and control of this risk in the Entity. It covers the regulatory



framework, general principles and strategy governing reputational risk management, governance framework, control framework and functions, as well as the reporting framework for this risk. Its scope covers all the Entity's companies.

Specifically, the Entity's reputational risk control and management strategy envisages:

- The regular identification and assessment of reputational risks, for which there is a specific taxonomy (risk catalogue) and regular assessment and analysis processes (half-yearly risk assessment, regular analysis of perceptions, identification of crisis milestones, studies and market benchmarks).
- Management and prevention policies and procedures including, besides the creation of the abovementioned policy, the development of the reputational risk culture in all Group companies and internal procedures for reputational crisis management with detection protocols, severity scales, and actions to curtail or eliminate potential negative effects.
- Risk prevention and fostering of reputation by managing communication channels and dialogue with stakeholders, analysing business operations from this perspective, and developing communication initiatives that strengthen the visibility and recognition of corporate values among stakeholders.
- Risk monitoring and control through both internal and external indicators, such as RAF reputation metrics, control framework review, regulatory compliance, and the development of regular reputation control and measurement systems.
- Lastly, regular reporting to the governing bodies, to the Company's senior management, as well as to the supervisors, for informed decision-making in this field.

4. Capital adequacy management

The composition of the Group's eligible own funds is as follows:

ELIGIBLE OWN FUNDS

(Millions of euros)

	31-12-202	31-12-2021		31-12-2020	
	AMOUNT	AS %	AMOUNT	AS %	
Net equity	35,425		25,278		
Shareholders' equity	37,013		27,118		
Capital	8,061		5,981		
Result	5,226		1,381		
Reserves and other	23,726		19,756		
Minority interests and OCI	(1,588)		(1,840)		
Other CET1 instruments	(601)		268		
Adjustments applied to the eligibility of minority interests and					
OCI	63		(107)		
Other adjustments (1)	(664)		375		
CET1 Instruments	34,824		25,546		
Deductions from CET1	(6,487)		(5,892)		
Intangible assets	(3,856)		(3,873)		
Deferred tax assets	(2,074)		(1,789)		
Other deductions from CET1	(557)		(230)		
Common Equity Tier 1 (CET1)	28,337	13.1%	19,654	13.6%	
AT1 instruments	4,984		2,984		
AT1 Deductions					
TIER 1	33,322	15.5%	22,638	15.7%	
T2 instruments	5,192		3,407		
T2 Deductions					
TIER 2	5,192	2.4%	3,407	2.4%	
TOTAL CAPITAL	38,514	17.9%	26,045	18.1%	
Other eligible subordinated instruments. MREL	10,628		6,664		
SUBORDINATED MREL	49,142	22.8%	32,709	22.7%	
Other computable instruments. MREL	7,382		5,111		
MREL (2)	56,524	26.2%	37,820	26.3%	
RISK WEIGHTED ASSETS (RWA)	215,500		144,073		
Individual CaixaBank ratios:					
Common Equity Tier 1 (CET1)		13.9%		15.1%	
TIER 1		16.4%		17.4%	
Total capital		19.0%		20.0%	
RWAs	200,604		132,806		

⁽¹⁾ Mainly includes the forecast for dividends, and IFRS 9 transitional adjustment.

The following chart sets out a summary of the minimum requirements of eligible own funds:

MINIMUM REQUIREMENTS

	31-12-202	1	31-12-2020	
	AMOUNT	AS %	AMOUNT	AS %
BIS III minimum requirements				
CET1 (*)	17,639	8.19%	11,670	8.10%
Tier 1	21,538	9.99%	14,236	9.88%
Total capital	26,737	12.41%	17,658	12.26%

^(*) For 2022, the requirements are increased to 8.31% for CET 1, 10.12 % for Tier 1 and 12.53 % for Total Capital. The countercyclical buffer is updated quarterly.

⁽²⁾ December 2021 includes the issuance of EUR 1,000 million in senior preferred debt in 2022. Without considering this issuance, the ratio would be 25.8%. In relation to the MREL requirement, the new recovery and resolution directive (BRRD2) provides that as from 1 January 2024, at the consolidated level, CaixaBank must comply with a total MREL requirement of 22.95% of RWAs (16.26% with subordinated instruments) and 6.09% of leverage ratio exposure (LRE). In December 2021, the total MREL ratio reached 9% of LRE.



4. Capital adequacy management



The following chart provides a breakdown of the leverage ratio:

LEVERAGE RATIO

(Millions of euros)

	31-12-2021	31-12-2020
Exposure	631,351	403,659
Leverage ratio (Tier 1/Exposure)	5.3%	5.6%

The changes in eligible own funds are as follows:

CHANGES IN ELIGIBLE OWN FUNDS

	31-12-2021	31-12-2021 31-12-202		0	
	AMOUNT	AS %	AMOUNT	AS %	
CET1 AT THE START OF THE YEAR	19,654	13.6%	17,787	12.0%	
Changes in CET1 instruments	9,279		1,432		
Capital	2,079				
Benefit	5,226		1,381		
Expected dividends	(1,179)		(216)		
Reserves	2,807		386		
Valuation adjustments and other (1)	346		(119)		
Changes in deductions from CET1	(596)		435		
Intangible assets	17		359		
Deferred tax assets	(285)		85		
Other deductions from CET1	(328)		(9)		
CET1 AT THE END OF THE YEAR	28,337	13.1%	19,654	13.6%	
ADDITIONAL TIER 1 AT THE START OF THE YEAR	2,984	2.1%	2,236	1.5%	
Changes in AT1 instruments (2)	2,000		748		
ADDITIONAL TIER 1 AT THE END OF THE YEAR	4,984	2.3%	2,984	2.1%	
TIER 2 AT THE START OF THE YEAR	3,407	2.4%	3,224	2.2%	
Changes in Tier 2 instruments	1,785		183		
Subordinate issuances (3)	2,675		0		
Redemption of issuances	(1,175)		0		
Other	285		(71)		
Changes in Tier 2 deductions	0				
TIER 2 AT THE END OF THE YEAR	5,192	2.4%	3,407	2.4%	

⁽¹⁾ Includes IFRS 9 transitional adjustment

⁽²⁾ In 2021, issuances from Bankia of EUR 1,250 million are included, and a new issuance of EUR 750 million of additional Tier 1 instruments has been made.

⁽³⁾ In 2021, issuances from Bankia of a nominal amount of EUR 1,675 million are included, and a new issuance of EUR 1,000 million of Tier 2 instruments has been made.

The causative details of the main aspects of the financial year that have influenced the CET1 ratio are set out below:



The year includes the one one-off impacts of Bankia's integration (+77 basis points from the integration; -89 basis points for the effect of the PPA and -97 basis points for restructuring costs, the impact of the sale of the Bankia card businesses and the repurchase of Bankia Vida).

The organic change in the year was +106 basis points and -24 basis points caused by the performance of the markets and other (includes regulatory impacts recognised in the second quarter and the sale of the stake in Erste in the fourth quarter). The impact of IFRS 9 phasing was of -22 basis points.

Information on capital requirements by risk calculation method is presented below:

BREAKDOWN OF RISK-WEIGHTED ASSETS BY METHOD

	31-12-2021		31-12-2020	020	
	AMOUNT	%	AMOUNT	%	
Credit risk *	172,645	80.1%	111,827	77.6%	
Standardised approach	83,556	38.8%	63,832	44.3%	
IRB approach	89,089	41.3%	47,995	33.3%	
Shareholder risk	22,729	10.5%	16,729	11.6%	
PD/LGD method	4,837	2.2%	4,056	2.8%	
Simple method	17,892	8.3%	12,673	8.8%	
Market risk	1,755	0.8%	2,267	1.6%	
Standardised approach	568	0.3%	1,158	0.8%	
Internal models (IMM)	1,187	0.6%	1,109	0.8%	
Operational risk	18,371	8.5%	13,250	9.2%	
Standardised approach	18,371	8.5%	13,250	9.2%	
TOTAL	215,500	100.0%	144,073	100.0%	

 $[\]label{eq:condition} \mbox{(*)} Includes credit valuation adjustments (CVA), deferred tax assets (DTAs) and securitisations.$

5. Appropriation of profit

The appropriation of profits of CaixaBank, SA from the 2021 financial year, which the Board of Directors agrees to propose to the Annual General Meeting for approval, based on the information available to elaborate these financial statements, is presented below:

APPROPRIATION OF PROFITS OF CAIXABANK, SA

	2021
Basis of appropriation	
Profit/(loss) for the year	4,215
Appropriation:	
To dividends (1)	1,179
To reserves(2)	3,036
To legal reserve (3)	0
To voluntary reserve (2) (4)	3,036
NET PROFIT FOR THE YEAR	4,215

⁽¹⁾ Estimated amount corresponding to payment of the dividend of EUR 0.1463 per share, to be paid in cash. This amount is equivalent to 50% of consolidated net profit, adjusted to include the extraordinary impacts to have arisen from the merger with Bankia S.A., in line with the dividend policy currently in force. The amount of EUR 1,179 million is reduced in accordance with the number of treasury shares held by CaixaBank at the date of payment of the divided as, in accordance with the Spanish Corporate Enterprises Act, treasury shares are not eligible to receive dividends.

⁽²⁾ Estimated amount to be appropriated to voluntary reserves. This amount will be increased by the same quantity as the reduction in the amount earmarked for payment of the dividend (see note (1) above).

⁽³⁾ It is not necessary to transfer part of the 2021 profit to the legal reserve, as this reserve has reached 20% of the share capital at this time (article 274 of the Corporate Enterprises Act).

⁽⁴⁾ Remuneration of AT1 capital instruments corresponding to 2021, totalling EUR 244 million, will be deemed to have been paid, with this amount charged to voluntary reserves.

6. Shareholder remuneration and earnings per share

CaixaBank | 2021 Financial Statements



6. Shareholder remuneration and earnings per share

6.1. Shareholder remuneration

Following the European Central Bank's announcement on 23 July 2021 of not extending its recommendation on dividend distributions beyond September 2021, the Board of Directors approved on 29 July 2021 the Dividend Policy for 2021, establishing the distribution of a cash dividend of 50% of the consolidated net profit adjusted by the extraordinary impacts from the merger with Bankia in a single payout in 2022.

On 27 January 2022, the Board of Directors has agreed to submit the distribution of a EUR 0.1463 gross cash dividend per share against the 2021 Fiscal Year profits for approval at the next Annual General Meeting, which is expected to be paid during the second quarter of 2022. The payment of this dividend will entail that shareholder remuneration for the 2021 Fiscal Year is EUR 1,179 million, which is equivalent to 50% of the consolidated net profit adjusted by the extraordinary impacts from the merger with Bankia.

Furthermore, the Board of Directors approved the Dividend Policy for 2022, establishing the distribution of a cash dividend between 50% and 60% of the consolidated net profit in a single payout in 2023, subject to final approval at the Annual General Meeting.

It also stated CaixaBank's intention to launch a share buy-back programme during the 2022 Fiscal Year, subject to the appropriate regulatory clearance, with the aim of bringing the CET1 capital ratio closer to the internal target.

The following dividends were distributed in recent years:

DIVIDENDS PAID

(Millions of euros)

	EUROS PER SHARE	AMOUNT PAID IN CASH	ANNOUNCEMENT DATE	PAYMENT DATE
2021				
Dividend for 2020	0.0268	216	29-01-2021	24-05-2021
2020				
Dividend for 2019	0.07	418	26-03-2020	15-04-2020

6.2. Earnings per share

Basic and diluted earnings per share of the Group are as follows:

CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE

	2021	2020
Numerator	4,982	1,238
Profit attributable to the Parent	5,226	1,381
Less: Preference share coupon amount (AT1)	(244)	(143)
Denominator (thousands of shares)	7,575	5,978
Average number of shares outstanding (1)	7,575	5,978
Adjusted number of shares (basic earnings per share)	7,575	5,978
Basic earnings per share (in euros) (2)	0.66	0.21
Diluted earnings per share (euro) (3)	0.66	0.21

⁽¹⁾ Number of shares outstanding at the beginning of the year, excluding average number of treasury shares held during the period. Includes the retrospective adjustments set out in IAS 33.

⁽²⁾ If the profit/loss of CaixaBank (non-consolidated basis) in 2021 and 2020 had been considered, the basic profit would be EUR 0.53 and 0.09 per share, respectively.

⁽³⁾ Preference shares did not have any impact on the calculation of diluted earnings per share, since their capacity to be convertible was unlikely. Additionally, equity instruments associated with remuneration components were not significant.



7. Business combinations, acquisition and disposal of ownership interests

CaixaBank | 2021 Financial Statements



7. Business combinations and mergers

Business combinations - 2021

Merger with Bankia, S.A.

On 17 September 2020, the Board of Directors of CaixaBank and Bankia entered a Shared Merger Project involving the takeover merger of Bankia (absorbed company) by CaixaBank (absorbent company).

The joint merger plan was deposited in the Commercial Register of Valencia and approved at the General Shareholders' Meetings of CaixaBank and Bankia, which were held in early December 2020, including the following issues:

- The takeover merger of Bankia (absorbed company) by CaixaBank (absorbing company), entailing the extinction of the former, via dissolution without liquidation, and the transfer of the entirety of its assets to CaixaBank, which acquires the rights and obligations of Bankia through universal succession.
- The Merger exchange ratio is set at 0.6845 shares of CaixaBank, with a nominal value of one euro each, for each share of Bankia, with a nominal value of one euro each (hereinafter, the "Exchange Ratio").
- CaixaBank will cover the Exchange Ratio by means of newly issued shares.

Effective control was set for 23 March 2021, once all conditions precedent were met.

Capital increase

Considering Bankia's share capital on the date of the merger transaction, comprising 3,069,522,105 shares (3,037,558,805 shares net of treasury stock), and the exchange ratio, these shares were exchanged for 2,079,209,002 CaixaBank shares.

Taking the CaixaBank share price at the close of the abovementioned date¹⁴, the total value of the capital increase, and consequently the acquisition cost of the business combination, has amounted to EUR 5,314 million, of which EUR 2,079 million correspond to the nominal value of CaixaBank's new issued shares, each with a nominal value of one (1) euro, and an issue premium increase of EUR 3,235 million relating to the difference between the actual amount of the capital increase (business combination cost) and the nominal value of the new shares issued (see Note 22).

Provisional accounting of the business combination

These financial statements include the provisional recognition of this business combination. The acquisition date for accounting purposes was 31 March 2021. The impact on equity and profit or loss of the difference between the acquisition date and the date control was effectively obtained is not significant.

The book and fair value of the assets and liabilities of Bankia, SA at 31 March 2021 is as follows:

¹⁴ EUR 2.556 per share.



124

VALUE ADJUSTMENTS TO THE ASSETS AND LIABILITIES OF THE ACQUIRED ENTITY

(Millions of euros)				
		FAIR		
		VALUE	OTHER	
			ADJUSTME	
	AMOUNT	ENTS	NTS*	FAIR VALUE
ASSETS				
Cash and cash balances at central banks and other demand deposits	11,883			11,883
Financial assets held for trading	5,992	(23)		5,969
Financial assets not designated for trading compulsorily measured at fair value through profit or				
loss	11			11
Financial assets at fair value with changes in other comprehensive income	8,478	283	1,040	9,801
Financial assets measured at amortised cost	160,867	(353)	(522)	159,992
Debt securities	37,357	614	(966)	37,005
Loans and advances	123,510	(967)	444	122,987
Derivatives - Hedge accounting	2,137	2	(1,192)	947
Investments in subsidiaries, associates and joint ventures	1,739	216	39	1,994
Assets under the insurance business				
Tangible assets	2,415	(206)		2,209
Intangible assets	429	(38)		391
Tax assets	9,954	(1,031)	(11)	8,912
Current tax assets	141			141
Deferred tax assets	9,813	(1,031)	(11)	8,771
Other assets	7,688			7,688
Non-current assets and disposal groups classified as held for sale	1,702	(61)	(94)	1,547
TOTAL ASSETS	213,295	(1,211)	(740)	211,344
LIABILITIES				
Financial liabilities held for trading	5,987		(380)	5,607
Financial liabilities at amortised cost	192,309	1,178	(726)	192,761
Derivatives - Hedge accounting	146		` ,	146
Provisions	1,203	534	63	1,800
Pensions and other post-employment defined benefit obligations	626			626
Other long-term employee benefits		25	82	107
Pending legal issues and tax litigation	178	258	63	499
Commitments and guarantees given	277	65		342
Other provisions	122	186	(82)	226
Tax liabilities	408	603	, , ,	1,011
Other liabilities	620	(52)	(163)	405
TOTAL LIABILITIES	200,673	2,263	(1,206)	201,730
TOTAL EQUITY	12,622	(3,474)	466	9,614
Consideration paid				5,314
Negative consolidation difference				4,300

^(*) Mainly includes the adaptation of portfolios to the CaixaBank Group business model and the netting of hedging derivatives with chambers (IFRS 3.15).

The following contingent assets and liabilities of the acquiree were measured during the Purchase Price Allocation (PPA) process:

The value of the loan portfolio classified as "Financial assets at amortized cost" has been adjusted to include the fair value of the portfolio on the basis of IFRS 3 - Business combinations, both in relation to the collective monitoring and individual monitoring loan portfolios, compared with the provisions constituted by Bankia at 31 March 2021, registered on the basis of International Financial Reporting Standard 9 - Financial instruments. This adjustment includes the effect of adjusting the lifetime expected loss. In accordance with paragraph B64 of IFRS 3, the gross contractual amounts receivable from loans and advances to customers and the provisional adjustments made under the scope of the purchase price allocation process are as follows:

7. Business combinations, acquisition and disposal of ownership interests

CaixaBank | 2021 Financial Statements



CONTRACTUAL AMOUNTS AND PROVISIONS ADJUSTMENTS TO LOANS AND ADVANCES

(Millions of euros)

		31-03-2021			ADJUSTMENTS MADE DURING	
		VALUATION		F		
	GROSS AMOUNT	ADJUSTMENTS	PROVISIONS	NET BALANCE	ALLOCATION	FAIR VALUE
Loans and advances	126,086	366	(2,498)	123,954	(967)	122,987
Central banks	1			1		1
Credit institutions	3,744	1	(2)	3,743		3,743
Customers	122,341	365	(2,496)	120,210	(967)	119,243

- The fair value of the portfolio of real estate assets has been obtained considering appraisals available and other parameters.
- The fair values of the portfolio of non-listed holdings were estimated using a variety of generally accepted valuation techniques, primarily discounted cash flows and dividends.
- For fixed income instruments, either market prices or discounted cash flows applying market inputs were used, based on the type of asset.
- In order to estimate the value of intangible assets that meet the criteria of separability or contractual legality, as set out in IAS 38, the fair value has been determined comprising discounted margin flows contributed over the estimated useful life of the business/contractual relationship. On this basis, intangible assets have been recognised, the nature of which corresponds mainly to the contractual relationships of asset management customers. Similarly, intangible assets from goodwill originating in previous business combinations have been derecognised, as well as those to which no market value has been assigned.
- Wholesale debt issuances, including any treasury shares, were estimated at their fair values.
- Liabilities and contingent liabilities were measured at the best estimate of the outflow of resources that could be required of uncertain timing. These adjustments include the recognition of the estimated amount to be paid to settle legal and tax risks, as well as compensation costs arising from breach of agreements, among others.
- Within the framework of the business combination and merger with Bankia, and considering the alignment of criteria and judgment of the administrators and the negative impact of the current economic situation, as well as the ESMA statement of 2019¹⁵ we have deemed it appropriate not to recognise tax loss carry-forwards for an amount of EUR 2,023 million (see Note 23).
- For all fair value adjustments identified in the PPA that have resulted in temporary differences between accounting cost and tax cost, the corresponding deferred tax asset or liability has been recorded

The Group has recorded a positive amount equivalent to the negative difference arising on consolidation of EUR 4,300 million under "Negative goodwill recognised in profit or loss" in the accompanying condensed interim consolidated statement of profit or loss (before and after tax).

With regard to the recognition of negative goodwill, and prior to recording it, taking into account the ECB's "Guide on the supervisory approach to consolidation in the banking sector" of 12 January 2021, the Group has recovered – with the collaboration of an independent expert – the integrity of the values and the reasonableness of the methodologies and parameters adopted in determining the fair value of Bankia's assets and liabilities.

The net profit attributed to the Group and the gross margin from this business at 31 December 2021, if the business combination had been carried out on 1 January 2021, would be increased by EUR 54 million and EUR 711 million, respectively. The costs directly associated with the transaction are not relevant, and have been recorded in the statement of profit or loss for the period in which they materialise.

The accounting standard allows the acquirer to report provisional amounts for the assets acquired and liabilities assumed for no more than one year. Provided that new information is obtained on existing events and circumstances at the date of control, they may be modified.

^{15 &}quot;Considerations on recognition of deferred tax assets arising from the carry-forward of unused tax losses" of July 2019

${\it 7. Business combinations, acquisition and disposal of ownership interests}\\$

CaixaBank | 2021 Financial Statements



Merger with CaixaBank neX

The takeover of CaixaBank neX, S.A. (acquired entity, wholly owned by CaixaBank) by CaixaBank (acquiring entity) was approved in June 2021, with no impact on the statement of profit or loss.

Sale of businesses - 2021

Sale of businesses from Bankia

In October 2021, CaixaBank sold certain lines of business directly pursued by Bankia to the following investees:

- Sale of the acquiring business (POS) to Comercia Global Payments EP, SL (CGP) for EUR 260 million. Global Payments Inc and CaixaBank hold an 80% and 20% stake, respectively, in CGP.
- Sale of the prepaid card business to Global Payments MoneytoPay, EDE, SL (MTP) for EUR 17 million. Global Payments Inc and CaixaBank hold a 51% and 49% stake, respectively, in MTP.

The result of these transactions was a net capital gain of EUR 266 million, recorded under "Gains or losses on derecognition of non-financial assets, net" in the statement of profit or loss.

Sale of cards to CaixaBank Payments & Consumer

In November 2021, CaixaBank sold its card management business to CaixaBank Payments&Consumer (CPC) for EUR 414 million, with a gain on the sale of EUR 174 million, recognised under "Gains or losses on derecognition of non-financial assets, net" in the income statement.



8. Remuneration of key management personnel

CaixaBank | 2021 Financial Statements



8. Remuneration of key management personnel

8.1. Remuneration of the Board of Directors

At the Ordinary Annual General Meeting of CaixaBank held on 14 May 2021, the amendment to the remuneration policy for the Board of Directors was approved for 2020-2022, in accordance with the remuneration scheme set out in the By-laws and in the Regulations of the Board of Directors, as well as the provisions of the Corporate Enterprises Act and Act 10/2014, of 26 June, on the organisation, supervision and capital adequacy of credit institutions.

Article 34 of CaixaBank's By-laws stipulates that the position of Director shall be remunerated and that this remuneration shall consist of a fixed annual sum with a maximum amount determined by the Annual General Meeting and which shall remain in force until the General Meeting agrees to modify it. This maximum amount shall be used to remunerate all the Directors in their condition as such and shall be distributed as deemed appropriate by the Board of Directors, following the proposal of the Remuneration Committee, both in terms of remuneration to members, especially the Chairman, who receives additional fixed remuneration for carrying out his duties, and according to the duties and position of each member and to the positions they hold in the various Committees. Likewise, in conformance with the agreement and subject to the limits determined by the Annual General Meeting, Directors may be remunerated with Company shares or shares in another publicly traded Group company, options or other share-based instruments or of remuneration referenced to the value of the shares.

Non-executive Directors maintain an organic relationship with CaixaBank and consequently do not have contracts established with the Company for exercising their functions or do not have any type of recognized payment for the termination of the Director position; it only consists of fixed components.

Executive Directors carrying out executive duties are entitled to receive remuneration for these duties, which may be either a fixed amount, a complementary variable amount, incentive schemes, and benefits, which may include pension plans and insurance and, where appropriate, social security payments. In the event of departure of the CEO not caused by a breach of their functions, they may be entitled to compensation.

In addition, given the enormous practical issues involving an individual policy, Non-Executive Directors are covered by the civil liability policy for Directors and executives of the Entity to cover any third-party liabilities they may incur when carrying out their duties.

Details of remuneration and other benefits received by the members of the Board of Directors of CaixaBank for their membership in that body in those years are as follows:

REMUNERATION OF THE BOARD OF DIRECTORS

(Thousands of euros)

				FIXED COMPO	NENTS		VARIABLE CO	OMPONENTS				
	POSITION	SALARY	REMUNERATION FOR BOARD MEMBERSHIP	REMUNERATION FOR MEMBERSHIP ON BOARD COMMITTEES	REMUNERATION FOR POSITIONS HELD AT GROUP COMPANIES *	REMUNERATION FOR MEMBERSHIP ON COMMITTEES OUTSIDE THE GROUP (5)		SHARE-BASED REMUNERATION SCHEMES	LONG-TERM SAVINGS SYSTEM	OTHER	TOTAL 2021	TOTAL 2020
Goirigolzarri, Jose Ignacio (3)	Chairman	1,122	69	45		11	117	256		73	1,693	
Gual, Jordi (3)			258	14		59					331	1,382
Muniesa, Tomás	Deputy Chairman		90	100	435	11					636	620
Gortazar, Gonzalo ** (6)	CEO	1,917	90	50	204		413	645	505	72	3,896	2,836
Reed, John S.	Lead Director		128	36							164	149
Armenter, Marcelino (1)											0	31
Ayuso, Joaquín (3)	Director		69	60							129	
Bassons, Maria Teresa (3)			21	7							28	120
Campo, Francisco Javier (3)	Director		69	60							129	
Castillo, Eva (3)	Director		69	60							129	
Fisas, M. Verónica	Director		90	100							190	183
Fundación CajaCanarias, represented by Natalia Aznarez (3)			21	12							33	140
García-Bragado, Alejandro (3	3)		21	7							28	120
Garmendia, Cristina	Director		90	110							200	169
Garralda, Ignacio (3)			21								21	90
Moraleda, María Amparo	Director		90	116							206	206
Sanchiz, Eduardo Javier	Director		90	140							230	218
Santero, Teresa (3)	Director		69	38							107	
Serna, José	Director		90	73							163	140
Ulrich, Fernando Maria (3) (7	') Director		69	60	750						879	
Usarraga, Koro	Director		90	160							250	231
Vives, Francesc Xavier (2)											0	81
		3,039	1,604	1,248	1,389	81	530	901	505	145	9,442	6,716

^(*) Registered in the income statement of the respective companies.

- (4) Includes remuneration in kind (health and life insurance premiums paid in favour of Executive Directors), interest accrued on deferred variable remuneration in cash, other insurance premiums paid and other benefits.
- (5) Remuneration received for representing the Entity on Boards of Directors of listed companies and others in which the Company has a presence, outside of the consolidated group and which are recorded in the statements of profit or loss of the respective companies.
- (6) The Chief Executive Officer decided to voluntarily waive his variable remuneration corresponding to 2020, both as regards the yearly bonus as well as participation in the yearly Long-Term Incentives Plan corresponding to 2020.
- (7) The positions he holds at BPI are not on behalf of the CaixaBank Group.

^(**) Only Gonzalo Gortazar carried out executive functions in 2020. Jose Ignacio Goirigolzarri and Gonzalo Gortazar have practiced executive duties in 2021.

⁽¹⁾ Marcelino Armenter stood down from his position on 2 April 2020.

⁽²⁾ The appointment of Francesc Xavier Vives as Coordinating Director was not renewed in 2020, after his mandate ended.

⁽³⁾ In 2021, the following have been appointed: José Ignacio Goirigolzarri as executive director, Joaquín Ayuso, Francisco Javier Campo and Eva Castillo as independent directors, Fernando Maria Ulrich as external director and Teresa Santero as proprietary director, at the proposal of the FROB (in view of the stake held in CaixaBank through the wholly-owned company, BFA Tenedora de Acciones, SAU). Furthermore, Jordi Gual, Maria Teresa Bassons, Alejandro García-Bragado, Ignacio Garralda and the CajaCanarias Foundation stood down in 2021.



8. Remuneration of key management personnel

CaixaBank | 2021 Financial Statements



CaixaBank does not have any pension obligations with former or current members of the Board of Directors in their capacity as such.

8.2. Remuneration of Senior Management

The breakdown and details of remuneration received by Senior Management of the Group are as follows:

REMUNERATION OF SENIOR MANAGEMENT

(Thousands of euros)

	2021	2020
Salary (1)	11,927	7,267
Post-employment benefits (2)	1,739	1,820
Other long-term benefits (3)	431	251
Other positions in Group companies	1,011	1,010
TOTAL	15,108	10,348
Remuneration received for representing the bank on Boards of Directors of listed companies and others		
in which the bank has a presence, outside of the consolidated group (4)	180	156
TOTAL REMUNERATION	15,288	10,504
Composition of Senior Management	13	11
General Managers	3	3
Managers	9	7
General Secretary and Secretary to the Board of Directors	1	1

⁽¹⁾ This amount includes fixed remuneration, remuneration in kind and total variable remuneration received by members of the Senior Management. The variable remuneration corresponds to the objective annual bonus accrued in cash and shares of the financial year, including the deferred part, plus the provisional incentive corresponding to the first cycle of the share-based long-term variable remuneration plan. In April 2020, Senior Management announced its withdrawal from variable remuneration for 2020, both with respect to the annual bonus and its participation in the second cycle of the 2020 long-term incentives plan.

All the contracts of Senior Management members, the Chairman and the Chief Executive Officer have post-contractual non-competition commitments of one annual payment of their fixed components (payable in 12 monthly payments) and indemnity clauses equivalent to one annual payment of the fixed components, or the amount payable by law, whichever is higher.

The Chairman and the Chief Executive Officer have an indemnity clause of 1 annual payment of the fixed remuneration components. There are currently 4 committee members for whom the indemnity to which they are legally entitled remain less than 1 year of their salary.

The value of obligations accrued as defined contribution post-employment commitments with Executive Directors and Senior Management are as follows:

POST-EMPLOYMENT COMMITMENTS WITH EXECUTIVE DIRECTORS AND SENIOR MANAGEMENT

(Thousands of euros)

31-12-2021	31-12-2020
Post-employment commitments 18,241	15,386

⁽²⁾ Includes insurance premiums and discretionary pension benefits.

⁽³⁾ This item corresponds to the amount of the risk policy whose increase does not correspond to the remuneration management, but rather to the performance of the technical variables that determine the premiums.

⁽⁴⁾ Registered in the statement of profit or loss of the respective companies.



8. Remuneration of key management personnel

CaixaBank | 2021 Financial Statements



8.3. Other disclosures concerning the Board of Directors

Article 30 of the Regulations of the Board of Directors of CaixaBank governs the situations of conflict applicable to all directors, establishing that the director must avoid situations that could entail a conflict of interest between the Company and the Director or its related persons, adopting the measures necessary in this regard.

Directors bear certain obligations in their duty to avoid situations of conflicts of interest, such as: i) directly or indirectly carrying out transactions with CaixaBank unless they are ordinary operations, carried out under standard conditions for all customers and of little significance; ii) using the Company name or relying on their status as director of the Company to unduly influence private transactions; iii) making use of the Company's assets or availing themselves of their position at the Company to obtain an economic advantage or for any private purposes; iv) taking advantage of the company's business opportunities; v) obtaining advantages or remuneration from third parties other than the Company and its group in association with the performance of their duties, with the exception of mere courtesies; and vi) performing activities on their own behalf or via third parties that constitute direct, actual or potential competition with the company or which, by any other means, put them in a position of permanent conflict with the interests of CaixaBank.

The aforementioned obligations may be waived in one-off cases, in some cases require the approval by the General Meeting.

The Regulations of the Board of Directors are publicly available on the CaixaBank website (www.caixabank.com).

In any case, the advisers must notify the CaixaBank Board of Directors of any situation of conflict, direct or indirect, that the directors or persons related to them may be involved in, with the interests of the Entity, which will be subject to reporting in the financial statements, as established in article 229.3 of the Corporate Enterprises Act.

During the 2021 financial year, no director reported any situation that would place them in a conflict of interest with the Entity, although on the following occasions the directors abstained from intervening and voting in the deliberation of matters at meetings of the Board of Directors:

CONFLICTS OF INTEREST

DIRECTOR	CONFLICT
	Abstention from deliberation and voting on the resolution regarding appointment as Chairman of the Board of Directors, delegation of powers in his favour and approval of the contract for his executive duties.
José Ignacio	Abstention from the deliberation and voting on the resolution regarding her appointment as member of the Executive Committee of the Board of Directors.
Goirigolzarri	Abstention from the deliberation and voting on the bonus scheme and corporate challenges of 2021.
	Abstention from the deliberation and voting on the resolution regarding fixed individual remuneration corresponding to 2021
	Abstention from the deliberation and voting on the proposed bonus and individual challenges for 2021.
Tomás Muniesa	
(Deputy Chairman)	Abstention from the deliberation and voting on the resolution regarding financing operations to a related party.
Gonzalo Gortazar	Abstention from the deliberation and voting on the bonus scheme and corporate challenges of 2021.
(CEO)	Abstention from the deliberation and voting on the resolution regarding fixed individual remuneration corresponding to 2021
(020)	Abstention from the deliberation and voting on the proposed bonus and individual challenges for 2021.
Joaquín Ayuso	Abstention from the deliberation and voting on the resolution regarding appointment as member of the Remuneration Committee.
	Abstention from the deliberation and voting on the resolution regarding appointment as member of the Risk Committee.
Francisco Javier	Abstention from the deliberation and voting on the resolution regarding appointment as member of the Appointments Committee.
Campo	Abstention from the deliberation and voting on the resolution regarding appointment as member of the Audit and Control Committee.
Eva Castillo	Abstention from the deliberation and voting on the resolution regarding her appointment as member of the Executive Committee.
Eva Castillo	Abstention from the deliberation and voting on the resolution regarding appointment as member of the Innovation, Technology and Digital Transformation Committee.
Fernando Maria	Abstention from the deliberation and voting on the resolution regarding appointment as member of the Appointments Committee.
Ulrich	Abstention from the deliberation and voting on the resolution regarding appointment as member of the Risk Committee.
María Verónica Fisas	Abstention from deliberation and voting on a motion regarding financing arrangements intended for related parties.
	Abstention from the deliberation and voting on the resolution regarding appointment as member of the Audit and Control Committee.
Teresa Santero	Abstention from the deliberation and voting on the agreement concerning the extension and subsequent termination of the existing agreement to provide services to BFA Tenedora de Acciones, S.A.U. and the signing of an agreement on information and documentation that is intended to regulate access to the information and documentation of BFA Tenedora de Acciones, S.A.U. held by CaixaBank and a new agreement for the provision of certain tax management services in the ongoing tax checks of BFA Tenedora de Acciones, S.A.U.
José Serna	Abstention from the deliberation and voting on the resolution regarding appointment as member of the Remuneration Committee.
Jose Serria	Abstention from the deliberation and voting on the agreements regarding their proposed re-election as member of the Board of Directors.
	Abstention from the deliberation and voting on the agreements regarding their proposed re-election as member of the Board of Directors.
Koro Usarraga	Abstention from the deliberation and voting on the resolution regarding reappointment as a member of the executive Committee.
	Abstention from the deliberation and voting on the resolution regarding the extension of financing to a related party.

The other directors with appointments in force during 2021 (in other words, John S. Reed, Cristina Garmendia, Amparo Moraleda and Eduardo Javier Sanchiz, as well as the directors up to the date of effectiveness of the merger with Bankia, S.A. and the appointment of new advisers in March 2021, in other words, Jordi Gual, Alejandro García-Bragado, María Teresa Bassons and the Fundación CajaCanarias as well as its individual representative to exercise the position, Natalia Aznárez) have declared that they have had no situation of conflict with the Company's interests, be it direct or indirect, proprietary interests, or the interests of the people linked to them, during the period of their mandate in 2021.

The Internal Rules of Conduct on Matters relating to the Stock Market regulates conflicts of interest, establishing the obligation to inform Regulatory Compliance of any conflict of interest affecting the director of his or her related parties.

There is no family relationship between the members of the CaixaBank Board of Directors and the group of key personnel comprising CaixaBank's Senior Management.

8. Remuneration of key management personnel

CaixaBank | 2021 Financial Statements



Prohibition of competition

Specifically, article 229.1f) of the Corporate Enterprises Act establishes that Board members may not carry out for their own account or the account of other activities which actually or potentially constitute effective competition with those carried out by the Company or which, in any other way, permanently conflict with the Company's interests. Article 230 of the Corporate Enterprises Act stipulates that this prohibition can be lifted if the Company is not expected to incur damages or it is expected that it will be indemnified for an amount equal to the benefits expected to be obtained from the exemption. Express and separate approval of the exemption must be obtained from shareholders at the Annual General Meeting. The provisions contained in the mentioned articles also apply to cases where the beneficiary of any such actions or activities is a person related to the director.

The company has not been informed of any activity or circumstance that might represent effective, current or potential competition of the directors or persons associated with them, with CaixaBank Group or that, in any other way, places them in permanent conflict with the interests of the Entity.

8.4. Voting rights held by "key management personnel"

At year-end, the (direct and indirect) voting rights held by "key management personnel" are specified in section "Participation of the Board (A.3)" of the Annual Corporate Governance Report, attached to the Management Report.

133

9. Cash and cash balances at central banks and other demand deposits

The breakdown of this heading is as follows:

BREAKDOWN OF CASH, CASH BALANCES AT CENTRAL BANKS AND OTHER DEMAND DEPOSITS

(Millions of euros)

	31-12-2021	31-12-2020
Cash	2,752	2,073
Cash balance in central banks (Note 3.3.3)	93,611	44,414
Other demand deposits	482	292
TOTAL	96,845	46,779

Cash balances at central banks includes balances held to comply with the mandatory minimum reserves requirement in the central bank based on eligible liabilities. The mandatory reserves earn interest at the rate applicable to all major Eurosystem financing operations.

10. Financial assets and liabilities held for trading

10.1. Trading derivatives

The breakdown of this heading is as follows:

BREAKDOWN OF TRADING DERIVATIVES (PRODUCT AND COUNTERPARTY)

(Millions of euros)

	31-12-20	021	31-12-2020	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES
Unmatured foreign currency purchases and sales	478	456	328	332
Purchases of foreign currencies against euros	355	63	47	300
Purchases of foreign currencies against foreign currencies	87	86	17	18
Sales of foreign currencies against euros	36	307	264	14
Share options	440	388	264	247
Bought	440		264	
Issued		388		247
Interest rate options	117	144	97	102
Bought	117		97	
Issued		144		102
Foreign currency options	46	56	53	4
Bought	46		53	
Issued		56		4
Other share, interest rate and inflation transactions	15,890	10,548	11,408	6,441
Share swaps	132	102	149	125
Interest-rate and inflation-linked swaps	15,758	10,446	11,259	6,316
Commodity derivatives and other risks	400	281	309	159
Swaps	398	279	308	159
Bought	2	2	1	
TOTAL	17,371	11,873	12,459	7,285
Of which: contracted in organised markets	35	43	35	51
Of which: contracted in non-organised markets	17,336	11,830	12,424	7,234

For the most part, the Entity hedges the market risk related to derivatives arranged with customers individually by arranging symmetric derivatives on the market, recognising both in the trading portfolio. In this way, the market risk arising from these operations is not significant.

10.2. Equity instruments

The breakdown of this heading is as follows:

BREAKDOWN OF EQUITY INSTRUMENTS

	31-12-2021	31-12-2020
Shares in Spanish companies	186	195
Shares in foreign companies		
TOTAL	186	195



10. Assets and liabilities held for trading

CaixaBank | 2021 Financial Statements



10.3. Debt securities

The breakdown of this heading is as follows:

BREAKDOWN OF DEBT SECURITIES **

(Millions of euros)

31	-12-2021	31-12-2020
Spanish government debt securities *	128	441
Foreign government debt securities *	119	174
Issued by credit institutions	28	40
Other Spanish issuers	111	92
Other foreign issuers	28	48
TOTAL	414	795

^(*) See Note 3.4.1., section "Concentration according to sovereign risk".

10.4. Short positions

The breakdown of this heading is as follows:

BREAKDOWN OF SHORT POSITIONS

(Millions of euros)

	31-12-2021	31-12-2020
On overdrafts on repurchase agreements	280	272
Debt securities - public*	239	249
Debt securities - other issuers	41	23
TOTAL	280	272

^(*) Note 3.4.1., section 'Concentration according to sovereign risk'.

Overdrafts on repurchase agreements of debt securities are short-term transactions arranged to offset off-balance sheet positions that have been sold or are subject to a repurchase agreement.

^(**) See ratings classification in Note 3.4.1, section "Concentration according to credit quality".



11. Financial assets not designated for trading compulsorily measured at fair value through profit or loss

CaixaBank | 2021 Financial Statements



11. Financial assets not designated for trading compulsorily measured at fair value through profit or loss

The breakdown of this heading is as follows:

BREAKDOWN OF FINANCIAL ASSETS NOT DESIGNATED FOR TRADING COMPULSORILY MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

(Millions of euros)

	31-12-2021	31-12-2020
Equity instruments	54	54
Loans and advances	67	85
Customers	67	85
TOTAL	121	139

The changes in the valuation of these financial assets as a result of variations of credit risk are not significant, because of their credit quality (Note 3.4.1).

${\bf 12.}\ {\it Financial}\ assets\ at\ fair\ value\ with\ changes\ in\ other\ comprehensive\ income$

CaixaBank | 2021 Financial Statements

137

12. Financial assets at fair value with changes in other comprehensive income

The breakdown of this heading is as follows:

BREAKDOWN OF FINANCIAL ASSETS AT FAIR VALUE WITH CHANGES IN OTHER COMPREHENSIVE INCOME

(Millions of euros)

	31-12-2021	31-12-2020 (*)
Equity instruments	1,144	899
Shares in listed companies	1,000	843
Shares in non-listed companies	144	56
Debt securities *	13,521	16,448
Spanish government debt securities	11,194	13,357
Foreign government debt securities	764	1,368
Issued by credit institutions	565	581
Other Spanish issuers	55	42
Other foreign issuers	943	1,100
TOTAL	14,665	17,347
Equity instruments		
Of which: gross unrealised gains	9	6
Of which: gross unrealised losses	(1,540)	(1,814)
Debt securities		
Of which: gross unrealised gains	378	566

^(*) See ratings classification in Note 3.4.1. "Concentration according to credit quality".

12.1. Equity instruments

The breakdown of the changes under this heading is as follows:

CHANGES IN EQUTY INSTRUMENTS - 2021

(Millions of euros)

		ADDITIONS						
		DUE TO	ACQUISITONS		GAINS (-) /	ADJUSTMENTS TO		
		BUSINESSES	AND	DISPOSALS AND	LOSSES (+)	MARKET VALUE	TRANSFER	
		COMBINATIO	CAPITAL	CAPITAL	TRANSFERED TO	AND EXCHANGE	S AND	
	31-12-2020	NS (NOTE 7)	INCREASES	DECREASES	RESERVES	DIFFERENCES	OTHER	31-12-2021
Telefónica, SA *	843					157		1,000
Other	56	149	1	(16)	(3)	(6)	(37)	144
TOTAL	899	149	1	(16)	(3)	152	(38)	1,144

^(*) At 31 December 2021, the stake in Telefónica, SA was 4.49% due to the dilutive effect of the scrip dividend (4.87% at 31 December 2020). Subsequent to year-end and up to the date of formulation, CaixaBank has completed a fair value hedge on 1.95% of Telefónica's share capital in the market.

CHANGES IN EQUTY INSTRUMENTS - 2020

	31-12-2019	ACQUISITIONS AND CAPITAL INCREASES	SALES AND REDUCTIONS OF CAPITAL	GAINS (-) / LOSSES (+) TRANSFERRED TO RESERVES	ADJUSTMENTS TO MARKET VALUE AND EXCHANGE DIFFERENCES	TRANSFERS AND OTHER	31-12-2020
Telefónica, SA *	1,617				(774)		843
Other **	112		(60)	(23)	27		56
TOTAL	1,729	•	(60)	(23)	(747)	•	899

^(*) In March 2020, coverage of fair value was cancelled on 1% of said holding (conducted through an equity swap), recording a capital gain of EUR 177 million under the heading "Accumulated other comprehensive income" of net equity. At 31 December 2020, the stake in Telefónica, SA became 4.9% due to the dilutive effect of the 2020 scrip dividend (5.0% at 31 December 2019).

^(**) Dated 25 June 2020, CaixaBank Group sold its direct and indirect stake of 11.51% in Caser, after receiving the pertinent administrative authorisations, for the price of EUR 139 million. The operation did not have a significant material impact for the Group.

12. Financial assets at fair value with changes in other comprehensive income

CaixaBank | 2021 Financial Statements

138

The relevant financial information of the most relevant equity instruments classified in this section is as follows:

FINANCIAL INFORMATION ON KEY INVESTMENTS

(Millions of euros)

					LATEST
	REGISTERED		% VOTING		PUBLISHED
CORPORATE NAME	ADDRESS	% OWNERSHIP	RIGHTS	EQUITY	PROFIT/(LOSS)
Telefónica, SA (1)	Madrid - Spain	4.49%	4.49%	32,410	9,335
Sociedad de gestión de Activos Procedentes de la	Madrid Spain	12 240/	12 240/	(10.722)	(649)
Reestructuración Bancaria, SA (Sareb) (2) (3)	Madrid - Spain	12.24%	12.24%	(10,722)	(648)

 $^{(1) \} Listed \ company. \ The \ information \ on \ equity \ and \ the \ last \ published \ profit/(loss) \ is \ at \ 30-09-2021.$

12.2. Debt securities

The breakdown of the changes under this heading is as follows:

CHANGES IN DEBT SECURITIES

	2021		2020		
	FROM STAGE FROM STAGE FROM STAGE	TOTAL	FROM STAGE FROM ST	TAGE FROM STAGE	TOTAL
Adjusted balance at start of the year	16,448	16,448	14,587		14,587
Plus:					
Additions due to business combinations (Note 7)	9,652	9,652			
Acquisitions			8,173		8,173
Interest	(16)	(16)	(115)		(115)
Gains/(losses) recognised with adjustments to equity (Note 22)	(188)	(188)	74		74
Less:					
Sales and redemptions	(12,350)	(12,350)	(6,124)		(6,124)
Interest					
Amounts transferred to statement of profit or loss (Note 30)	(25)	(25)	(69)		(69)
Exchange differences and other			(78)		(78)
CLOSING BALANCE	13,521	13,521	16,448	·	16,448

⁽²⁾ Non-listed companies. The information on equity and the last published profit/(loss) is at 30-06-2021.

⁽³⁾ On 18 January 2022, the Council of Ministers approved a Royal Decree-Law amending the legal regime of Sareb, in which the Entity holds a 12.24% stake, fully impaired. The main amendment introduced by this regulation is the possibility for the State to be able to reach a stake in this company greater than 50% of its capital, without acquiring the status of a state commercial company. This does not change the time-limited nature of Sareb, the estimated liquidation date of which remains 2027.

13. Financial assets measured at amortised cost

The breakdown of this heading is as follows:

BREAKDOWN OF FINANCIAL ASSETS AT AMORTISED COST 31-12-2021

(Millions of euros)

VALUATION ADJUSTMENTS						
			FEE AND			
GROSS	IMPAIRMENT	ACCRUED	COMMISSION	Ol	JTSTANDING	
BALANCE	ALLOWANCES	INTEREST	INCOME	OTHER	AMOUNT	
62,976		263			63,239	
341,552	(6,967)	552	(250)	648	335,535	
59					59	
8,263	(9)	(3)			8,251	
333,230	(6,958)	555	(250)	648	327,225	
404,528	(6,967)	815	(250)	648	398,774	
	8ALANCE 62,976 341,552 59 8,263 333,230	341,552 (6,967) 59 8,263 (9) 333,230 (6,958)	GROSS IMPAIRMENT ACCRUED BALANCE ALLOWANCES INTEREST 62,976 263 341,552 (6,967) 552 59 8,263 (9) (3) 333,230 (6,958) 555	FEE AND GROSS IMPAIRMENT ACCRUED COMMISSION INTEREST INCOME	FEE AND GROSS IMPAIRMENT ACCRUED COMMISSION OU BALANCE ALLOWANCES INTEREST INCOME OTHER 62,976 263 341,552 (6,967) 552 (250) 648 59 8,263 (9) (3) 333,230 (6,958) 555 (250) 648	

BREAKDOWN OF FINANCIAL ASSETS AT AMORTISED COST - 31-12-2020

(Millions of euros)

		,	VALUATION AD			
				FEE AND		
	GROSS	IMPAIRMENT	ACCRUED	COMMISSION	OL	JTSTANDING
	BALANCE	ALLOWANCES	INTEREST	INCOME	OTHER	AMOUNT
Debt securities	19,869		101			19,970
Loans and advances	227,652	(4,412)	300	(189)	338	223,689
Credit institutions	5,384		2			5,386
Customers	222,268	(4,412)	298	(189)	338	218,303
TOTAL	247,521	(4,412)	401	(189)	338	243,659

13.1. Debt securities

The breakdown of the net balances under this heading is as follows:

BREAKDOWN OF DEBT SECURITIES *

	31-12-2021	31-12-2020
Spanish government debt securities	55,623	17,874
Of which: SAREB	19,160	1,237
Other Spanish issuers	274	46
Other foreign issuers	7,342	2,050
TOTAL	63,239	19,970

^(*) See Note 3.4.1., section "Concentration according to sovereign risk".

The breakdown of changes in the gross carrying amount (amount on balance sheet without considering allowances for impairment of assets) of debt securities at amortised cost is as follows:

CHANGES IN DEBT SECURITIES

(Millions of euros)

	2021		2020		
	TO STAGE 1: TO STAGE 2: TO STAGE 3	: TOTAL	TO STAGE 1: TO STAGE	2: TO STAGE 3:	TOTAL
Opening balance	19,970	19,970	13,992		13,992
Additions due to business combinations (Note 7)	s 37,005	37,005			
New financial assets	18,395	18,395	11,020		11,020
Financial asset disposals (other than wr offs) **	ite- (11,924)	(11,924)	(5,043)		(5,043)
Changes in interest accrual	(167)	(167)	(1)		(1)
Exchange differences and other	(40)	(40)	2		2
CLOSING BALANCE	63,239	63,239	19,970		19,970
Impairment allowances*					

^(*) There were no significant changes in the period

13.2. Loans and advances

Loans and advances - Credit institutions

The breakdown of the gross balances of this heading is as follows:

BREAKDOWN OF LOANS AND ADVANCES TO CREDIT INSTITUTIONS BY TYPE

Demand5,033Other accounts5,033Term3,230Deposits with agreed maturity1,701Deposits with agreed maturity in stage 31,529			
Other accounts5,033Term3,230Deposits with agreed maturity1,701Deposits with agreed maturity in stage 31,529		31-12-2021	31-12-2020
Term3,230Deposits with agreed maturity1,701Deposits with agreed maturity in stage 31,529	Demand	5,033	3,252
Deposits with agreed maturity 1,701 Deposits with agreed maturity in stage 3 1,529	Other accounts	5,033	3,252
Deposits with agreed maturity in stage 3 1,529	Term	3,230	2,132
	Deposits with agreed maturity	1,701	2,106
	Deposits with agreed maturity in stage 3	1,529	26
TOTAL 8,263	TOTAL	8,263	5,384

^(**) Gains on sales of fixed income portfolio are recorded under "Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net", with no impact on the business model.

Loans and advances - Loans and advances to customers

The breakdown of impairment of the portfolio of loans and advances to customers is as follows:

BREAKDOWN OF LOANS AND ADVANCES TO CUSTOMERS

(Millions of euros)

			2	021		2020			
				POCI	*				
	STAGE 1	STAGE 2	STAGE 3	NOT FULFILLING THE DEFINITION OF IMPAIRED	FULFILLING THE DEFINITION OF IMPAIRED	STAGE 1	STAGE 2	STAGE 3	
Gross carrying amount	293,916	28,390	11,188	1	688	198,489	16,997	7,229	
Impairment allowances	(614)	(1,389)	(4,873)		(82)	(580)	(793)	(3,039)	
TOTAL	293,302	27,001	6,315	1	606	197,909	16,204	4,190	

^(*) POCIs arising from the business combination with Bankia (initially EUR 770 million).

The breakdown of changes in the gross carrying amount (amount on balance sheet without considering allowances for impairment of assets) of loans and advances to customers is as follows:

CHANGES IN LOANS AND ADVANCES TO CUSTOMERS *

		202	1			2020	ו	
	TO STAGE 1:	TO STAGE 2:	TO STAGE 3:	TOTAL	TO STAGE 1:	TO STAGE 2:	TO STAGE 3:	TOTAL
Opening balance	198,489	16,997	7,229	222,715	187,775	13,158	7,229	208,162
Additions due to business combinations								
(Note 7)	104,589	13,120	4,193	121,902				
Transfers	(3,640)	1,911	1,729		(3,284)	2,465	819	
From stage 1:	(10,846)	10,170	676		(6,263)	5,889	374	
From stage 2:	7,070	(8,742)	1,672		2,962	(3,674)	712	
From stage 3:	136	483	(619)		17	250	(267)	
New financial assets	50,715	1,508	736	52,959	51,049	4,289	621	55,959
Financial asset disposals (other than								
write-offs)	(56,237)	(5,146)	(1,458)	(62,841)	(37,051)	(2,915)	(784)	(40,750)
Write-offs			(1,241)	(1,241)			(656)	(656)
CLOSING BALANCE	293,916	28,390	11,188	333,494	198,489	16,997	7,229	222,715

^(*) Changes in POCIs in 2021 are immaterial.

The changes of provisions of "Financial assets at amortised cost – Loans and advances to customers" is as follows:

CHANGES IN IMPAIRMENT ALLOWANCES OF LOANS AND ADVANCES TO CUSTOMERS *

	<u> </u>	2021	l e			2020)	
	TO STAGE 1:	TO STAGE 2:	TO STAGE 3:	TOTAL	TO STAGE 1:	TO STAGE 2:	TO STAGE 3:	TOTAL
Opening balance	580	793	3,039	4,412	363	460	2,751	3,574
Additions due to business combinations								
(Note 7)	612	897	1,920	3,429				
Net allowances	(578)	(301)	1,260	381	266	357	654	1,277
(484)	60	(123)	(547)	(547)	219	431	146	796
7	(138)	283	152	152	(18)	(75)	380	287
52	(68)	1,159	1,143	1,177	(4)	(40)	(64)	(108)
131	56	331	518	518	83	83	339	505
(284)	(211)	(390)	(885)	(885)	(14)	(42)	(147)	(203)
Amounts used			(1,064)	(1,064)			(363)	(363)
Transfers and other			(282)	(282)	(49)	(24)	(3)	(76)
CLOSING BALANCE	614	1,389	4,873	6,876	580	793	3,039	4,412

^(*) Changes in the provisions of POCIs in 2021 are immaterial. The provision of POCIs at year-end amounts to EUR 82 million.



14. Derivatives - Hedge accounting (assets and liabilities)

The breakdown of the balances of these headings is as follows:

BREAKDOWN OF HEDGING DERIVATIVES (PRODUCT AND COUNTERPARTY)

(Millions of euros)

	31-12-2	2021	31-12-2	2020
	ASSETS	LIABILITIES	ASSETS	LIABILITIES
Interest rates	987	49	329	57
Equity instruments	12			
Currencies and gold	6	3		11
Other	10	53	1	1
TOTAL FAIR VALUE HEDGES	1,015	105	330	69
Currencies and gold		116	159	4
Other	3	707	43	101
TOTAL CASH FLOW HEDGES	3	823	202	105
TOTAL	1,018	928	532	174
Memorandum items				
Of which: OTC - credit institutions	1,018	928	532	174

The detail of the schedule of the nominal amount of interest rate hedging items and their average interest rate are as follows:

MATURITY SCHEDULE OF HEDGING ITEMS AND AVERAGE INTEREST RATE

	AMOUNT OF THE HEDGED ITEM										
	3-12										
	< 1 MONTH 1-3	MONTHS	MONTHS	1-5 YEARS	>5 YEARS	TOTAL	RATE				
Asset interest-rate hedges		2,045	252	2,194	10,181	14,672	(0.08%)				
Liability interest-rate hedges	940	1,127	1,930	27,826	18,739	50,562	0.99%				
TOTAL FAIR VALUE HEDGES	940	3,172	2,182	30,020	28,920	65,234					
Asset interest-rate hedges	839	455	1,513	2,475	5,095	10,377	(0.83%)				
TOTAL CASH FLOW HEDGES	839	455	1,513	2,475	5,095	10,377	(0.83%)				

HEDGING ITEMS - FAIR VALUE HEDGES

(Millions of euros)

			_		31-12-2021			31-12-2	020
			_	VALUE OF H		CHANGE IN FV USED TO CALCULATE THEIN INEFFECTIVENESS OF		VALUE OF F	
	HEDGED ITEM	HEDGED RISK	HEDGING INSTRUMENT USED	ASSETS	LIABILITIES	THE HEDGE	PROFIT OR LOSS	ASSETS	LIABILITIES
	Issuances	Transformation from fixed to floating	Interest-rate swaps and options	913	2	(1,329)		265	9
Macrohedges	Fixed-rate loans	Transformation from fixed to floating	Interest-rate swaps and options	31	49	357	2	45	59
	Current accounts	Transformation from fixed to floating	Interest-rate swaps			(1)			
	TOTAL			944	51	(973)	2	310	68
	Public debt OCI portfolio	Transformation from fixed to floating	Interest-rate swaps			3			
	Public debt OCI portfolio	Debt transformation from inflation-linked fixed to floating rate	Interest-rate swaps, inflation-linked swaps and inflation-linked options		47	(29)		1	
	Debt fixed-income portfolio amortised cost portfolio	Debt transformation from inflation-linked fixed to floating rate	Interest-rate swaps, inflation-linked swaps and inflation-linked options		5	(2)			
	Shares issued	Transformation from 12M Euribor to 3M Euribor	Interest-rate swaps	9		(11)		19	
Microhedges	Currency loan	Transformation from fixed rate in foreign currency to floating rate in euro	Currency swaps	9		10			1
	Debt amortised cost portfolio	Transformation from fixed to floating	Interest-rate swaps			6			
	Debt security issued	Debt transformation from inflation-linked fixed to floating rate	Inflation-linked swaps and inflation- linked options	9					
	Debt amortised cost portfolio	Value of hedged fixed-income assets	Forward	32		32			
	Other			12	2	12			
	TOTAL			71	54	21		20	1

FV: Fair value

HEDGED ITEMS - FAIR VALUE HEDGES

			_		31-	-12-2021			2021		31-12-2	020
	Issuances Current accounts TOTAL Public debt OCI portfolio Public debt OCI portfolio Debt fixed-income portfolio amortised cost portfolio Shares issued Currency loan Debt amortised cost portfolio Debt security issued Public Debt amortised	HEDGED RISK	HEDGING INSTRUMENT LUSED	HEDG INSTRUM ASSETSLI	ED	ACCUMULATED ADJUSTMEN HEDGED ASSETS	TS IN THE ITEM	ACCUMULATED AMOUNT OF FV HEDGING ADJUSTMENTS OF HEDGED ITEMS **	TO CALCULATE THE	LINE ON THE BALANCE SHEET INCLUDING THE	HEDGED INS	TRUMENT
		Transformation from fixed to	Interest-rate swaps and							Financial liabilities at		
	Issuances	floating	options		43,950		595	73	1,329	amortised cost		29,818
Macrohedge	S Fixed-rate loans	Transformation from fixed to floating	Interest-rate swaps and options	11,211		(163)		1,082	(355)	Financial assets measured at amortised cost	10,896	
		Transformation from fixed to			2 000	(4)				Financial liabilities at		
		floating	Interest-rate swaps		3,000	(1)			1		40.000	
				11,211	46,950	(164)	595	1,155	975		10,896	29,818
		Transformation from fixed to floating	Interest-rate swaps	68		N/A	N/A		(3)	Financial assets at fair value *	70	
		Transformation of inflation- linked debt to fixed-rate to floating-rate	Interest rate swaps, swaps on inflation and inflation options	498		N/A	N/A		29	Financial assets at fair value *	471	
	portfolio amortised	Debt transformation from inflation-linked fixed to floating rate	Interest-rate swaps, g inflation-linked swaps and inflation-linked options	37		3			2	Financial assets measured at amortised cost		
	cost portrollo	Transformation from 12M	imation-linked options	37		3				COST		
	Shares issued	Euribor to 3M Euribor	Interest-rate swaps		3,581		8		11	Shares issued		4,104
Microhedges	Currency loan	Transformation from fixed-rate foreig currency to floating rate in euros	n Currency swaps	142		(9)			(10)		131	
		Transformation from fixed to				(0)			(5)	Financial assets measured at amortised		
	portfolio	floating Debt transformation from	Interest-rate swaps	452		(3)			(6)	cost	452	
	Debt security issued	inflation-linked fixed to floating	g Inflation-linked swaps and inflation-linked options		31					Financial liabilities at amortised cost		
		d Value of hedged fixed-income		2.022				(2)	(22)	Financial assets measured at amortised		
	·	assets	Forward	2,032				(3)	(32)			
	Other			232		7	2	292			4	
	TOTAL			3,461	3,612	(2)	10	289	(21)		1,128	4,104

^(*) With changes in other comprehensive income

HEDGING ITEMS - CASH FLOW HEDGES

				31-12-20	21			31-12-20	20
				VALUE OF HEDGING			INEFFECTIVENESS	VALUE OF HEDGING	INSTRUMENT
	HEDGED ITEM	HEDGED RISK	HEDGING INSTRUMENT USED	ASSETS		FROM EQUITY TO PROFIT OR LOSS		ASSETS	LIABILITIES
N. Garage and a second	Mortgage Euribor loans	Mortgage Euribor transformation to fixed rate	Interest-rate swaps			17			
Macrohedges	Floating-rate currency loans	Transformation from floating rate in foreign currency to floating rate in euros	Currency swaps		114	(28)		158	3
	Fixed-rate term deposits	Transformation from fixed to floating	Interest-rate swaps						
	TOTAL				114	(11)		158	3
	Inflation-linked public debt	Transformation from inflation-linked floating to fixed rate	Inflation-linked swaps and inflation-linked options		165	(42)			84
Microhedges	Public debt at amortised cost in foreign currency	Transformation from fixed rate in foreign currency to fixed rate in euros	Currency swaps	3	2	(1)			
	Inflation-linked public debt at amortised cost	Transformation from floating to fixed	Interest-rate and inflation-linked swaps		542	(56)		44	18
	TOTAL		·	3	709	(99)		44	102

HEDGED ITEMS - CASH FLOW HEDGES

(iviiliioris oj et	65)							
					31-12-2021			31-12-2020
			HEDGING INSTRUMENT		PENDING AMOUNT IN RESERVE OF CASH FLOW HEDGES OF HEDGING RELATIONSHIPS FOR WHICH RECOGNISING HEDGES	LINE ON THE BALANCE SHEET INCLUDING THE		PENDING AMOUNT IN RESERVE OF CASH FLOW HEDGES OF HEDGING RELATIONSHIPS FOR WHICH RECOGNISING HEDGES
	HEDGED ITEM	HEDGED RISK	USED	FLOW HEDGES	NO LONGER APPLIES	HEDGED ITEM	FLOW HEDGES	NO LONGER APPLIES
	Mortgage Euribor loans	Mortgage Euribor transformation to fixed rate	Interest-rate swaps	7		Financial assets measured at amortised cost	93	
	Floating-rate currency loans	Transformation from floating rate in foreign currency to floating rate in euros	Currency swap	(20)		Financial assets measured at amortised cost	(3)	
	Fixed-rate term deposits	Transformation from fixed to floating	Interest-rate swaps		F 23	inancial liabilities at amortised cost		24
	TOTAL			(13)	23		90	24
	Inflation-linked public debt.	Transformation from inflation-linked floating debt to fixed rate	Inflation-linked swaps and inflation-linked options	(43)		Financial assets at fair value *	15	
Microhedges	Public debt at amortised cost in foreign currency	'Transformation from fixed rate in foreign currency to fixed rate in euros	Currency swaps	(4)		Financial assets measured at amortised cost		
	Inflation-linked public debt at amortised cost	Transformation from floating to fixed	Interest-rate and inflation- linked swaps	(97)		Financial assets measured at amortised cost	(25)	
	TOTAL			(144)			(10)	

^(*) with changes in other comprehensive income



15. Investments in subsidiaries, associates and joint ventures

The breakdown of the changes of the balance under this heading is as follows:

MOVEMENTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATED COMPANIES - 2021

(Millions of euros)

(iviline is egiculos)	31-12-2	.020	ADDITION S DUE TO					31-12-2	2021
	CARRYING AMOUNT		BUSINESSE S COMBINAT IONS	ACQUISITIONS AND CAPITAL INCREASES	DISPOSALS AND CAPITALII DECREASES	MPAIRMENT	TRANSFE RS AND DTHERS *	CARRYING AMOUNT	STAKE%
COST	16,745		1,341	1,796	(2,413)	0	(64)	17,405	
BuildingCenter	9,056	100.00%		126				9,182	100.00%
VidaCaixa	2,252	100.00%					86	2,338	100.00%
Banco BPI	2,060	100.00%						2,060	100.00%
LivingCenter				1,660	(1,660)			0	100.00%
CaixaBank Payments &									
Consumer	1,572	100.00%						1,572	100.00%
Bankia Habitat			732		(732)				
Hiscan Patrimonio	540	100.00%						540	100.00%
Puerto Triana	261	100.00%						261	100.00%
Other	1,004		609	10	(21)		(150)	1,452	
IMPAIRMENT ALLOWANCES	(7,578)		0	0	0	(200)	(33)	(7,811)	
BuildingCenter	(6,864)					(189)	(44)	(7,097)	
Hiscan Patrimonio	(363)							(363)	
Other	(351)					(11)	11	(351)	
TOTAL GROUP ENTITIES	9,167		1,341	1,796	(2,413)	(200)	(97)	9,594	
COST	1,381		653	4	(142)	0	(1,814)	82	
Erste Group Bank	1,363	9.92%					(1,363)	0	
Bankia Vida			489				(489)	0	
Other	18		164	4	(142)		38	82	
IMPAIRMENT ALLOWANCES	(200)		0	0	0	11	181	(8)	
Erste Group Bank	(192)					11	181	0	
Other	(8)							(8)	
TOTAL ASSOCIATES	1,181		653	4	(142)	11	(1,633)	74	
COST	0			0	0	0	0	0	
IMPAIRMENT ALLOWANCES	0			0	0	0	0	0	
TOTAL JOINT VENTURES	0			0	0	0	0	0	

^(*) Includes the inclusion in the cost of VidaCaixa of the amount corresponding to Bankia Pensiones due to the twin merger of both investees in December 2021, as well as movements in transfers to "Non-current assets and disposal groups classified as held for sale" (Note 19).

Erste

On 5 November 2021, CaixaBank transferred all of its 9.92% stake in Erste Group Bank AG (Erste) as follows:

- Settlement by delivery of swap contract shares, which accounted for 4.5 % (approximately 19.3 million) of Erste shares.
- An accelerated book built offer for the remaining 5.42% (approximately 23.3 million) of Erste shares, at a price of EUR 38 per share.

The amount of the transfer was EUR 1,503 million and represents a positive impact on the statement of profit or loss of €318 million gross, recognised under "Gains or losses from non-current assets and disposal groups classified as held for sale not qualifying as



15. Investments in subsidiaries, associates and joint ventures

CaixaBank | 2021 Financial Statements



discontinued operations (net)", as the interest was reclassified to "Non-current assets and disposal groups classified as held for sale" in October 2021 (see Note 37).

BuildingCenter

In the context of the reorganization of the Group's real estate activities following the merger with Bankia (see Note 7), CaixaBank has conducted the following operations in order to concentrate these activities through BuildingCenter:

- On 15 November 2021, CaixaBank signed a non-monetary capital increase of EUR 1,466 million (EUR 1,361 million was made by provision of real estate and EUR 105 million in cash) to a new asset management company, LivingCenter, SA, wholly owned by CaixaBank. The capital increase was conducted through the contribution of a branch of business, and mainly includes real estate assets foreclosed or received in payment of debts originating in Bankia, as well as the rights, contracts or supplementary agreements related to such assets, including the service contract with Haya Real Estate. The operation was conducted at the fair value of the net assets contributed, having been verified by an independent expert appointed by the Commercial Registry.
- On 4 November 2021, CaixaBank transmitted to LivingCenter real estate assets consisting of closed branches originating from Bankia in the process of being marketed in the amount of EUR 194 million, corresponding to the net book value of the contributed assets (which is determined at the time of the business combination). The transmission was made through a shareholder contribution.
- On 15 November 2021, CaixaBank sold to BuildingCenter its 100% stake in LivingCenter, S.A. at fair value, amounting to EUR 1,660 million.
- On 15 November 2021, CaixaBank sold its 20% stake in Gramina Homes to BuildingCenter, a company that groups together the real estate assets from Bankia credit regularisations for which an agreement was reached in 2018 to sell 80% of the company to Lone Star. The takeover by BuildingCenter amounted to EUR 99 million and was at fair value.
- On 15 November 2021, CaixaBank sold to BuildingCenter its 100% stake in Bankia Habitat at fair value, amounting to EUR 687 million. This company mainly holds assets of a monetisable fiscal nature, as well as other investees and assets of a real estate nature undergoing the process of liquidation.

Furthermore, CaixaBank has made a shareholder contribution to BuildingCenter consisting of closed branches originating from CaixaBank in the process of being marketed for EUR 126 million, corresponding to the net book value of the contributed assets.

The operations described above for the reorganisation of the real estate activity do not, on the whole, have a significant impact on equity for the Entity.

Bankia Vida

On 29 December 2021, after obtaining the relevant regulatory authorisations, CaixaBank formalised the purchase from Grupo Mapfre of 51% of the share capital of Bankia Vida, SA de Seguros y Reaseguros. Thus, the Group has acquired the entire share capital, acquiring full control over that company.

The price for this transaction, made in cash, amounted to EUR 324 million and includes the costs of the split foreseen under the agreements with Mapfre (10% of the value determined by the independent expert, equivalent to EUR 29 million).

The price for the purchase of 51% of BV reflects the value of EUR 577 million as determined by the independent expert chosen between the parties for the total share capital of BV (excluding the costs of the split).

Mapfre and CaixaBank have agreed to refer to arbitration in order to determine whether the latter is obliged, under the aforementioned bancassurance agreements, to pay the former an additional amount of EUR 29 million, corresponding to 10% of the value of the life business as determined by the independent expert.

Within the reorganisation of the Group's insurance business, in the first quarter of 2022, CaixaBank will sell 100% of the stake of BV to VidaCaixa for the amount to be determined by the independent expert, which will be paid in cash.



15. Investments in subsidiaries, associates and joint ventures

CaixaBank | 2021 Financial Statements



Impairment of the portfolio of investments

At year-end, there were no agreements to provide additional financial support or any other contractual commitment made by the parent company or subsidiaries with associates and joint ventures of the Entity not recognised in the financial statements. Likewise, there are no contingent liabilities related to these investments.

For the purpose of analysing the recoverable value of the portfolio of shares in associates and joint ventures, the Entity periodically monitors impairment indicators of its investees. Particularly, the following items are considered, among others: i) business performance; ii) share prices throughout the period; and iii) the target prices published by renowned independent analysts.

16. Tangible assets

The breakdown of the changes of the balance under this heading is as follows:

CHANGES IN TANGIBLE ASSETS

		2021		2020			
		INSTAL.,			INSTAL.,		
	LAND AND	FURNITURE	RIGHTS	LAND AND	FURNITURE	RIGHTS	
	BUILDINGS	AND OTHER	OF USE *	BUILDINGS	AND OTHER	OF USE *	
Cost							
Opening balance	2,251	4,075	1,568	2,354	3,926	1,522	
Additions due to business combinations (Note 7)	1,562	1,674	428				
Additions	23	286	59	33	286	100	
Disposals	(4)	(399)	(31)	(4)	(157)	(54)	
Transfers	(369)	(48)		(132)	20		
CLOSING BALANCE	3,463	5,588	2,024	2,251	4,075	1,568	
Accumulated depreciation							
Opening balance	(438)	(2,703)	(201)	(450)	(2,673)	(106)	
Additions due to business combinations (Note 7)	(396)	(1,435)					
Additions	(39)	(183)	(134)	(22)	(154)	(108)	
Disposals	(9)	328	8	5	124	13	
Transfers	40	26		29			
CLOSING BALANCE	(842)	(3,967)	(327)	(438)	(2,703)	(201)	
Impairment allowances							
Opening balance		(11)			(13)		
Additions due to business combinations (Note 7)		(21)					
Allowances (Note 35)		(1)					
Transfers		8			2		
CLOSING BALANCE		(25)			(11)		
OWN USE, NET	2,621	1,596	1,697	1,813	1,361	1,367	
Cost							
Opening balance	70	1		65	1		
Additions due to business combinations (Note 7)	582						
Additions	1			2			
Disposals	(32)			(10)			
Disposals due to contributions (Note 15)	(612)	(1)					
Transfers	48			13			
CLOSING BALANCE	57			70	1		
Accumulated depreciation							
Opening balance	(8)	(1)		(10)	(1)		
Additions due to business combinations (Note 7)	(39)						
Additions	(3)			(1)			
Disposals	6			2			
Disposals due to contributions (Note 15)	41	1					
CLOSING BALANCE	(3)			(8)	(1)		
Impairment allowances	, ,			•	, ,		
Opening balance	(21)			(19)			
Additions due to business combinations (Note 7)	(146)			, ,			
Allowances (Note 35)	(1)			(2)			
Releases (Note 35)	1			2			
Transfers	(20)			(5)			
Disposals due to contributions (Note 15)	168			(5)			
Amounts used	6			3			
CLOSING BALANCE	(13)			(21)			
INVESTMENT PROPERTY	41			41			

^(*) Corresponds to the rights of use of land and buildings. With respect to rights of use assets, the item 'Other financial liabilities — Liabilities associated with rights of use assets' (see Note 20.4) shows the current value of future lease payments during the contract's mandatory term

Property, plant and equipment for own use

Property, plant and equipment for own use are allocated to the Banking Business cash-generating unit (CGU) and at year-end they do not present any indication of impairment (see Note 17). In addition, the Entity carries out regular individualised valuations of certain property for own use classified as "Land and buildings". At year-end, the available valuations do not indicate the existence of any material impairment.

Selected information about property, plant and equipment of own use is presented below:

OTHER INFORMATION ABOUT PROPERTY, PLANT AND EQUIPMENT FOR OWN USE

	31-12-2021
Fully amortised assets still in use	910
Commitments to acquire tangible assets*	Insignificant
Assets with ownership restrictions	Insignificant
Assets covered by an insurance policy	100% **

^(*) Sales made in previous years with sale and leaseback agreements include buy options that may be exercised by the Entity on termination of the lease agreement at the market value of the offices at that date, to be determined where appropriate by independent experts (see Note 35).

^(**) Some of the insurance policies have an excess

17. Intangible assets

The breakdown of this heading is as follows:

BREAKDOWN OF INTANGIBLE ASSETS *

(Millions of euros)

		REMAINING		
	CGU	USEFUL LIFE	31-12-2021	31-12-2020
Goodwill			118	323
Acquisition of Banca Cívica	Banking	0.5 years	118	320
Acquisition of Bankpime				3
Other intangible assets			679	412
Software		1 to 15 years	469	404
Other intangible assets (generated by mergers/acquisitions)			210	8
Customer relationships (core deposits) of Barclays Bank				8
Bankia asset management	Banking	12 years	110	
Bankia insurance brokerage	Banking	13 years	100	
TOTAL			797	735

^(*) Beyond the provisions of Note 40 on the "la Caixa" brand and the star logo, the Entity's activities are not dependent on or significantly influenced by patents or licences, industrial contracts, new manufacturing processes or special commercial or financial contracts.

The breakdown of the changes of the balance under this heading is as follows:

CHANGES IN OTHER INTANGIBLE ASSETS

(Millions of euros)

	2021				2020	
	GOODWILL	SOFTWARE	OTHER ASSETS	GOODWILL	SOFTWARE	OTHER ASSETS
Gross cost						
Opening balance	2,410	702	23	2,410	905	56
Additions due to business combinations *		79	391			
Additions		160			130	
Transfers and other **			(162)			
Write-downs (Note 35)		(194)	(23)		(333)	(33)
SUBTOTAL	2,410	747	229	2,410	702	23
Accumulated depreciation						
Opening balance	(2,087)	(298)	(15)	(1,881)	(557)	(46)
Additions due to business combinations *		(55)				
Additions	(205)	(77)	(34)	(206)	(60)	(2)
Transfers and other **			12			
Write-downs (Note 35)		152	18		319	33
CLOSING BALANCE	(2,292)	(278)	(19)	(2,087)	(298)	(15)
TOTAL	118	469	210	323	404	8

^(*) Corresponds to the acquisition of Bankia (EUR 391 million) and the merger with CaixaBank neX (EUR 24 million) (see Note 7).

Selected information related to other intangible assets is set out below:

OTHER INFORMATION ABOUT OTHER INTANGIBLE ASSETS

	31-12-2021
Fully amortised assets still in use	398
Commitments to acquire intangible assets	Insignificant
Assets with ownership restrictions	Insignificant

^(**) Corresponds to the derecognition of intangible assets for customer relations of the cards and POS business from Bankia (see Note 40).

Impairment test of the banking CGU

For the purpose of analysing the recoverable amount of the Banking Business CGU, the Entity performs a regular allocation of the Entity's capital based on internal regulatory capital models, which take into account the risks assumed by each of the businesses. The amount to be recovered from the CGU is compared to its recoverable amount to determine any potential impairment.

The recoverable amount is based on value in use, which was determined by discounting the estimated dividends over the medium term obtained from the projection of the budget with a time horizon of 6 years. In addition, the projected cash flows are updated every six months to factor in any potential deviations to the model.

The projections are determined using assumptions based on the macroeconomic data applicable to the Entity's activity, contrasted by means of renowned external sources and the entities' internal information. A summary of the ranges of assumptions used and the ranges of contrasting sensitivity are provided below:

ASSUMPTIONS USED AND BANKING BUSINESS CGU SENSITIVITY SCENARIOS

(Percentage)

	31-12-2021	31-12-2020	SENSITIVITY RANGE
Discount rate (after tax) *	7.6%	8.2%	[-0.5%; + 2.5%]
Growth rate **	1.0%	1.0%	[-0.5%; + 1.0%]
Net interest income over average total assets (NII) ***	[0.92% - 1.28%]	[1.15% - 1.30%]	[-0.05%; + 0.05%]
Cost of risk (CoR)	[0.24% - 0.39%]	[0.82% - 0.39%]	[-0.1%; + 0.1%]

^(*) Calculated on the yield for the German 10-year bond, plus a risk Premium. The pre-tax discount rate at 31 December 2021 and 2020 is 10.9% and 11.7%, respectively. (**) Corresponds to the normalised growth rate used to calculate the net carrying value.

At the close of the financial year, it has been confirmed that the projections used in the previous impairment test and actual figures would not have affected the conclusions of that test.

Taking into account the excess of the recoverable value over the carrying amount, the Entity does not consider that any reasonably possible change in any of the assumptions could, in isolation, cause the carrying amount to exceed the recoverable value.

The judgements and estimates on the basis of which the key assumptions have been determined are those which the Entity considers to be the most plausible and which, therefore, best reflect the value of the banking business.

^(***) Net interest income on average total assets.

18. Other assets and other liabilities

The breakdown of these items in the balance sheet is as follows:

BREAKDOWN OF OTHER ASSETS AND OTHER LIABILITIES

(Millions of euros)

	31-12-2021	31-12-2020
Insurance contracts linked to pensions	2,985	1,210
Pensions and similar obligations (Note 21.1)	1,060	490
Long-term obligations (Note 21.2)	1,925	720
Inventories	7	9
Other assets	1,614	1,243
Prepayments and accrued income	910	914
Ongoing transactions	287	243
Other	417	86
TOTAL OTHER ASSETS	4,606	2,462
Prepayments and accrued income	1,083	783
Ongoing transactions	273	452
Other	152	36
TOTAL OTHER LIABILITIES	1,508	1,271

Breakdown of distribution agreements with Mapfre for non-life insurance

On 29 December 2021, the Entity reached an agreement with Mapfre for the termination of the agency contract signed between Mapfre and Bankia Mediación Operador de Banca de Seguros Vinculado, SAU (Bankia Mediación) for the distribution of non-life insurance for which compensation amounting to EUR 247 million was agreed and paid in cash, corresponding to 110% of the value of the new production (excluding the existing portfolio) of the non-life insurance business, as determined by the independent expert designated by the parties. The amount has been paid by CaixaBank through its subsidiary company Bankia Mediació, after the contribution of shareholders in cash made to this entity so that it could make the payment.

There has been no impact on the income statement as they have been recorded under the same heading in the statement of profit or loss. i) the impairment generated by the payment of the indemnity, net of its tax impact, ii) the use of a total of EUR 106 million of the balance sheet caption "Provisions - Other provisions" linked to the amount recognised in the PPA exercise (see Note 7), and iii) the incremental cost borne by CaixaBank to be able to offer access to a larger branch network amounting to EUR 141 million.

The incremental cost mentioned in the above paragraph has been recorded as an advance expense in the "Other Assets" heading of the balance sheet, as this is an amount that the Entity has had to assume to be able to provide said access free of any agreement in which non-life insurance products that are currently being marketed will be distributed. The directors of the Entity consider that the prepaid expenses will be recovered with the agreement entered into (see Note 1.10) with SegurCaixa Adeslas / Mutua Madrileña. The economic terms of this agreement have been approved by the Group's Senior Management at the time of preparing these financial statements and are expected to be ratified by the SegurCaixa Adeslas Annual General Meeting.

Mapfre and CaixaBank have agreed to refer to arbitration in order to determine whether the latter is obliged, under the aforementioned bancassurance agreements, to pay the former an additional amount of EUR 23 million, corresponding to 10% of the value of the non-life business as determined by the independent expert.

19. Non-current assets and disposal groups classified as held for sale

The breakdown of the changes of the balance under this heading is as follows:

BREAKDOWN OF NON-CURRENT ASSETS FOR SALE

(Millions of euros)

	2021				2020	
	FORECLOSURE ASSETS			FORECLOSURE ASSETS		
	FORECLOSURE RIGHTS *	OTHER	OTHER ASSETS **	FORECLOSURE RIGHTS *	OTHER	OTHER ASSETS **
Gross cost						
Opening balance	130	67	234	182	70	178
Additions due to business combinations (Note 7)	130	1,647	322			
Additions	82	9	399	31	5	19
Disposals for the year	(105)	(132)	(1,313)	(80)	(11)	(52)
Reductions due to contributions (Note 15)		(1,362)	(412)			
Transfers and other	(15)	87	1,991	(3)	3	89
CLOSING BALANCE	222	316	1,221	130	67	234
Impairment allowances						
Opening balance	(33)	(11)	(65)	(40)	(10)	(42)
Additions due to business combinations (Note 7)	(17)	(468)	(67)			
Allowances (Note 37)		(12)	(69)		(5)	(41)
Recoveries (Note 37)	1	3	2	1	3	7
Reductions due to contributions (Note 15)		354	140			
Transfers and other	3	22	(18)	6		
Amounts used		42	33		1	11
CLOSING BALANCE	(46)	(70)	(44)	(33)	(11)	(65)
TOTAL	176	246	1,177	97	56	169
Of which: Equity investments ***			874			7
Of which Bankia Life			775			
Of which: Property, plant and equipment	476	246	303	0-	56	162
Of which: Foreclosure rights	176			97		

^(*) Foreclosure rights are measured initially at the carrying amount at which the asset will be recognised when the definitive foreclosure occurs.

The breakdown, by age, of foreclosed assets, excluding impairment allowances, determined on the basis of the foreclosure date, is as follows:

AGE OF FORECLOSED ASSETS

	31-12-	2021	31-12-	2020
	No. OF ASSETS	GROSS AMOUNT	No. OF ASSETS	GROSS AMOUNT
Up to 1 year	2,229	142	40	2
Between 1 and 2 years	480	45	831	76
Between 2 and 5 years	1,182	77	206	23
More than 5 years	3,489	274	1,282	96
TOTAL	7,380	538	2,359	197

^(**) Includes primarily: investments reclassified as non-current assets held for sale (Note 15), assets deriving from the termination of operating lease agreements and closed branches (Note 16).

^(***) At 31 December 2021 includes the 100% stake in Bankia Mediación, pending transfer to VidaCaixa. As part of the operation to split up the non-life agreement (see Note 18), a shareholder contribution of EUR 247 million was made to this company.



CaixaBank | 2021 Financial Statements

157

20. Financial liabilities

The breakdown of this heading is as follows:

BREAKDOWN OF FINANCIAL LIABILITIES AT AMORTISED COST - 31-12-2021

(Millions of euros)

	GROSS	ACCRUED		TRANSACTION	PREMIUMS ANDOL	JTSTANDING
	BALANCE	INTEREST	MICROHEDGES	COSTS	DISCOUNTS	AMOUNT
Deposits	461,404	(957)	8	(10)	458	460,903
Central banks	76,773	(1,150)				75,623
Credit institutions	12,242	13				12,255
Customers	372,389	180	8	(10)	458	373,025
Debt securities issued	48,622	580		(10)	1,432	50,624
Other financial liabilities	6,224					6,224
TOTAL	516,250	(377)	8	(20)	1,890	517,751

FINANCIAL LIABILITIES AT AMORTISED COST - 31-12-2020

(Millions of euros)

	GROSS BALANCE	ACCRUED INTEREST	MICROHEDGES	TRANSACTION COSTS	PREMIUMS ANDOU DISCOUNTS	JTSTANDING AMOUNT
Deposits	276,516	(143)	19	(12)	(308)	276,072
Central banks	45,957	(262)				45,695
Credit institutions	3,737	(2)				3,735
Customers	226,822	121	19	(12)	(308)	226,642
Debt securities issued	32,461	420		(9)	(91)	32,781
Other financial liabilities	5,303					5,303
TOTAL	314,280	277	19	(21)	(399)	314,156

20.1. Deposits from credit institutions

The breakdown of the gross balances of this heading is as follows:

BREAKDOWN OF DEPOSITS FROM CREDIT INSTITUTIONS

	31-12-2021	31-12-2020
Demand	2,442	1,199
Reciprocal accounts		7
Other accounts	2,442	1,192
Term or at notice	9,800	2,538
Deposits with agreed maturity	2,572	1,779
Hybrid financial liabilities		
Repurchase agreement	7,228	759
TOTAL	12,242	3,737

20.2. Customer deposits

The breakdown of the gross balances of this heading is as follows:

BREAKDOWN OF CUSTOMER DEPOSITS

(Millions of euros)

	31-12-2021	31-12-2020
By type	372,389	226,822
Current accounts and other demand deposits	247,073	130,842
Savings accounts	89,611	77,279
Deposits with agreed maturity	31,237	15,401
of which: registered mortgage covered bonds	6	3
Hybrid financial liabilities	1,192	1,296
Repurchase agreements	3,276	2,004
By sector	372,389	226,822
Public administrations	19,390	12,509
Private sector	352,999	214,313

20.3. Debt securities issued

The breakdown of the gross balances of this heading is as follows:

BREAKDOWN OF DEBT SECURITIES ISSUED

	31-12-2021	31-12-2020
Mortgage covered bonds	20,412	13,533
Plain vanilla bonds	17,075	11,689
Structured notes	385	438
Promissory notes	590	651
Preference shares	5,000	3,000
Subordinated debt	5,160	3,150
TOTAL	48,622	32,461

 $^{(*) \} Includes \ plain \ vanilla \ bonds \ or \ ordinary \ bonds \ and \ non-preference \ plain \ vanilla \ bonds \ or \ ordinary \ bonds \ and \ non-preference \ plain \ vanilla \ bonds \ or \ ordinary \ bonds \ and \ non-preference \ plain \ vanilla \ bonds \ or \ ordinary \ bonds \ and \ non-preference \ plain \ vanilla \ bonds \ or \ ordinary \ bonds \ and \ non-preference \ plain \ vanilla \ bonds \ or \ ordinary \ bonds \ and \ non-preference \ plain \ vanilla \ bonds \ or \ ordinary \ bonds \ and \ non-preference \ plain \ vanilla \ bonds \ or \ ordinary \ bonds \ and \ non-preference \ plain \ vanilla \ bonds \ or \ ordinary \ bonds \ and \ non-preference \ plain \ vanilla \ bonds \ or \ ordinary \ bonds \ and \ non-preference \ plain \ vanilla \ bonds \ or \ ordinary \ bonds \ and \ non-preference \ plain \ vanilla \ bonds \ or \ ordinary \ bonds \ and \ non-preference \ plain \ vanilla \ bonds \ or \ ordinary \ bonds \ and \ non-preference \ plain \ vanilla \ bonds \ or \ ordinary \ bonds \ and \ non-preference \ plain \ vanilla \ bonds \ or \ ordinary \ bonds \ and \ non-preference \ plain \ vanilla \ bonds \ or \ ordinary \ bonds \ and \ non-preference \ plain \ vanilla \ bonds \ or \ ordinary \ bonds \ and \ non-preference \ plain \ bonds \ or \ ordinary \ bonds \ and \ non-preference \ plain \ bonds \ or \ ordinary \ bonds \ and \ non-preference \ plain \ bonds \ or \ ordinary \ bonds \ and \ non-preference \ bonds \$

The changes in the balances of each type of securities issued is as follows:

CHANGES IN DEBT SECURITIES ISSUED

	MORTGAGE COVERED BONDS	PUBLIC SECTOR COVERED BONDS	PLAIN VANILLA BONDS	STRUCTURED NOTES	SUBORDINATED DEBT	PREFERENCE SHARES
Gross balance						
Opening balance	46,960	5,000	8,736	783	3,150	2,250
Issuances			3,000			750
Depreciation and amortisation	(1,247)	(1,500)	(6)	(192)		
Exchange differences and other						
CLOSING BALANCE	45,713	3,500	11,730	591	3,150	3,000
Repo securities						
Opening balance	(32,353)	(5,000)	(41)	(163)		
Buy-backs				(54)		
Repayments and other	173	1,500		64		
CLOSING BALANCE	(32,180)	(3,500)	(41)	(153)		
CLOSING NET BALANCE 2020	13,533		11,689	438	3,150	3,000
Gross balance						
Opening balance	45,713	3,500	11,730	591	3,150	3,000
Additions due to business						
combinations (Note 7)	17,671	900	2,599		1,675	1,250
Issuances	6,064	1,000	2,787		1,000	750
Depreciation and amortisation	(7,424)	(900)			(665)	
CLOSING BALANCE	62,024	4,500	17,116	591	5,160	5,000
Repo securities						
Opening balance	(32,180)	(3,500)	(41)	(153)		
Additions due to business combinations (Note 7)	(7,976)	(900)				
Buy-backs	(6,916)	(1,000)		(53)		
Repayments and other	5,460	900				
CLOSING BALANCE	(41,612)	(4,500)	(41)	(206)		
CLOSING NET BALANCE 2021	20,412		17,075	385	5,160	5,000

The breakdown of preference share issues are as follows:

BREAKDOWN OF PREFERENCE SHARE ISSUES

(Millions of euros)

		N	OMINAL INTEREST	OUTSTANDING A	AMOUNT
DATE OF ISSUE	MATURITIESNOMIN	AL AMOUNT	RATE	31-12-2021	31-12-2020
June 2017 *	Perpetual	1,000	6.750%	1,000	1,000
July 2017 **	Perpetual	750	6.000%	750	
March 2018 *	Perpetual	1,250	5.250%	1,250	1,250
September 2018 **	Perpetual	500	6.375%	500	
October 2020 *	Perpetual	750	5.875%	750	750
September 2021 *	Perpetual	750	3.675%	750	
PREFERENCE SHARES				5,000	3,000
Own securities purchased				0	0
TOTAL				5,000	3,000

^(*) They are perpetual Additional Tier 1 Instruments, although they may be (partially or totally) redeemed under specific circumstances at the option of CaixaBank (once at least five years have elapsed from their issue date according to the specific conditions of each of them, and with the prior consent of the corresponding competent authority) and, in all cases, are convertible into ordinary newly-issued shares of the entity if CaixaBank or CaixaBank Group has a Common Equity Tier 1 ratio (CET1) of less than 5.125%, calculated in accordance with European Regulation 575/2013, of 26 June, of the European Parliament and Council, on prudential requirements of credit institutions and investment firms ("CRR"). The conversion price of the preference shares shall be the highest of i) the volume-weighted daily average price of CaixaBank's shares in the five trading days prior to the day the corresponding conversion is announced, ii) the Conversion Floor Price and iii) the nominal value of CaixaBank's shares at the time of conversion.

The breakdown of subordinated debt issues is as follows:

BREAKDOWN OF SUBORDINATED DEBT ISSUES

				OUTSTANDING	AMOUNT
DATE OF ISSUE	MATUR	TY NOMINAL AMOUNT I	NOMINAL INTEREST RATE	31-12-2021	31-12-2020
15-02-2017	15-02-2027	1,000	3.500%	510	1,000
15-03-2017 *	17-07-2028	500	3.375%	500	
07-07-2017	07-07-2042	150	4.000%	150	150
14-07-2017	14-07-2028	1,000	2.750%	1,000	1,000
17-04-2018	17-04-2030	1,000	2.250%	1,000	1,000
15-02-2019 *	15-02-2029	1,000	3.750%	1,000	
18-03-2021	18-06-2031	1,000	1.250%	1,000	
SUBORDINATED DEBT				5,160	3,150
Own securities purchas	sed				
TOTAL				5,160	3,150

^(*) From the business combination with Bankia (see Note 7).

^(**) From the business combination with Bankia (see Note 7).

20.4. Other financial liabilities

The detail of the balance of this heading in the balance sheet is as follows:

BREAKDOWN OF OTHER FINANCIAL LIABILITIES

(Millions of euros)

	31-12-2021	31-12-2020
Payment obligations	1,132	1,000
Of which: Contributions and shortfalls pending payment to the DGF	398	279
Guarantees received	5	4
Clearing houses	1,314	1,169
Tax collection accounts	1,406	1,219
Special accounts	308	361
Liabilities associated with right-of-use assets (Note 1 and Note 16)	1,731	1,389
Other items	328	161
TOTAL	6,224	5,303

The heading 'Other financial liabilities — Liabilities associated with right-of-use assets' (see Note 16) presents the current value of future lease payments during the mandatory period of the contract. The movement corresponding to the financial year is as follows:

FUTURE PAYMENTS OF OPERATING LEASE CONTRACTS

(IVIIIIIOIIS OJ EULOS)										
					Α	DDITIONS DUE				
		NET				TO BUSINESS	NET			
	1	REGISTR	FINANCIAL PA	YMEN	C	OMBINATIONS	REGISTR	FINANCIALP	AYMEN	
	31-12-2019	ATION	UPDATE	TS	31-12-2020	(NOTE 7)	ATION	UPDATE	TS	31-12-2021
Linked to the sales contract and subsequent lease										
Soinmob Inmobilaria, SAU	590	8	10	(39)	569	0	(1)	9	(38)	539
Linked to other operational										
leases	840	49	9	(78)	820	456	8	8	(100)	1,192
TOTAL	1,430	57	19	(117)	1,389	456	7	17	(138)	1,731
Discount rate applied (according to	the term)									
Spain	[0.10%-1.66%]				[0.10%-1.66%]					[0.10%-1.66%]

21. Provisions

The breakdown of the changes of the balance under this heading is as follows:

MOVEMENT OF PROVISIONS

(Millions of euros)

	PENSIONS AND OTHER POST- EMPLOYMENT	OTHER LONG-	PENDING LEGA TAX LITIO			MENTS AND TEES GIVEN	
	DEFINED BENEFITT OBLIGATIONS			ROVISIONS FOR TAXES	CONTINGE NT RISKS (CONTINGENT COMMITMENTS	OTHER PROVISIONS
BALANCE AT 31-12-2019	519	1,709	390	238	100	29	385
With a charge to the statement of profit or loss	5	100	65	(13)	(16)	6	8
Provision		117	98	13	19	71	91
Reversal		(19)	(33)	(26)	(35)	(65)	(83)
Interest cost / (income)	5	2					
Personnel expenses							
Gains / (Actuarial losses)	30						
Amounts used	(24)	(423)	(141)	(46)			(109)
Transfers and other	(31)	11		8	5		39
BALANCE AT 31-12-2020	499	1,397	314	187	89	35	323
Additions due to business combinations (Note 7)	626	107	302	197	257	85	226
With a charge to the statement of profit or loss	(390)	2,263	140	30	(22)	2	181
Provision		4	308	37	(20)	87	382
Reversal		(13)	(168)	(7)	(2)	(85)	(201)
Interest cost / (income)	4						
Personnel expenses *	(394)	2,272					
Gains / (Actuarial losses)	(38)						
Amounts used	(45)	(348)	(202)	(23)			(73)
Transfers and other	152	(12)	159	(39)	18	(69)	(170)
BALANCE AT 31-12-2021	804	3,407	713	352	342	53	487

(*) At 1 January 2022, the amendments resulting from the new Labour Agreement signed on 7 July 2021 have entered into force. As regards the complementary social provision, it was agreed to set a fixed annual growth of 0.35% in the future of benefits caused to replace the various criteria established, chiefly based on the CPI (applicable thus far). This remeasurement is applicable to all current and future defined benefit plans, both those implemented through the CaixaBank Employment Pension Plan and those outside it. At the time of the agreement (2021), this resulted in the settlement of the obligations amounting to EUR 394 million.

21.1. Pensions and other postemployment defined benefit obligations

Provisions for pensions and similar obligations - Defined benefit post-employment plans

The Entity's main defined-benefit post-employment benefit obligations are as follows:

- Part of the commitments with employees and former employees of the Entity covered by insurance contracts with entities belonging to the Group or not, most of which coming from merger processes. In these cases, the Entity is the policyholder, and the contracts are managed by each insurance company, which also assumes the risks.
- The rest of the commitments are enforced via the CaixaBank Employment Pension Plan, which has various subplans. These subplans are integrated into two pension funds, namely the fund Pensions Caixa 30, a pension fund that which combines a greater number of holders and beneficiaries. The Pension Funds keep their defined-benefit commitments insured through different insurance contracts, mostly with VidaCaixa, the policyholder of which is the Pension Plan Control Committee itself. CaixaBank does not control the Pension funds into which these subplans are integrated, although it holds a minority representation on the Control Committees established in each of them.



21. ProvisionsCaixaBank | 2021 Financial Statements



Given that the majority of defined-benefit commitments covered through the Pension Funds or insurance policies taken out directly by CaixaBank, the objective of which is for the provisions payable to beneficiaries to be the same as the insurance provisions in the policies taken out, the Entity is not exposed to volatilities or unusual market movements. At the end of the different years, the fair value of the policies taken out directly with VidaCaixa or other entities, and that of the assets of the Pension Funds (primarily also insurance policies), are calculated using a homogeneous valuation methodology as established by accounting standards.

If an insurance policy is a CaixaBank Employment Pension Plan asset and its flows exactly match the amount and timing of the benefits payable under the plan, the fair value of these insurance policies is deemed to be the present value of the related obligations. There will only be a defined benefit net liability when certain commitments are not insured by CaixaBank or the pension fund, for example, longevity queues for which the insurers have not been able to find financial instruments with a sufficiently long duration that replicate the guaranteed payments.

Whilst the insurance policies taken out with insurers external to the Group and the value of the assets held through the Pension Funds are presented in net form on the balance sheet, given that they are eligible assets of the pan and are used to settle the obligations assumed, the fair value of the other policies taken out directly by CaixaBank with VidaCaixa are recorded under 'Other assets - all other assets'.

In 2021, following the merger by absorption of Bankia (see Note 7), the commitments from the acquired entity were incorporated. The assets supporting these commitments that are considered eligible (primarily linked to employee pension funds) are presented as net on the balance sheet.

Alternatively, all other commitments are insured with Bankia Vida insurance policies. Given the binding of commitments to the insurance company, these assets do not meet the requirement to be considered eligible assets and are recorded under the heading "Other assets - insurance contracts linked to pensions" in the balance sheet.

The breakdown of the changes of the balance under this heading is as follows:

CHANGES IN PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

(Millions of euros)

		LINKE	D *		NOT LINKED **					
	DEFINED BENEFIT		FINED BENEFIT FAIR VALUE OF OBLIGATIONS PLAN ASSETS			BENEFIT	FAIR VALUE OF ASSETS INVOLVED (B)		NET (ASSET)/LIABILITY FOR LONG-TERM COMMITMENTS (A+B)	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
OPENING BALANCE	(492)	(473)	490	473	(1,703)	(1,703)	1,696	1,658	(7)	(45)
Interest cost (income)	(3)	(4)	3	4	(5)	(15)	5	15		
Past service cost	(1)	(1)								
Interest cost (income)										
COMPONENTS OF COST OF DEFINED										
BENEFIT RECOGNISED IN PROFIT OR										
LOSS	(4)	(5)	3	4	(5)	(15)	5	15		
Actuarial gains/(Losses) arising from		()								
experience assumptions	17	(10)			35	13			35	13
Actuarial gains/(Losses) arising from financial assumptions	21	(27)	(30)	39	33	(87)	(132)	81	(99)	(6)
COMPONENTS OF COST OF DEFINED	21	(27)	(30)	33	33	(67)	(132)	01	(33)	(0)
BENEFIT RECOGNISED IN EQUITY	38	(37)	(30)	39	68	(74)	(132)	81	(64)	7
Plan contributions		(- /	(93)	(1)		(/	19	20	19	20
Plan payments	45	(25)	(45)	(25)	105	98	(104)	(97)	1	1
Settlements	84	2	(1.5)	(1)	310	35	(20.)	(19)	310	16
Additions due to business	01			(=)	310	33		(13)	310	10
combinations (Note 7)	(626)		478		(137)		137			
Transactions	151	46	1	1	(49)	(44)	46	38	(3)	(6)
OTHER	(346)	23	341	(26)	229	89	98	(58)	327	31
CLOSING BALANCE	(804)	(492)	804	490	(1,411)	(1,703)	1,667	1,696	256	(7)
Recognised in										
"Other assets - Insurance contracts linked										
to pensions" (Note 18)			804	490					256	
"Provisions - Pensions and other post- employment defined benefit obligations"										
(Note 21)	(804)	(492)								(7)
Type of obligation										
Vested obligations	(802)	(490)			(1,407)	(1,690)				
Non-vested obligations	(2)	(2)			(4)	(13)				
Type of investment										
Of which: Implemented through insurance							,			
policies			804	490			1,667	1,696		

^(*) The obligations are insured with a related company, the Entity being the policyholder.

The present value of defined benefit obligations was calculated using the following criteria:

- The "projected unit credit" accrual method has been used, which considers each year of service as giving rise to one additional unit of benefit entitlement and measures each unit separately.
- The estimated retirement age of each employee is the first age at which the employee has the right to retire or the age determined in the agreements, as applicable.
- The actuarial and financial assumptions used in the measurement are unbiased and mutually compatible.

The assumptions used in the Entity's calculations are as follows:

^(**) The obligations are insured with a third party or the Entity is not the policyholder.

ACTUARIAL AND FINANCIAL ASSUMPTIONS

	31-12-2021	31-12-2020
Discount rate of post-employment benefits (1)	0.84%	0.39%
Long-term benefit discount rate (2)	0.01%	-0.26%
Mortality tables (2)	PERM-F/2000 - P	PERM-F/2000 - P
Annual pension review rate (3)	0.35%	0% - 2%
Annual cumulative CPI (4)	2.56%	1.81%
Annual salary increase rate	0.75% 2022; 1% 2023; CPI + 0.5% 2024 and onwards	0% 2021; 0.75% 2022; 1% 2023; CPI + 0.5% 2024 and onwards

- (1) Using a rate curve based on high-rated corporate bonds, with the same currency and terms as the commitments assumed. Rate informed on the basis of the weighted average term of these commitments.
- (2) It has been decided to maintain the PERM-F/2000-P tables as the best estimate of the survival pattern, based on historical experience.
- (3) Depending on each obligation. Based on the Agreement to Amend Employment Conditions signed on 1 July 2021, a fixed rate of 0.35% has been considered as a future revaluation for pension commitments arising from collective systems, covenants and/or agreements.
- (4) Using the Spanish zero coupon inflation curve. Rate informed on the basis of the weighted average term of the commitments.

The actuarial assumptions of pension commitments are carried out by qualified and independent actuaries.

Furthermore, in order to preserve the governance of the valuation and management of risks inherent to these commitments, the Entity has established an activity framework where the ALCO Committee manages proposals to hedge these risks, and the Global Risk Committee approves any change to the criteria to value the liabilities reflected by these commitments.

Below follows a sensitivity analysis of the value of obligations based on the main assumptions used in the actuarial valuation. To determine this sensitivity, the calculation of the value of the obligations is replicated, changing the specific variable and maintaining the remaining actuarial and financial assumptions unchanged. One drawback of this method is that it is unlikely that a change will occur in one variable alone as some of the variables may be correlated:

ANALYSIS OF THE SENSITIVITY OF THE OBLIGATIONS

(Millions of euros)

	+50 BP	-50 BP
Discount rate	(43)	48
Annual pension review rate	1	0

The estimate of the fair value of insurance contracts linked to pensions taken out directly by CaixaBank with VidaCaixa or other companies and of the value of the pension fund assets (also mainly insurance policies) takes into account the value of future guaranteed payments discounted from the same rate curve used for the obligations. Therefore, since the expected flows of payments are matched with those deriving from the policies, the possible fair changes — at the close of the financial year — in the discount rate would have a similar effect on the value of the Entity's gross obligations and on the fair value of insurance contracts linked to pensions and the fair value of assets held through pension funds.

Consistent with the indications of note 2.12, the sensitivity of obligations has been calculated only when CaixaBank or the Pension Fund have not insured certain commitments, e.g. certain tales of longevity mentioned previously.

The estimated payment of the provisions planned for the next 10 years is stated below:

ESTIMATED PAYMENTS OF POST-EMPLOYMENT

(Millions of euros)

	2022	2023	2024	2025	2026	2027-2031
Estimated payments for post-employment commitments *	50	49	48	46	45	202

(1) Excluding insured provisions to be paid directly by VidaCaixa to the Pension Funds.



21.2. Provisions for other employee benefits

The Entity has funds to cover the commitments of its discontinuation programmes, both in terms of salaries and other social costs, from the moment of termination until reaching the age established in the agreements. Funds are also in place covering length of service bonuses and other obligations with existing personnel. The main training programmes for which funds are kept are as follows:

DISASSOCIATION PROGRAMMES

(Millions of euros)

	VEAD DECOCAUSED	AULANER OF RECOUR	INITIAL
	YEAR RECOGNISED	NUMBER OF PEOPLE	PROVISION
Labour agreement 17-07-2014	2014	434	182
Labour agreement for Barclays Bank personnel restructuring 2015	2015	968	187
Labour agreement 29-06-2015 (territorial reorganisation of the workforce)	2015	700	284
Paid early retirements and resignations 16-04-2016	2016	371	160
Labour agreement 29-07-2016	2016	401	121
Paid early retirements and resignations 10-01-2017	2017	350	152
Labour agreement 28-04-2017 - Disassociations 2017	2017	630	311
Labour agreement 28-04-2017 - Disassociations 2018	2018	151	67
Labour agreement 08-05-2019	2019	2,023	978
Labour agreement 31-01-2020 - Disassociations 2020	2020	226	109
Labour agreement for restructuring 1-07-2021	2021	6,452	1,884

The breakdown of the changes of the balance under this heading is as follows:

RECONCILIATION OF BALANCES OF OTHER LONG-TERM EMPLOYEE BENEFITS

(Millions of Euros)		
	NET (ASSET)/LIABILITY FOR DEFINED BENEFIT OBLIGATIONS	
	2021	2020
OPENING BALANCE	1,397	1,709
Included in profit or loss		
Service cost for the current year	(1)	4
Past service cost	2,272	95
Interest net cost (income)	1	2
Revaluations (gains)/losses	(9)	(1)
COMPONENTS OF COST OF DEFINED BENEFIT RECOGNISED IN PROFIT OR LOSS	2,263	100
Other		
Additions due to business combinations (Note 7)	107	
Plan payments	(348)	(423)
Transactions	(12)	11
TOTAL OTHER	(253)	(412)
CLOSING BALANCE	3,407	1,397
Of which: With pre-retired personnel	188	298
Of which: Termination benefits	3,143	753
Of which: Supplementary guarantees and special agreements	0	238
Of which: Length of service bonuses and other	64	61
Of which: Other commitments deriving from Barclays Bank, SAU.	12	47



21. ProvisionsCaixaBank | 2021 Financial Statements



21.3. Provisions for pending legal issues and tax litigation

Litigiousness in the field of banking and financial products is subject to comprehensive monitoring and control to identify risks that may lead to the outflow of funds from the entity, making the necessary allocations and taking the appropriate measures in terms of adaptation and improving procedures, products and services. 2020 was marked by highly irregular flows conditioned by the effect that the health crisis and the state of emergency have also caused on the normal functioning of the Administration of Justice, although its operation can be deemed to be normalised during 2021.

The dynamic nature of litigiousness and the high disparity of judicial criteria frequently drive changes in scenarios, without prejudice to which the Group has established monitoring mechanisms to control the progress of claims, actions and different judicial sensitivities on the contentious matters that make it possible to identify, define and estimate risks, based on the best information available at any given time.

In the case of disputes under general conditions, generally linked to the granting of mortgage loans to consumers (e.g. floor clauses, multi-currency clauses, mortgage expenses, advance maturity, etc.), the necessary provisions are held and the Group maintains ongoing dialogue with customers in order to explore agreements on a case-by-case basis. Similarly, CaixaBank leads the adherence to extrajudicial dispute resolution systems promoted by certain judicial bodies that resolve these matters, in order to promote amicable solutions that avoid litigating with customers and help alleviate the judicial burden.

In the same way, CaixaBank has adapted its provisions to the risk of ongoing actions arising from claims for the amounts of payments on account for the purchase of off-plan housing, banking, financial and investment products, excessive and abnormal price of interest rates, right to honour or statements of subsidiary civil liability arising from possible conduct of persons with employment links.

Lastly, a criterion of prudence is adopted for constituting provisions for possible punishable administrative procedures, for which provision is allocated in accordance with the economic criteria that may be laid down by the specific administration regarding the procedure, without prejudice to the full exercise of the right of defence in instances, where applicable, in order to reduce or annul the potential sanction.

The content of the main sections of this heading is set out below. The expected timing of outflows of funds embodying economic benefits, should they arise, is uncertain.

IRPH (Mortgage Loan Reference Index)

In relation to the official reference rate for mortgages in Spain (IRPH), the judgment issued by the Court of Justice of the European Union (CJEU) on 3 March 2020, and the set of judgments issued by the First Chamber of the Spanish High Court on 6 and 12 November 2020 provide clarity to the prosecution of claims that question the lack of transparency in the marketing of mortgage loans that include such an index.

The chief legal conclusion of the current judicial framework and without prejudice to its eventual change, is the validity of mortgage loans that include such an index.

On the one hand, in mortgage loans where the IRPH had been included in the context of Public Agreements in order to facilitate access to social housing, the Spanish High Court deems that there was transparency in the procurement; The core elements relating to the calculation of the variable interest laid down in the contract were easily accessible, the consumer adhered to a financing system established and regulated by a regulatory rule, regularly reviewed by successive Councils of Ministers, the clause expressly referred to this regulation and these agreements and both the former and the latter enjoy publicity arising from their publication in the Official State Gazette (BOE).

In cases not covered by the abovementioned scenario, pre-contractual and contractual information provided to consumers of mortgage loans including such an index should be examined on a case-by-case basis, in order to determine whether or not they suffer from lack of transparency, since there are no assessed means of testing material transparency. In any case, the important thing is that any declaration of lack of transparency requires the Spanish High Court – according to repeated legal principle of the CJEU – to make a judgment of abuse, and such abuse – due to the existence of bad faith and major imbalance – has no place in such cases. In the opinion of the Spanish High Court, on the one hand, good faith is not infringed when offering an official index, recommended by the Bank of Spain since the end of 1993 as one of the rates that could be used for mortgage lending operations and when the central

Government and several autonomous governments – through various regulatory provisions – had established the IRPH index as a reference for financing (borrowing) for the purchase of social housing. On the other hand, there is also no significant imbalance at the time of procurement, since the subsequent evolution is irrelevant and it cannot be ignored that hypothetically, by replacing the Savings Banks IRPH or Banks IRPH with the index proposed by the CJEU as a replacement in case of abuse and lack of agreement, the Entities IRPH would be applied as the supplementary legal index, which presents virtually no differences with the Savings Banks IRPH or Banks IRPH.

This criterion of the SC has recently been endorsed by the Court of Justice of the European Union in an order on 17 November 2021, ruling on a second question referred for a preliminary ruling by the 38th Court of First Instance of Barcelona (Case C-655/20).

In conclusion, the full validity of the procurement and the absence of risk on the eventual outflow of funds due to a possible declaration of lack of transparency are clarified in accordance with current case law.

The Group, in accordance with the current legal basis and reasonableness of the foregoing, as well as the best available information to date, does not hold provisions for this item.

On 31 December 2021, the total amount of mortgages up to date with payments indexed to the IRPH (mortgage base rate) with individuals is approximately EUR 5,596 million (the majority of which are with consumers).

Ongoing investigation in Central Investigation Office no. 2 (PD 16/18)

In April 2018, the Anti-Corruption Prosecutor's Office started legal proceedings against CaixaBank, the Entity's former head of Regulatory Compliance and 11 employees, for events that could be deemed to constitute a money laundering offence, primarily due to the activity carried out in 10 branches of CaixaBank by alleged members of certain organisations formed of Chinese nationals, who allegedly conducted fraud against the Spanish Treasury between 2011 and 2015. The procedure is in the pre-trial phase and the filing of proceedings has been agreed for four employees. Neither CaixaBank nor its legal advisers consider the risk associated with these criminal proceedings as being likely to arise. The potential impact of these events is not currently considered material, although CaixaBank is exposed to reputational risk due to these ongoing proceedings.

Ongoing investigation in Central Investigation Office no. 5 (PD 67/18)

As a result of a private accusation, a set of corporate operations that took place in 2015 and 2016 were being investigated, together with an asset operation stated by the accusation, but which did not exist (never granted). The Central Investigation Office dismissed the case in an order that has been confirmed in its entirety on appeal. The resolution is final and the procedure has been completed without any impact or materialisation of equity risk for CaixaBank.

Ongoing investigation in Central Investigation Office no. 6 (PD 96/17) Separate record no. 21

In July 2021, the Court decided to summon as subject to investigation the legal person, calling for them to be heard in order to obtain knowledge on the measures implemented in its compliance programmes to prevent crimes or significantly reduce the risk of them being committed. The investigation concerns facts that may eventually be considered as constituting an offence of bribery and disclosure of secrets, if a public official has been deemed to have been fraudulently contracted for alleged private security activities. It resulted in the first procedural appointment as the investigated party, from which CaixaBank may provide explanations and evidence on the procedures, rules and controls of corporate criminal prevention.

On 29 July 2021 a court decision was announced that agreed to file the cause pursued against the bank, in accordance with the evidence provided until that date. On 7 February 2022, this decision was revoked by the Criminal Chamber of the National Court, which understands that the decision to close the case is premature and that further proceedings are necessary to clarify the facts.

Without prejudice to reputational damage arising from a judicial investigation with public scrutiny, it is estimated that this broader study requested by the Chamber will result in a further decision not to prosecute and/or without the involvement or materialisation of a patrimonial risk linked to this criminal proceeding.

21. ProvisionsCaixaBank | 2021 Financial Statements



Judicial proceedings relating to the 2011 Bankia rights offering

Civil proceedings in respect of the nullity of the subscription of shares.

Claims are currently still being processed, although in a small number, requesting both the cancellation of share purchases in the rights offering made in 2011 on the occasion of the listing of Bankia and those relating to subsequent purchases, in relation to the latter scenario, however, they are residual claims.

On 19 July 2016, Bankia was notified of a collective claim filed by ADICAE; the processing of the proceedings is currently suspended.

Recently, In a judgment of 3 June 2021, the Court of Justice of the European Union resolved a preliminary question raised by the Spanish Supreme Court, clarifying that in cases of issuances intended both for retail investors and to qualified investors, the latter may bring an action for damages based on inaccuracies of the prospectus, although the national court will have to take into account whether such investor had or should have knowledge of the economic situation of the issuer of the public offer of subscription of shares and besides the prospectus. Applying this criterion in the proceedings that gave rise to the question, the Supreme Court considered that, in the specific case in question, it was not proven whether the plaintiff had access to information other than the prospectus.

The Group maintains provisions to cover the risk arising from this litigation.

Abridged proceedings 1/2018 (originating in previous proceedings No. 59/2012) followed before the Criminal Chamber of the National Court.

Criminal procedure whereby the Court agreed to admit the claim filed by Unión Progreso y Democracia against Bankia, BFA Tenedora de acciones, SAU and the former members of their respective Boards of Directors. Other complaints have subsequently been added to this proceeding concerning persons alleging damages for the listing of Bankia (private prosecution on the indictment) and persons who do not have such status (private prosecution by a person unaffected by the alleged offence). Through the listing, in July 2011 Bankia acquired EUR 3,092 million, of which EUR 1,237 million corresponded to institutional investors and EUR 1,855 million to retail investors. Since the retail investors were practically returned all of the amounts invested in the listing, through the civil procedures or the voluntary payment process opened by Bankia itself, it is considered that the contingency opened with these has been virtually resolved.

On 23 November 2018, within the part of the proceeding concerning civil liability, bail was set at EUR 38.3 million. As of today, there are bail applications pending for the Court for approximately EUR 5.8 million.

The judge of the Central Investigation Office no. 4 of the National Court terminated the investigation, by means of a conversion order dated 11 May 2017. On 17 November 2017, the Central Investigation Office no. 4 of the National court issued an Order opening the oral trial phase. The Order agreed on the opening of an oral trial for offences of falsehood in the annual accounts, established under article 290 of the Criminal Code and investor scam under article 282 bis of the Criminal Code against certain former directors and officers and former officers of Bankia and BFA, the External Auditor at the time of the rights offering and against BFA and Bankia as legal persons. In their briefs, the Prosecutor and the FROB requested the dismissal of the criminal case in respect of BFA and Bankia. The FROB did not claim the secondary civil liability of Bankia or BFA.

On 29 September 2020, the Criminal Chamber, section four of the National Court, delivered a judgment (no. 13/2020), acquitting – with all kinds of favourable pronouncement – all the accused of all charges.

Only two accusations – an association and a legal person – have formalised the corresponding appeal for cassation before the Criminal Chamber of the Spanish High Court against that judgment of 29 September 2020.

The Group has treated the litigation filed in Abridged proceedings 1/2018 (originating in previous proceedings No. 59/2012) as a contingent liability the final result of which is uncertain.

Banco de Valencia shareholders

Claim filed by the Small Shareholders Association of Banco de Valencia "Apabankval": In 2012, Apabankval filed a claim for corporate crimes against members of the Board of Directors of Banco de Valencia and the external auditor. No amount of civil liability has been determined. The claim by Apabankval has resulted in previous proceedings 65/2013-10 of the Central Investigation Office no. 1 of the National Court.

Subsequently, a second claim filed by several individuals ("Banco de Valencia") is included. Following on from this, by Order of 6 June 2016, the Central Investigation Office no. 1 of the National Court has admitted – to be included in previous proceedings 65/2013-10 – a new claim filed by shareholders of Banco de Valencia against various directors of Banco de Valencia, the external auditor and Bankia, S.A. ("as a substitute for Bancaja"), for a corporate crime of falsification of accounts set out in article 290 of the Criminal Code.

On 13 March 2017, the Criminal Chamber, section 3 of the National Court, issued an order confirming that (i) Bankia cannot be held liable for criminal acts and, (ii) Bankia must be continue to be the secondary civilly liable party.

On 1 June 2017, Apabankval comprised approximately 351 injured persons. Similarly, according to the Order of 8 January 2018, the Central Investigation Office no. 1 has so far identified 89 other persons as being injured, unifying their representation and defence in the Apabankval association, in accordance with article 113 of the Criminal Procedure Act.

On 6 September 2017, a new claim was filed by an individual for an offence of accounting falsehood under article 290.2 of the Criminal Code. The complaint is addressed on this occasion against former directors as natural persons responsible for criminal matters and against Bankia solely as the civilly liable party (in addition to Valenciana de Inversiones Mobiliarias and the External Auditor also as civilly liable parties).

On 13 December 2017, Central Investigation Office no. 1 issued an Order agreeing to bring BFA, Tenedora de Acciones, S.A.U. and the Bancaja Foundation to the proceedings as secondary civilly liable parties. BFA filed an appeal for the court to review its ruling – which was dismissed by the Order of 13 December 2017 – and appealed the decision to a higher court, which it withdrew, not because BFA has acquiesced to the abovementioned resolution, but because it reserves for a later procedural moment the resubmission of the exposed arguments that it considers to be solid and founded.

On 19 October 2018, an Order was issued to dismiss the appeal of the FROB – to which BFA acceded – against the Order sustaining BFA's secondary civil liability, with a dissenting vote that understood that the FROB – a public body – cannot be brought to the proceedings, as the secondary civil liability of BFA – which it wholly owns – is imposed.

On 2 December 2019, the Central Investigation Office no. 1 issued the conversion order agreeing to the continuation of these previous proceedings through the abridged procedures for the alleged participation in an ongoing corporate crime of falsehood in the annual accounts of Banco de Valencia for the fiscal years 2009-2010, punishable under art. 290 paragraphs 1 and 2 and art. 74 of the Criminal Code, against the members of the board of directors of Banco de Valencia and against various companies as secondary civilly liable parties, which include: BFA, Bankia, Bankia Hábitat S.L. and Valenciana de Inversions Mobiliarias, S.L. Upon rejection of the appeal for the court to review its ruling filed by the defences through the Order of 12 June 2020, Bankia and BFA have presented two appellate procedures to the Criminal Chamber of the National Court.

The National High Court has had CaixaBank as the successor in Bankia's position as a consequence of the merger of Bankia (acquired company) with CaixaBank (acquiring company).

The Entity has treated this contingency as a contingent liability, the final result of which is uncertain.

Provisions for taxes

The detail of the balance of this heading in the balance sheet is as follows:

21. *Provisions*CaixaBank | 2021 Financial Statements



BREAKDOWN FOR PROVISIONS FOR TAXES

(Millions of euros)

	31-12-2021	31-12-2020
Income Tax assessments	20	31
Tax on deposits	40	18
Other	292	138
TOTAL	352	187

The main tax procedures ongoing at 2021 year-end are as follows:

- In 2020 the activities to verify financial years 2013 to 2015 were finalised, and due provisions were provided for their impacts. Disputed Corporation Tax assessments and disputed Value-Added Tax assessments are pending resolution by the Central Economic-Administrative Court.
- In 2017, the review actions for 2010 to 2012 were completed with no significant impact. Disputed Corporation Tax assessments are under appeal with the National Criminal Court, and disputed Value-Added Tax assessments have been subject to an appeal against the decision of the tax authorities with the Central Economic-Administrative Court.
- In 2011, the Tax Inspection Bureau started to review 'la Caixa' in relation to financial years 2007 to 2009 for the main taxes applicable, which was completed in 2013. Disputed tax assessments were under appeal with the Spanish High Court and have been executed this year.

The Entity has provisions to cover the maximum risks that could arise from the formally disputed assessments relating to Corporation Tax and Value Added Tax.

21.4. Provisions for commitments and guarantees given

This heading includes the provisions for credit risk of the guarantees and contingent commitments given (Note 24).

21.5. Other provisions

The content of the main sections of this heading is set out below. The expected timing of outflows of funds embodying economic benefits, should they arise, is uncertain.

Class action brought by the ADICAE association (floor clauses)

The legal procedure in which class action for discontinuance was carried out by ADICAE (the Association of Banking and Insurance Consumers) in application of the floor causes that exist in some of the entity's mortgages, are currently in the phase of Reversal and Procedural Infringement before the Spanish High Court.

As stated in the previous financial statements, the risk associated with this matter was managed with specific coverage of EUR 625 million, and a team and specific procedures were developed to comply with the requests filed under the framework of Royal Decree-Law 1/2017, of 20 January, on urgent measures to protect consumers against floor causes.

There were no significant disbursements associated with this procedure in 2021.

With regard to proceedings originating from Bankia, at 31 December 2021, judicial proceedings are open in the exercise of individual actions for voidness, also being sued in the abovementioned collective injunction.

With the available information, the risk derived from the disbursements that could arise due to these litigation proceedings is reasonably covered by the corresponding provisions.



172

22. Equity

22.1. Shareholders' equity

Share capital

Selected information on the figures and type of share capital figures is presented below:

INFORMATION ABOUT SHARE CAPITAL

	31-12-2021	31-12-2020
Number of fully subscribed and paid up shares (units) (1)	8,060,647,033	5,981,438,031
Par value per share (euros)	1	1
Closing price at year-end (euros)	2.414	2.101
Market cap at year-end, excluding treasury shares (millions of euros) (2)	19,441	12,558

- (1) All shares have been recognised by book entries and provide the same rights.
- (2) CaixaBank's shares are traded on the continuous electronic trading system, forming part of the Ibex-35.

The breakdown of the changes of the balance under this heading is as follows:

CHANGES IN CAPITAL - 2021

(Millions of euros)

	NUMBER OF	FIRST	
	SHARES	LISTING DATE	NOMINAL VALUE
BALANCE AT 31-12-2020	5,981,438,031		5,981
Merger with Bankia (Note 7)	2,079,209,002	29-03-2021	2,079
BALANCE AT 31-12-2021	8,060,647,033		8,061

On 22 May 2020, the Company's General Meeting approved authorisation of the Board of Directors to increase share capital one or more times and at any moment, over the course of five years starting from that date, by a maximum amount of EUR 2,990,719,015 (equivalent to 50% of the share capital at the time of authorisation), through the issue of new shares —with or without a premium and with or without a vote—, the equivalent value of new shares to be issued consisting in cash contributions, and with the ability to establish the terms and conditions of the capital increase. This authorisation replaces and renders ineffective (in the unused part) the previous delegation approved at the General Meeting held on 23 April 2015.

The authorisation in force includes delegating to the Board of Directors the power to exclude, in whole or in part, pre-emptive subscription rights. However, in this case, the capital increases will be limited, in general, to a maximum amount of EUR 1,196,287,606 (equivalent to 20% of the share capital at the time of authorisation). This limit will not apply to the capital increases that the Board can approve, suppressing the preferential subscription rights, to facilitate the conversion of securities issued pursuant to the agreement adopted by the Board under authorisation of the General Meeting, with the general limit of EUR 2,990,719,015 applicable to these capital increases.

Accordingly, on 14 May 2021 the General Meeting resolved to authorise the Board of Directors to issue convertible securities for the purpose of meeting regulatory requirements for eligibility as additional Tier 1 regulatory capital instruments, up to a maximum aggregate amount of EUR 3,500,000,000 and for a period of three years, with the power to exclude pre-emptive subscription rights if this is in the Company's best interest. The breakdown of instruments issued under this agreement is presented in Note 22.3.

173

Share premium

The breakdown of the changes of the balance under this heading is as follows:

CHANGES IN SHARE PREMIUM - 2021

(Millions of euros)

BALANCE AT - 31-12-2020	12,033
Merger with Bankia (Note 7)	3,235
BALANCE AT 31-12-2021	15,268

Retained earnings, revaluation reserves and other reserves

The breakdown of the balances of these headings is as follows:

BREAKDOWN OF RESERVES

(Millions of euros)

	31-12-2021	31-12-2020
Legal Reserve *	1,612	1,196
Restricted reserves for financing the acquisition of treasury shares	6	2
Other restricted reserves **		509
Unrestricted reserves	2,773	2,620
TOTAL	4,391	4,327

^(*) At 2021 and 2020 year-ends, the legal reserve reached the minimum amount required by the Spanish Corporate Enterprises Act.

Other equity instruments

The value of shares included in variable share-based remuneration plans (see Note 32) not delivered is as follows:

BREAKDOWN OF OTHER EQUITY INSTRUMENTS

(Millions of euros)

	31-12-2021	31-12-2020
Value of shares not delivered	39	25

Treasury shares

The breakdown of the changes of the balance under this heading is as follows:

CHANGES IN TREASURY SHARES

(Millions of euros / Number of shares)

		2021				
	NUMBER OF			NUMBER OF		
	TREASURY% S	HARE CAPITAL	COST/	TREASURY% SH	HARE CAPITAL	COST/
	SHARES	*	SALES	SHARES	*	SALES
Opening balance	3,528,919	0.059%	10	2,705,936	0.045%	9
Acquisitions and other	6,197,179	0.077%	16	2,583,933	0.043%	7
Disposals and other **	(2,928,111)	(0.036%)	(8)	(1,760,950)	(0.029%)	(6)
CLOSING BALANCE	6,797,987	0.100%	18	3,528,919	0.059%	10

^(*) Percentage calculated on the basis of the total number of CaixaBank shares at the end of the respective years.

^(**) The other restricted reserves were provisioned through goodwill from Morgan Stanley, Bankpime and Banca Cívica. The Annual General Meeting of 14 May 2021 approved the reclassification to voluntary reserves in application of the current regulations.

^(**) Gains from treasury share transactions were not significant and were recorded under 'Other Reserves'.

Additionally, the number of treasury shares accepted as financial guarantees given by the Entity and treasury shares owned by third parties and managed by a company of the Entity were as follows:

TREASURY SHARES ACCEPTED AS FINANCIAL GUARANTEES AND OWNED BY THIRD PARTIES

(Millions of shares/Millions of euros)

	TREASURY SHARE FINANCIAL GL		TREASURY SHARES OWNED BY THIRD PARTIES MANAGED BY TH GROUP		
	31-12-2021	31-12-2020	31-12-2021	31-12-2020	
Number of treasury shares	17	12	18	13	
% of share capital	0.215%	0.201%	0.225%	0.217%	
Nominal amount	17	12	18	13	

22.2. Accumulated other comprehensive

Changes under this heading are contained in the statement of recognised income and expenses.

23. Tax position

23.1. Tax consolidation

The consolidated tax group for Corporation Tax includes CaixaBank, as the parent, and subsidiaries include Spanish companies in the commercial group that comply with the requirements for inclusion under regulations, including the "la Caixa" Banking Foundation and CriteriaCaixa. The subsidiaries of the fiscal group previously headed by Bankia have joined the tax group headed by CaixaBank.

The other companies in the commercial group file taxes in accordance with applicable tax legislation.

Similarly, CaixaBank and some of its subsidiaries have belonged to a consolidated tax group for value added tax (VAT) since 2008, the parent company of which is CaixaBank, and which has included a subsidiary of Bankia's VAT group.

23.2. Years open for review

On 24 July 2018, the Spanish tax authorities notified CaixaBank of the beginning of an inspection for the main taxes applicable to it for the years 2013 to 2015, inclusive, which concluded in 2020 with no major impact. The assessments signed under protest are duly provisioned.

Bankia is also involved in an audit procedure in relation to Corporation Tax for the years 2011 to 2013.

CaixaBank has 2016 and subsequent years open for review for Corporation Tax and the last four years for other taxes applicable to it. Furthermore, as the successor of Bankia, the Entity has the years 2014 and thereafter open for review for Corporation Tax and the last four years for the remaining taxes applicable to it.

The various interpretations that can be drawn from the tax regulations governing transactions carried out by financial institutions may give rise to certain contingent tax liabilities that cannot be objectively quantified. The Entity's management considers that the provision under "Provisions - Pending legal issues and tax litigation" in the balance sheet is sufficient to cover these contingent liabilities.

23.3. Reconciliation of the accounting profit to the taxable profit

The Entity's reconciliation of accounting profit to taxable profit is presented below:

RECONCILIATON OF ACCOUNTING PROFIT TO TAXABLE PROFIT

	2021	2020
Profit/(loss) before tax (A)	3,867	594
Increases/decreases due to permanent differences	(4,851)	(932)
Difference in accounting and tax cost of shares transferred		
Dividends and capital gains exempt from taxation	(842)	(1,490)
recognised under EIGs		
Valuation adjustments for impairment of subsidiaries	418	452
Expense recognised against reserves	(324)	(143)
Amortisation of goodwill	204	204
Income from business combinations (Note 7)	(4,300)	
Other increases	321	52
Other reductions	(328)	(7)
Taxable income/(tax loss)	(984)	(338)
Tax payable (base * tax rate)	295	101
Tax relief and tax credits	1	1
Income tax rate for the year	296	102
Tax adjustments	80	(7)
Tax adjustments for expenses recognised in reserve accounts	(24)	
Other tax	(4)	(1)
INCOME TAX (B)	348	94
PROFIT/(LOSS) AFTER TAX (A) + (B)	4,215	688

23.4. Deferred tax assets and liabilities

The changes in the balance of these headings is as follows:

CHANGES in DEFERRED TAX ASSETS

(Millions of euros)

	ı	REGULARISATI				REGULARISATI	ADDITIONS DUE TO BUSINESS COMBINATIONS			
	31-12-2019	ONS A	ADDITIONS D	ISPOSALS	31-12-2020	ONS	(NOTE 7) A	DDITIONS D	ISPOSALS	31-12-2021
Pension plan contributions	526	35	6		567	1	281	1		850
Allowances for credit losses	4,001	(69)			3,932	39	5,323		(33)	9,261
Insolvency provision (ECB 4/2017)	57			(57)	0					0
Early retirement obligations	10			(6)	4				(1)	3
Provision for foreclosed property	288	(23)			265		1,221			1,486
Credit investment fees	5			(1)	4	(1)				3
Assets measured at fair value through equity	90			(14)	76		9	30		115
Tax loss carry-forwards	916	(37)			879	(1)	309			1,187
Unused tax credits	764	(131)	1		634	(72)	85	4		651
Others from business combinations	19			(5)	14		1,026		(381)	659
Other (1)	980	37	338	(157)	1,198	(63)	517	325	(232)	1,745
TOTAL	7,656	(188)	345	(240)	7,573	(97)	8,771	360	(647)	15,960
Of which: monetisable	4,825				4,768					11,600

(1) Includes, inter alia, eliminations from intra-group operations and those corresponding to different provisions, and other adjustments due to differences between accounting and tax rules.

CHANGE IN DEFERRED TAX LIABILITIES

(Willions of Euros)										
						-	ADDITIONS DUE TO BUSINESS			
	REG	ULARISATI			R	REGULARISATI	COMBINATIONS			
	31-12-2019	ONS	ADDITIONS	DISPOSALS	31-12-2020	ONS	(NOTE 7)	ADDITIONS	DISPOSALS	31-12-2021
Revaluation of property on 1st application of Bank of Spain Circular 4/2004	202	(2)		(5)	195		130		(152)	173
Assets measured at fair value through equity	154		38		192		29		(107)	114
Intangible assets from business combinations	15	(11)		(1)	3		117		(56)	64
Others from business combinations	150	11		(26)	135		486		(338)	283
Other	96	(1)	4	(6)	93	(18)	233	209		517
TOTAL	617	(3)	42	(38)	618	(18)	995	209	(653)	1,151

The Group has a total of EUR 3,097 million of tax assets deferred by unregistered tax credits at 31 December 2021, of which EUR 2,907 million correspond to tax loss carry-forwards and EUR 190 million to deductions.

Twice per year, in collaboration with an independent expert, the Entity assesses the recoverable amount of its recognised deferred tax assets in the balance sheet, on the basis of a budget consisting in a 6-year horizon with the forecasted results used to estimate the recoverable value of the banking CGU (see Note 17) and forecast, subsequently, applying a sustainable net interest income (NII) to the average total assets and a normalised cost of risk (CoR) of 1.40% and 0.39%, respectively.

Following the business combination with Bankia, the implementation of the restructuring plans conducted by CaixaBank has led to the recognition of tax assets that are expected to lead to the generation of tax loss carry-forwards. Taking into account joint projections and considering the implementation of the synergy plans, the maximum recoverability period of tax assets as a whole remains below 15 years in line with the assumptions made for the entity acquired under the business combination (see Note 7).

The Entity performs sensitivity analyses on the key assumptions used to project cash flows in the recoverability model (see Note 17) without any significant changes in the estimated term in the baseline scenario.

The exercises to assess the recoverability of tax assets, which have been carried out since 2014, are reinforced by backtesting exercises, which show a high level of explainability.

In light of the existing risk factors (see Note 3) and the reduced deviation with respect to the estimates used to elaborate the budgets, the Administrators consider that, despite the limitations for applying different monetisable timing differences, tax loss carry-forwards and unused tax credits, the recovery of all activated tax credits is still probable with future tax benefits.

23.5. Other

In accordance with the provisions of article 86 of Act 27/2014, of 27 November, on Corporation Tax, the transactions in which CaixaBank has participated in 2021 under the special tax regime of Chapter VII of Title VII of the Corporation Tax Act are listed below:

- CaixaBank has absorbed Bankia, which was dissolved without liquidation with the transfer en bloc and by universal succession of its assets to CaixaBank. Note 7 and Appendices 7 and 8 to these notes to the consolidated financial statements contain the information required by article 86 of the Spanish Corporation Tax Act.
- The merger of CaixaBank neX, SA (absorbed entity) into CaixaBank (absorbing entity) was completed in June 2021.
- The merger of Bankia Fondos SGIIC SAU (absorbed entity) into CaixaBank Asset Management SGIIC SAU (absorbing entity) was completed in July 2021.
- In November 2021, CaixaBank executed the deed of contribution of real estate assets to LivingCenter in accordance with the provisions of Act 8/2012, of 30 October, on the reorganisation and sale of real estate assets in the financial sector.
- The merger of Bankia Pensiones SA EGFP (acquired entity) by VidaCaixa, SAU (acquiring entity) was completed in December 2021.

Information on transactions subject to the special tax regime in prior years is included in the tax notes to the financial statements of CaixaBank, Bankia, Banco de Valencia, Banca Cívica and the savings banks for prior years.

In 2013 an amendment was made that repealed article 12.3 of the restated text of the Corporation Tax Law, prohibiting tax deductible impairment at subsidiaries from 1 January 2013. A transitory system was also established to recover impairment that had been tax deductible up to 31 December 2012 amended by Royal Decree Law 3/2016. In this regard, Appendix 4 includes the information relating to the balance of corrections of entities classified as a group, investments in joint ventures and associates as at 31 December 2020.

24. Guarantees and contingent commitments given

The breakdown of "Guarantees and contingent commitments given" included as memorandum items is set out below:

BREAKDOWN OF EXPOSURE AND PROVISIONS ON GUARANTEES AND CONTINGENT COMMITMENTS - 31-12-2021 * (Millions of euros)

	OFF-BAL	ANCE-SHEET EXPO	OSURE		PROVISIONS	
	STAGE 1	STAGE 2	STAGE 3	STAGE 1	STAGE 2	STAGE 3
Financial guarantees given	8,042	731	187	(6)	(11)	(57)
Loan commitments given	75,937	3,267	327	(29)	(15)	(9)
Other commitments given	30,680	1,050	406	(12)	(24)	(232)

BREAKDOWN OF EXPOSURE AND PROVISION ON GUARANTEES AND CONTINGENT COMMITMENTS - 31-12-2020 (Millions of euros)

	OFF-BAL	OFF-BALANCE-SHEET EXPOSURE			PROVISIONS		
	STAGE 1	STAGE 2	STAGE 3	STAGE 1	STAGE 2	STAGE 3	
Financial guarantees given	5,007	230	105	(1)	(7)	(28)	
Loan commitments given	61,411	2,515	312	(20)	(10)	(5)	
Other commitments given	18,943	553	168	(6)	(10)	(37)	

The Entity only needs to pay the amount of contingent liabilities if the guaranteed counterparty breaches its obligations. It believes that most of these risks will reach maturity without being settled.

With respect to contingent commitments, the Entity has an undertaking to facilitate funds to customers through drawables on lines of credit and other commitments, whenever it receives a request and subject to compliance with certain conditions by the counterparties. It believes that a large portion of them will fall due prior to drawdown, either because they will not be requested by customers or because the drawdown conditions will not be met.

The breakdown of "Loan commitments given" included as memorandum items in the balance sheet, is set out below:

LOAN COMMITMENTS GIVEN

	31-12-7	31-12-2021		31-12-2020	
	DRAWABLE	LIMITS	DRAWABLE	LIMITS	
Drawable by third parties					
Credit institutions	74	105	36	75	
Public administrations	5,522	6,038	4,248	4,927	
Other sectors	73,935	118,266	59,954	102,552	
TOTAL	79,531	124,409	64,238	107,554	
Of which: conditionally drawable	5,002		3,316		

25. Other significant disclosures

25.1. Transactions for the account of third parties

The breakdown of off-balance sheet funds managed on behalf of third parties is as follows:

BREAKDOWN OF CUSTOMER FUNDS

(Millions of euros)

	31-12-2021	31-12-2020
Assets under management	218,938	160,540
Mutual funds, portfolios and SICAVs	103,632	65,852
Pension funds	47,930	35,328
Insurance	67,376	59,360
Other *	3,567	1,309
TOTAL	222,505	161,849

^(*) Includes temporary funds associated with transfers and collections, in addition other funds distributed by CaixaBank.

25.2. Transferred financial assets

The Entity converted a portion of their homogeneous loan and credits into fixed-income securities by transferring the assets to various securitisation special purpose vehicles set up for this purpose. In accordance with current regulations, securitisations in which substantially all the risk is retained may not be derecognised.

The balances classified in "Financial assets at amortised cost" corresponding to the outstanding amounts of securitised loans on the balance sheet are as follows:

BREAKDOWN OF SECURITISED LOANS

	31-12-2021	31-12-2020
Securitised mortgage loans	26,449	21,929
Other securitised loans	7,896	10,151
Loans to companies	4,771	5,372
Leasing arrangements	666	1,045
Consumer financing	2,211	3,733
Other	248	1
TOTAL	34,345	32,080



The breakdown of securitisations arranged, with the amounts outstanding and the amounts corresponding to credit enhancements granted to the securitisation funds is provided below:

LOAN SECURISATION - ISSUES ON ON-BALANCE-SHEET SECURITISED LOANS

		INITIAL			REPO SECUR	ISATION	CREDIT	Г
		EXPOSURE_	SECURITISE	DLOAN	BOND	S	ENHANCEN	IENTS
DATE OF IS	SUE ACQUIRED BY:	SECURITISED	2021	2020	2021	2020	2021	2020
July	2003 AyT Génova Hipotecario III, FTH	800		75		29		8
March	2004 AyT Génova Hipotecario IV, FTH	800	72	87	13	15	8	8
November	2004 TDA 22 Mixto, FTH	388	28	25	11	12	2	2
April	2005 Bancaja 8 FTA *	1,650	204		73		28	
June	2005AyT Hipotecario Mixto IV, FTA	200	19	23	8	11	1	1
June	2005AyT Génova Hipotecario VI, FTH	700	89	104		66	5	5
November	2005 AyT Génova Hipotecario VII, FTH	1,400	213	250	86	101	8	8
December	2005 Valencia Hipotecario 2, FTH	940	98	114	34	35	5	5
February	2006 Bancaja 9 FTA *	2,000	339		188		25	
April	2006 MBS Bancaja 3 FTA *	800	105		228			
June	2006AyT Génova Hipotecario VIII, FTH	2,100	308	365	170	198	9	9
July	2006AyT Hipotecario Mixto V, FTA	873	88	55	45	39	4	2
October	2006 Caixa Penedés 1 TDA *	23	2					
November	2006Valencia Hipotecario 3, FTA	901	151	176	63	62	5	5
November	2006AyT Génova Hipotecario IX, FTH	1,000	208	242	84	93	5	5
November	2006Madrid RMBS I, FTA *	2,000	571		411		71	
November	2006AYT Caja Murcia Hipotecario II FTA *	315	31		21		2	
December	2006Madrid RMBS II, FTA *	1,800	459		373		69	
December	2006TDA 27, FTA *	290	40		14		6	
January	2007Bancaja 10, FTA *	2,600	671		602		35	
April	2007MBS Bancaja 4 FTA *	1,850	309		220		1	
June	2007 AyT Génova Hipotecario X, FTH	1,050	235	270	291	272	10	10
June	2007 AyT Caja Granada Hipotecario I *	400	76	2.0	65		5	
June	2007 Caixa Penedés Pymes 1 TDA *	48	4					
July	2007Madrid RMBS III, FTA *	3,000	1,008		918		129	
July	2007 Bancaja 11, FTA *	2,000	607		522		28	
September	2007Caixa Penedés 2 TDA *	24	1					
November	2007FonCaixa FTGENCAT 5, FTA	1,000	134	158	38	38	27	27
December	2007AyT Génova Hipotecario XI, FTH	1,200	288	330	293	335	31	34
December	2007Madrid RMBS IV, FTA *	2,400	749	330	691	333	242	
July	2008 FonCaixa FTGENCAT 6, FTA	750	100	117	23	23	19	19
July	2008 AyT Génova Hipotecario XII, FTH	800	214	243	214	243	30	30
August	2008Caixa Penedés FTGENCAT 1 TDA *	6	3	243	214	243	30	
December	2008Madrid RMBS Residencial I, FTA *	805	334		155		225	
	·						179	
December	2008Bancaja 13, FTA *	2,895 600	1,261		1,201		184	
June	2010 Madrid RMBS Residencial II, FTA *		309	1 600	158	1 605		160
December	2010 AyT Goya Hipotecario III, FTA 2011 AyT Goya Hipotecario IV, FTA	4,000	1,428	1,608	1,423	1,605	142	160
April December	, , , ,	1,300 1,400	465 515	526 578	479 528	539 599	55 59	62 63
	2011 AyT Goya Hipotecario V, FTA							
February June	2016 CaixaBank RMBS 1, FT 2016 CaixaBank Consumo 2, FT	14,200 1,300	9,212 170	10,126 228	9,208	10,121	568 52	568 52
	2016 CaixaBank Consumo 2, F1 2016 CaixaBank Pymes 8, FT	2,250	488	656	512	700	71	71
November March	2016 CaixaBank Pymes 8, FT 2017 CaixaBank RMBS 2, FT	2,230	1,891	2,088				129
	·	2,720		609	1,923	2,121	118 18	
July November	2017 CaixaBank Consumo 3, FT	1,850	401 447	675	397 455	613 690		27
December	2017 CaixaBank Pymes 9, FT 2017 CaixaBank RMBS 3, FT	2,550	1,743	1,946	455 1,744	1,950	20 72	31 80
	2017 Caixabank Rivibs 3, F1 2018 CaixaBank Consumo 4, FT	1,700	260	483	293	546	14	25
May	2010 Caixabatik Cuttsuttiu 4, FT	1,700	200	403	233	340	14	25

(Millions of euros)

			INITIAL EXPOSURE_	REP SECURITISED LOAN		RE SECURITISED LOAI		REPO SECUR BONE		CREDI ENHANCEN	MENTS
DATE OF IS:	SUE	ACQUIRED BY:	SECURITISED	2021	2020	2021	2020	2021	2020		
November	2018	CaixaBank Pymes 10, FT	3,325	1,188	1,682	1,283	1,826	56	79		
June	2019	CaixaBank Leasings 3, FT	1,830	666	1,045	688	1,078	39	59		
November	2019	CaixaBank Pymes 11, FT	2,450	1,334	1,793	1,442	1,919	74	116		
June	2020	CaixaBank Consumo 5, FT	3,550	1,825	2,920	2,068	3,550	117	178		
November	2020	CaixaBank Pymes 12, FT	2,550	1,834	2,483	1,879	2,550	103	128		
September	2021	Caixabank Corporates 1 FT	2,302	1,150		2,301		117			
TOTAL			92,135	34,345	32,080	33,836	32,218	3,093	2,006		

^(*) Securitisations from the business combination with Bankia (see Note 7).

The amounts outstanding of derecognised securitisation transactions were not significant.

Securitisation bonds placed in the market are recognised under 'Financial liabilities at amortised cost - Customers' in the accompanying balance sheets, and they are the difference between the carrying amount of securitised bonds and the carrying amount of repo bonds adjusted by the differences arising from redemption mismatches.

Furthermore, the Entity maintains the following synthetic securitisation transactions, through which it partially transfers the credit risk of a group of borrowers classified under the heading "Financial assets at amortised cost – Loans and advances" of the balance sheet:

SYNTHETIC SECURITISATION TRANSACTIONS

(Millions of euros)

				CARRYING A	CARRYING AMOUNT	
			INITIAL EXPOSURE_	SECURIT	ISED	
ISSUE DA	TE	FUND	SECURITISED_	31-12-2021	31-12-2020	
February	2016	Gaudí I	2,025	43	65	
August	2018	Gaudí II	2,025	805	1,509	
April	2019	Gaudí III	1,282	899	1,277	
TOTAL			5,332	1,747	2,851	

The transfer of credit risk takes the form of a financial guarantee and it is not considered a substantial transfer of risk and profit. Therefore, the underlying exposure is maintained on the balance sheet.

9.3. Securities deposits and investment services

The detail, by type, of the securities deposited by third parties with the Entity is as follows:

SECURITIES DEPOSITED BY THIRD PARTIES

(Millions of euros)

	31-12-2021	31-12-2020
Book entries	99,719	137,926
Securities recorded in the market's central book-entry office	76,894	123,353
Equity instruments. Quoted	61,281	48,370
Equity instruments. Unquoted	719	41
Debt securities. Quoted	14,781	74,897
Debt securities. Unquoted	113	45
Securities registered at the Entity	766	
Equity instruments. Unquoted (090)	766	
Securities entrusted to other depositories	22,058	14,573
Equity instruments. Unquoted	22,058	14,573
Securities	2,577	1,953
Held by the Entity	2,577	1,953
Equity instruments	2,577	1,953
Other financial instruments	42	961
TOTAL	102,338	140,840

25.4. Financial assets derecognised due to impairment

Changes in the items derecognised from the balance sheet because recovery was deemed remote are summarised below. These financial assets are recognised under "Suspended assets" in the memorandum accounts supplementing the balance sheet:

CHANGES IN WRITTEN-OFF ASSETS

	2021	2020
OPENING BALANCE	11,800	12,334
Additions:	6,014	860
Of which: due to business combinations (Note 7)	4,223	
Disposals:	851	1,394
Cash recovery of principal (Note 34)	300	398
Cash recovery of past-due receivables	0	
Disposal of written-off assets*	227	693
Due to expiry of the statute-of-limitations period, forgiveness or any other cause	324	303
CLOSING BALANCE	16,963	11,800
Of which: interest accrued on the non-performing loans**	6.331	4.155

^(*) Corresponds to the sale of non-performing and written-off assets and includes interest related to these portfolios.

^(**) Primarily includes interest on financial assets at the time of derecognition from the consolidated balance sheet.



25.5. Public sector covered bonds

Information relating to loans used as guarantees for public sector covered bonds is shown below:

LOANS USED AS GUARANTEES FOR PUBLIC SECTOR COVERED BONDS

(Millions of euros)

		31-12-2021			31-12-2020	
			OF WHICH,			OF WHICH,
	TOTAL	OF WHICH,	RESIDENTS IN	TOTAL	OF WHICH,	RESIDENTS IN
	NOMINAL	RESIDENTS IN	OTHER EEA	NOMINAL	RESIDENTS IN	OTHER EEA
	VALUE *	SPAIN	COUNTRIES	VALUE *	SPAIN	COUNTRIES
Central governments	264	264	0	218	218	0
Autonomous and regional government	17,825	17,645	180	11,002	10,905	97
Local government	1,972	1,972	0	1,182	1,182	0
TOTAL	20,061	19,881	180	12,402	12,305	97

^(*) Principal drawn down and receivable on loans

The table below shows the nominal amount of public sector covered bonds issued and outstanding:

NOMINAL AMOUNT OF PUBLIC SECTOR COVERED BONDS ISSUED

	31-12-2021	31-12-2020
blic sector covered bonds issued	4,500	3,500
Issued via public offering	0	,
Other issuances	4,500	3,500
Residual maturity up to 1 year	2,000	1,500
Residual maturity between 1 and 2 years		2,000
Residual maturity between 3 and 5 years	2,500	
Of which: Treasury shares	4,500	3,500
VERAGE OF PUBLIC SECTOR COVERED BONDS ON LOANS	22.43%	28.22%

185

26. Interest income

The breakdown of this item in the accompanying statement of profit or loss is as follows:

BREAKDOWN OF INTEREST INCOME

(Millions of euros)

	2021	2020
Credit institutions	65	70
Debt securities	286	261
Financial assets held for trading	1	C
Financial assets at fair value with changes in other comprehensive income	170	171
Financial assets measured at amortised cost	115	90
Loans and advances to customers and other financial income	4,269	3,431
Public administrations	76	65
Trade credits and bills	166	126
Mortgage loans	1,810	1,516
Loans secured by personal guarantee	2,140	1,689
Other	77	35
Adjustments to income due to hedging transactions	(239)	(115)
Other assets	8	8
Interest income - liabilities	842	346
TOTAL	5,231	4,001

The average effective interest rate of the various financial assets categories calculated on average net balances (excluding rectifications) are as follows:

AVERAGE RETURN ON ASSETS

(Percentage)

	2021	2020
Deposits at central banks	0.00%	0.00%
Financial assets held for trading – debt securities	0.11%	0.01%
Financial assets compulsorily measured at fair value through profit or loss - Debt securities	0.00%	0.00%
Financial assets measured at fair value with changes in other comprehensive income - Debt securities	1.16%	1.05%
Financial assets measured at amortised cost		
Loans and advances to credit institutions	0.59%	0.95%
Loans and advances to customers	1.47%	1.65%
Debt securities	0.31%	0.66%

27. Interest expense

The breakdown of this item in the accompanying statement of profit or loss is as follows:

BREAKDOWN OF INTEREST EXPENSE

(Millions of euros)

	2021	2020
Central banks	(2)	(15)
Credit institutions	(21)	(45)
Short positions		(1)
Customer deposits and other finance costs	(358)	(392)
Debt securities issued (excluding subordinated liabilities)	(393)	(459)
Subordinated liabilities *	(70)	(98)
Adjustments to expenses as a consequence of hedging transactions	441	462
Asset interest expense	(371)	(125)
Interest from leasing liabilities (Note 1.4 and 20.4)	(17)	(19)
Other	(8)	(5)
TOTAL	(799)	(697)

^(*) Excluding interest from preference shares accountable as Additional Tier 1 capital (recognised in shareholders' equity)

The average effective interest rate of the various financial liabilities categories calculated on average net balances (excluding rectifications) is set out below:

AVERAGE RETURN ON LIABILITIES

(Percentage)

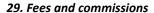
	2021	2020
Deposits from central banks	0.00%	0.13%
Deposits from credit institutions	0.13%	0.88%
Customer deposits	0.06%	0.13%
Debt securities issued (excluding subordinated liabilities)	1.08%	1.77%
Subordinated liabilities	0.77%	1.75%

28. Dividend income

The breakdown of this item in the accompanying statement of profit or loss is as follows:

DIVIDEND INCOME

	2024	2020
	2021	2020
Financial assets held for trading	11	13
Financial assets at fair value with changes in other comprehensive income	91	102
Telefónica	90	100
Other	1	2
Investments in Group companies	590	1,349
VidaCaixa	539	726
Caixabank Payments & Consumer	28	383
Banco BPI	13	117
Caixabank Asset Management		97
Nuevo MicroBank	2	10
Other	8	16
Investments in associates and joint ventures	24	3
Erste Group	21	
Other	3	3
TOTAL	716	1,467



The breakdown of this item in the accompanying statement of profit or loss is as follows:

BREAKDOWN OF FEE AND COMMISSION INCOME

(Millions of euros)

	2021	2020
Contingent liabilities	168	123
Credit facility drawdowns	121	84
Exchange of foreign currencies and banknotes	135	99
Collection and payment services	867	456
Securities services	98	84
Marketing of non-banking financial products	1,389	1,022
Other fees and commissions	459	356
TOTAL	3,237	2.224

BREAKDOWN OF FEE AND COMMISSION EXPENSES

	2021	2020
Assigned to other entities and correspondents	(59)	(4)
Of which: transactions with cards and ATMs	(58)	(3)
Securities transactions	(32)	(33)
Other fees and commissions	(116)	(88)
TOTAL	(207)	(125)

CaixaBank | 2021 Financial Statements

189

30. Gains/(losses) on financial assets and liabilities

The breakdown of this item in the accompanying statement of profit or loss is as follows:

BREAKDOWN OF GAINS/(LOSSES) ON FINANCIAL ASSETS AND LIABILITIES

	2021	2020
Gains/(losses) on derecognition of financial assets and liabilities not measured at fair value through profit or		
oss, net	29	182
Financial assets measured at amortised cost	3	114
Debt securities (Note 13.1)	3	114
Financial liabilities at amortised cost	1	
Financial assets at fair value with changes in other comprehensive income	25	68
Debt securities (Note 12.2)	25	69
Other		(1)
Gains/(losses) on financial assets and liabilities held for trading (net)	74	138
Equity instruments	(18)	(65)
Debt securities	(1)	7
Financial derivatives	93	196
Gains/(losses) on financial assets not designated for trading compulsorily measured at fair value through		
profit or loss (net)	2	(5)
Equity instruments	3	(1)
Loans and advances	(1)	(4)
Gains/(losses) from hedge accounting, net	2	(6)
Ineffective portions of fair value hedges	2	(6)
Valuation of hedging derivatives (Note 15)	(964)	(27)
Valuation of hedged items (Note 14)	966	21
TOTAL	107	309

31. Other operating income and expense

The breakdown of this item in the accompanying statement of profit or loss is as follows:

BREAKDOWN OF OTHER OPERATING INCOME

(Millions of euros)

	2021	2020
Income from investment property and other income	23	10
Sales and income from provision of non-financial services		7
Other income	88	104
TOTAL	111	121

BREAKDOWN OF OTHER OPERATING EXPENSES

(Millions of euros)

	2021	2020
Contribution to the Deposit Guarantee Fund/National Resolution Fund *	(558)	(334)
Operating expenses from investment property and other **	(23)	(15)
Expenses associated with regulators and supervisors	(25)	(14)
Taxes on deposits	(109)	(63)
Equity provision associated with monetisable DTAs	(112)	(48)
Other items	(134)	(112)
TOTAL	(961)	(586)

^(*) The primary aim of the Single Resolution Mechanism (SRM) is to ensure the rapid and consistent resolution of failing banks in Europe with minimum costs. Its regulation establishes uniform rules and a standard procedure for the resolution of credit institutions and certain investment firms, and a Single Resolution Fund (SRF). This establishes a centralised decision-making power vested in the Single Resolution Board (SRB) and national resolution authorities.

Law 11/2015 and Royal Decree 1012/2015 established the requirements that banks would make at least one annual contribution to the National Resolution Fund (NRF) in addition to the annual contribution that will be made to the Deposits Guarantee Fund (DGF) by member institutions. The total amount of the contributions that must be made to the NRF by all Spanish banking entities must be equal to 1% of the total amount of all deposits guaranteed by the DGF before 31 December 2024.

The NRF was merged with the other national funds of the member States of the EU into the SRF in January 2016. By virtue of the provisions set forth in the SRM Regulation, the SRB replaced the national resolution authorities and assumed the administration of the SRF and the calculation of the banking contributions, which will be adjusted to the risk profile of each institution according to the criteria established in Royal Decree 1012/2015 and Commission Delegated Regulation 2015/63. The aim of the SRF is to reach a total amount of EUR 55 billion in 2024.

In addition to the foregoing, the FROB can request extraordinary contributions. Law 11/2015 also established and additional rate which will be used to finance the activities of the FROB as a resolution authority and which is the equivalent of 2.5% of the annual contribution that will be made to the National Resolution Fund.

(**) Includes expenses related to leased investment property.

32. Personnel expenses

The breakdown of this item in the accompanying statement of profit or loss is as follows:

BREAKDOWN OF PERSONNEL EXPENSES

(Millions of euros)

	2021	2020
Wages and salaries	(2,426)	(1,750)
Social security contributions	(570)	(408)
Contributions to pension plans (savings and risk)	(141)	(154)
Of which: Risk premiums paid to VidaCaixa	(11)	(42)
Transfers to defined benefit plans	394	
Of which: Labour agreement 2021 (Note 21)	394	
Other personnel expenses	(2,363)	(57)
Of which: Labour agreement 2021 (Note 21)	(2,272)	
Of which: Premiums paid to SegurCaixa Adeslas for employee health policies	(17)	(16)
TOTAL	(5,106)	(2,369)

The expense recognised in 'Contributions to defined pension plans' includes mainly mandatory contributions stipulated which are made to cover retirement, disability and death obligations of serving employees.

"Other personnel expenses" includes, inter alia, training expenses, education grants and indemnities and other short term benefits. This heading also records the cost of the capital-instrument-based remuneration plans, recorded with a balancing entry under 'Shareholders' equity — Other equity items' of the accompanying balance sheet, net of the corresponding tax effect.

Share-based remuneration plans are specified in the Annual Corporate Governance Report – Remuneration.

The average number of employees, by professional category and gender, is set out below:

AVERAGE NUMBER OF EMPLOYEES *

(Number of employees)

	2021				2020	
			OF WHICH: WITH A DISABILITY EQUAL TO OR			OF WHICH: WITH A DISABILITY EQUAL TO OR
	MEN	WOMEN	ABOVE 33%	MEN	WOMEN	ABOVE 33%
Directors	4,200	2,651	31	2,867	1,890	14
Middle management	3,104	3,595	46	2,647	3,135	30
Advisers	10,438	16,035	356	6,788	10,127	178
TOTAL	17,742	22,281	433	12,302	15,152	222

^(*) The distribution by professional category and gender at 31 December 2021 and 2020 is not significantly different from that shown in the table above.

33. Other administrative expenses

The breakdown of this item in the accompanying statement of profit or loss is as follows:

BREAKDOWN OF OTHER ADMINISTRATIVE EXPENSES

(Millions of euros)

	2021	2020
IT and systems	(622)	(322)
Advertising and publicity *	(139)	(186)
Property and fixtures	(129)	(85)
Rent **	(52)	(22)
Communications	(57)	(52)
Outsourced administrative services	(174)	(118)
Tax contributions	(57)	(35)
Surveillance and security carriage services	(39)	(27)
Representation and travel expenses	(23)	(15)
Printing and office materials	(14)	(12)
Technical reports	(67)	(40)
Contribution and taxes on property	(6)	(5)
Governing and control bodies	(4)	(5)
Other expenses	(95)	(39)
TOTAL	(1,478)	(963)

^{*} Includes advertising in media, sponsorships, promotions and other commercial expenses.

EXTERNAL AUDITOR FEES *

(Thousands of euros)

	2021	2020
Group Auditor (PwC)		
Audit	3,957	2,281
Statutory audit	3,387	1,370
Audit of the merger balance sheet and proposed modification of the proposed distribution of profit or loss	0	480
Limited review	570	431
Audit-related services	941	547
Comfort letters for issues	427	277
Customer asset protection reports	144	80
Report on the Internal Control System for Financial Information	24	16
Report reviewing non-financial information, social discount assurance and carbon footprint	144	67
Review of pro forma financial information	45	70
Review of TLTRO III forms / other Eurosystem eligibility reports	145	28
Review of forms of indicators to calculate the contribution to the SRF	12	9
Other services	26	
TOTAL	4,924	2,828

^(*) The services contracted with our auditors comply with the Spanish Auditing Act's requirements of independence, and none of the work performed is incompatible with auditing duties.

Information on the average payment period to suppliers

The following tables provide a breakdown of the required information relating to payments made and pending at the balance sheet date:

^{**} The amount of the short-term rentals in which Circular 2/2018 has not been applied is immaterial.

[&]quot;Technical reports" relates to fees and expenses, excluding the related VAT, paid to the auditor, broken down as follows:

33. Other administrative expenses

CaixaBank | 2021 Financial Statements

193

PAYMENTS MADE AND OUTSTANDING AT THE BALANCE SHEET DATE

(Millions of euros)

	2021
Total payments made	2,493
Total payments pending	33
TOTAL PAYMENTS IN THE YEAR	2,526

AVERAGE SUPPLIER PAYMENT PERIOD AND RATIOS

(Day

	2021
Average payment period to suppliers	19.7
Ratio of transactions paid	16.6
Ratio of transactions pending payment	19.6

In accordance with the Second Transitional Provision of Act 15/2010 of 5 July, covering measures to combat non-performing assets in the trading operations, generally, the maximum statutory period for payments between companies is 60 days.



34. Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss

CaixaBank | 2021 Financial Statements

194

34. Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss

The breakdown of this item in the accompanying statement of profit or loss is as follows:

BREAKDOWN OF THE IMPAIRMENT OR REVERSAL OF IMPAIRMENT ON FINANCIAL ASSETS NOT MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	2021	2020
Financial assets measured at amortised cost	(631)	(1,479)
Loans and advances	(631)	(1,479)
Net allowances (Note 13)	(523)	(1,277)
Of which POCIs	(142)	
Write-downs	(408)	(600)
Recovery of loans written off (Note 25.4)	300	398
Financial assets at fair value with changes in other comprehensive income		2
Write-downs		2
Debt securities		2
TOTAL	(631)	(1,477)

35. Impairment/(reversal) of impairment on non-financial assets

The breakdown of this item in the accompanying statement of profit or loss is as follows:

BREAKDOWN OF THE IMPAIRMENT/(REVERSAL) OF IMPAIRMENT ON NON-FINANCIAL ASSETS

	2021	2020
Tangible assets	(72)	(33)
Property, plant and equipment for own use	(72)	(33)
Allowances (Note 16)	(1)	
Write-downs	(71)	(33)
Investment property (Note 16)		
Provisions	(2)	(2)
Releases	2	2
Intangible assets (Note 17)	(47)	(14)
Write-downs	(47)	(14)
Others (Note 18)	(22)	
Other	(22)	
TOTAL	(141)	(47)

36. Gains/(losses) on derecognition of non-financial assets CaixaBank | 2021 Financial Statements



36. Gains/(losses) on derecognition of non-financial assets

The breakdown of this item in the accompanying statement of profit or loss is as follows:

BREAKDOWN OF GAINS/(LOSSES) ON DERECOGNITION OF NON-FINANCIAL ASSETS

		2021				
			NET			NET
	GAINS	LOSSES PI	ROFIT/(LOSS)	GAINS	LOSSES	PROFIT/(LOSS)
On disposals of tangible assets	23	(15)	8	15	(9)	6
On disposals of investments	20	(56)	(36)		3	3
On disposals of other assets	440		440			
Of which: Sale of Bankia's card business to CPC (Note						
7)	174		174			
Of which: Sale of businesses from Bankia (Note 7)	266		266			
TOTAL	483	(71)	412	15	(6)	9



37. Profit/(loss) from non-current assets classified as held for sale not qualifying as discontinued operations CaixaBank | 2021 Financial Statements



37. Profit/(loss) from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations

The breakdown of this item in the accompanying statement of profit or loss is as follows:

BREAKDOWN OF THE GAINS/(LOSSES) OF NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE (Millions of euros)

	2021	2020
Impairment losses on non-current assets held for sale (Note 19)	(75)	(35)
Gains on non-current investments held for sale	319	
Of which: Profit for the sale of the share in Erste Bank (Note 15)	318	
Profit/(loss) on disposal of non-current assets held for sale	7	(3)
TOTAL	251	(38)

The total profit/(loss) on the disposal of non-current assets relate to property to satisfy loans, none of which were for significant amounts individually.

38. Information on the fair value

The Entity's process for determining fair value ensures that the assets and liabilities are measured according to applicable criteria. In that regard, the measurement techniques used to estimate fair value comply with the following aspects:

- The most consistent and appropriate financial and economic methods are used, which have proven to provide the most realistic estimate of the price of the financial instrument and are commonly used by the market.
- They maximise the use of available information, both in terms of observable data and recent transactions of a similar nature, and limit —to the extent possible— the use of unobservable data and estimates.
- They are widely and sufficiently documented, including the reasons for their choice compared to other alternatives.
- The measurement methods chosen are respected over time, provided that there are no reasons to change the reasons for their choice
- The validity of measurement models is regularly assessed using recent transactions and current market data.

Assets and liabilities are classified into one of the following levels using the following method to obtain their fair value:

- Level 1: assets and liabilities measured using the price that would be paid for them on an organised, transparent and deep market ("quoted price" or "market price"). In general, the following are included at this level:
 - Quoted debt securities. The following are mainly classified at this level:
 - Spanish and foreign public debt bonds, as well as other debt instruments issued by Spanish and foreign issuers.
 - Spanish and foreign public debt bonds under the insurance business.
 - Own securities issued by the Group, mainly vanilla bonds and mortgage bonds.
 - Quoted equity instruments. Investments in quoted shares and investments in collective investment institutions are mainly
 classified at this level.
 - Derivatives traded in organised markets.
- Level 2: assets and liabilities in which the relevant data used in measurement are directly or indirectly observable on the market, such as quoted prices for similar assets or liabilities in the active markets, interest rate curves or credit differentials. In general, the following are included at this level:
 - Debt securities of quoted debt with a low volume and level of market activity. Public debt bonds of Spanish autonomous communities, as well as other private debt instruments, are mainly classified at this level.
 - Over-the-counter hedging and trading derivatives. Interest-rate swaps, as well as financial swaps on goods and other risks, are mainly classified at this level.
 - Real estate assets corresponding to real estate investments, inventories, as well as assets arising from credit regularisations.
- Level 3: assets and liabilities for which the relevant data used for measurement are not observable market data, for the measurement of which alternative techniques are used, including price requests submitted to the issuer or the use of market parameters corresponding to instruments with a risk profile that can be equated to that of the instrument being measured. In general, the following are included at this level:
 - Unquoted debt securities. Unquoted debt bonds are mainly classified at this level.
 - Loans and receivables.
 - Deposits.
 - Unquoted equity instruments.

38.1. Fair value of assets and liabilities measured at fair value

The fair value of the financial instruments measured at fair value recognised in the balance sheet, broken down by associated carrying amount and level is as follows:



FAIR VALUE OF FINANCIAL ASSETS (FA) MEASURED AT FAIR VALUE

(Millions of euros)

	31-12-2021					31-12-2020				
	CARRYING		FAIR VAL	UE		CARRYING		FAIR VALUE		
	AMOUNT	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3	AMOUNT	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3
FA held for trading (Note 10)	17,971	17,971	635	17,336		13,449	13,449	1,023	12,426	
Derivatives	17,371	17,371	35	17,336		12,459	12,459	35	12,424	
Equity instruments	186	186	186			195	195	195		
Debt securities	414	414	414			795	795	793	2	
FA not designated for trading compulsorily measured at FV through profit or loss										
(Note 11)	121	121	46	2	73	139	139	49	2	88
Equity instruments	54	54	46	2	6	54	54	49	2	3
Loans and advances	67	67			67	85	85			85
FA at FV with changes in other comprehensive income (Note 12)	14,665	14,665	14,392	129	144	17,347	17,347	17,246	44	57
Equity instruments	1,144	1,144	1,000		144	899	899	842		57
Debt securities	13,521	13,521	13,392	129		16,448	16,448	16,404	44	
Derivatives - Hedge accounting (Note 14)	1,018	1,018		1,018		532	532		532	
TOTAL	33,775	33,775	15,073	18,485	217	31,467	31,467	18,318	13,004	145

FAIR VALUE OF FINANCIAL LIABILITIES (FL) MEASURED AT FAIR VALUE (FV)

(iviliation of cares)										
		31-12-2021				31-12-2020				
	CARRYING	FAIR VALUE			CARRYING		FAIR VAL	JE		
	CARRYING AMOUNT	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3	CARRYING AMOUNT	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3
Financial liabilities held for trading (Note 10)	12,153	12,153	323	11,830		7,557	7,557	323	7,234	
Derivatives	11,873	11,873	43	11,830		7,285	7,285	51	7,234	
Short positions	280	280	280			272	272	272		
Derivatives - Hedge accounting (Note 14)	928	928		928		174	174		174	
TOTAL	13,081	13,081	323	12,758		7,731	7,731	323	7,408	



38. Information on the fair valueCaixaBank | 2021 Financial Statements



The main valuation techniques, assumptions and inputs used in fair value estimation for levels 2 and 3 by type of financial instruments are as follows:

Instru	ument type	Assessment techniques	Observable inputs	Non-observable inputs
	Swaps	> Present value method	> Interest rate curves > Probability of default for the calculation of CVA and DVA	
	Exchange rate options	> Black-Scholes model > Stochastic local volatility model > Vanna-Volga model	Note that the curves Ouoted option price Probability of default for the calculation of CVA and DVA	
	> Present value method > Normal Black model		Interest rate curves Quoted option price Probability of default for the calculation of CVA and DVA	
Index and equity options > Black-Scholes model > Local volatility			 Quoted option prices Correlations Dividends. Probability of default for the calculation of CVA and DVA. 	
	Inflation rate options	> Normal Black model	 Interest rate curves Credit Default Swap curves Probability of default for the calculation of CVA and DVA. 	
	Loans and advances	> Present value method > Intensity of default	 Interest rate curves Credit Default Swap curves Probability of default for the calculation of CVA and DVA. 	
Equity instruments		> DCF (Discounted cash flow) > ECF (Equity cash flow) > DDM (Dividend Discount Method) > Underlying carrying amount	> Macroeconomic inputs > Risk premia and market premia > Market peers	> Business planes > Perpetual growth (g) > Net equity
Debt securities		> Present value method	 Interest rate curves Risk premia Market peers Observable market prices 	> Risk premia
Loans and receivables		and receivables > Present value method		> Credit loss ratios (internal models)

- (1) Present value method (net present value): this model uses the cash flows of each instrument, which are established in the different contracts, and deducts them to calculate the present value.
- (2) Market peers (similar asset prices): market peer instrument prices, reference indices or benchmarks are employed to calculate the performance as of the entry price or its current valuation, making subsequent adjustments to take into account the differences between the measured asset and the one taken as reference. It can also be assumed that the price of an instrument is equivalent to another one.
- (3) Black-Scholes model: this model applies a log-normal distribution of the securities prices in such a way that, under a neutral risk, the return expected is the risk-free interest rate. Under this assumption, the price of vanilla options can be calculated analytically, in such a way that the volatility of the price process can be obtained by inverting the BS formula for a premium quoted on the market.
- (4) Normal Black model: when interest rates approach zero (or become negative), the Black & Scholes model is unable to model interest rate options. With the same assumptions as this model, but on the assumption that forward interest rates follow a normal distribution, we obtain the Normal Black Model, which is used to measure these interest rate options.
- (5) Local stochastic volatility model in this model volatility follows a stochastic process in time according to the degree of moneyness, reproducing the volatility smiles observed in the market. These models are appropriate for long-term exotic options using Monte Carlo simulation or the resolution of differential equations for valuation purposes.



38. Information on the fair valueCaixaBank | 2021 Financial Statements



(6) Vanna-Volga model: this model is based on building the local replica portfolio whose hedging costs of second derivatives, vanna (premium derivative with respect to the volatility and the underlying) and volga (premium's second derivative with respect to the volatility), are added to the corresponding Black-Scholes prices in order to reproduce the volatility smiles.

(7) Default intensity model: a model that extracts the instant probability of default from the market Credit Default Swaps quote of a given issuer/contract. The survival function of the issuer with which credit swaps are measured is obtained using these default intensities.

(8) DCF (Discounted cash flow): This method analyses and estimates future flows for shareholders and creditors, and then updates them, discounting at a weighted average rate cost of capital (WACC).

(9) DDM (Dividend Discount Method): future dividend flows are estimated, and then updated, discounting at the cost of equity (ke). A method widely used in regulated entities with limitations, therefore, to the distribution of dividends since they must keep minimum own funds (e.g. Banking)

(10) ECF (Equity Cash Flow): This method analyses and estimates future flows for shareholders, and then updates them, discounting at the cost of equity (ke).

(11) Underlying carrying amount: Equity according to annual accounts. A method used for holdings for which assets are considered to be measured at or near fair value.

The measurements obtained using internal models may differ if other techniques were applied or assumptions used regarding interest rates, credit risk spreads, market risk, exchange rate risk, or the related correlations and volatilities. Nevertheless, the Entity's directors consider that the models and techniques applied appropriately reflect the fair values of the financial assets and financial liabilities recognised in the balance sheet, and the gains and losses on these financial instruments.

The main measurement methods used by the Entity to determine recurring fair value have not been changed during the year (the main measurement methods were not changed during 2020).

Significant inputs used for financial instruments measured at fair value classified at Level 2

- Dividends: future equity dividends in index and stock options are derived from estimated future dividends and dividend futures quotes.
- Correlations: they are used as input in the measurement of share basket options and are extracted using the historical closing prices of the various components of each basket.
- Probability of default for the calculation of CVA and DVA: Credit Valuation Adjustments (CVA) and Debit Valuation Adjustments (DVA) are added to the valuation of Over The Counter (OTC) derivatives due to the risk associated with the counterparty's and own credit risk exposure, respectively. In addition, Funding Valuation Adjustment (FVA) is a valuation adjustment of derivatives of customer transactions that are not perfectly collateralised that includes the funding costs related to the liquidity necessary to perform the transaction.

The CVA is calculated bearing in mind the expected exposure with each counterparty in each future maturity. The CVA for an individual counterparty is equal to the sum of the CVA for all maturities. Adjustments are calculated by estimating exposure at default (EAD), the probability of default (PD) and loss given default (LGD) for all derivatives on any underlying at the level of the legal entity that the Entity is exposed to. Similarly, DVA is calculated by multiplying the expected negative exposure given the probabilities of default by the Group's LGD.

The data necessary to calculate PD and LGD come from the credit market prices (Credit Default Swaps). Counterparty data are applied where available. Where the information is not available, the Entity performs an exercise that considers, among other factors, the counterparty's sector and rating to assign the PD and the LGD, calibrated directly to market or with market adjustment factors for the probability of default and the historical expected loss. With FVA, the adjustment shares part of the CVA/DVA approaches, since it is also based on the future credit exposure of the derivatives, but in this case the exposures are not netted by counterparty, but rather at aggregate level in order to recognise the joint management of the liquidity. The data necessary to calculate funding cost are also based on prices taken from its issuance and credit derivatives markets.

The change in the value of the CVA/FVA and DVA/FVA adjustments are recognised in "Gains/(losses) on financial assets and liabilities held for trading, net" in the statement of profit or loss.

The table below shows the changes to these adjustments:

CVA/FVA AND DVA/FVA CHANGES

(Millions of euros)

	2021		2020	
	CVA/FVA	DVA/FVA	CVA/FVA	DVA/FVA
OPENING BALANCE	(113)	21	(100)	19
Additions due to business combinations (Note 7)	(80)	8		
Additions/changes in derivatives	74	(3)	(13)	2
Cancellation or maturity of derivatives	(1)	0	0	0
CLOSING BALANCE	(120)	26	(113)	21

Significant inputs used for financial instruments measured at fair value classified at Level 3

Taking into account the Entity's risk profile, exposure to Level 3 assets and liabilities is reduced, chiefly focusing on equity instruments with a fair value based on multiple measurement models. The inputs used for estimating fair value take into account observable variables (macroeconomic inputs, risk and market premiums and comparable market variables) and unobservable variables (business plans, growth rates (g) according to estimates of institutions with recognised experience and net book equity according to the annual accounts of the measured company).

Transfers between levels

The transfers between levels of the instruments recorded at fair value are specified below:

TRANSFERS BETWEEN LEVELS - 2021

(Millions of euros)

	FRO M:	LEVEL	1	LEVEL	2	LEVEL 3	
	TO:	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 3	LEVEL 1	LEVEL 2
ASSETS							
Financial assets held for trading				3			
Debt securities				3			
Financial assets at fair value with changes in other comprehensive income		204					
Debt securities		204					
Financial assets measured at amortised cost		105					
Debt securities		105					
TOTAL		309		3			
LIABILITIES							
Financial liabilities at amortised cost		1,118					
Debt securities issued		1,118					
TOTAL		1,118			•		

Transfers between asset and liability levels are made primarily when there is:

- A significant increase or decrease in the liquidity of the asset in the market in which it is traded.
- A significant increase or decrease in market activity related to an observable input or
- A significant increase or decrease in the relevance of unobservable inputs, classified as Level 3 if an unobservable input is considered significant.

There were no material transfers among levels in 2020.

Given the Group's risk profile regarding its portfolio of debt securities measured at fair value (see Note 3.4.1), the change in fair value attributable to credit risk is not expected to be significant.



Changes and transfers of financial instruments in Level 3

The change brought about in the Level 3 balance, on instruments registered at fair value, is detailed below:

CHANGES IN LEVEL 3 FINANCIAL INSTRUMENTS AT FAIR VALUE **

(Millions of euros)

		2021		2020				
	FA NOT HELD FOR TRADING * EQUITY INSTRUMENTS	CHANGES	VALUE WITH IN OTHER ISIVE INCOME	FA NOT HELD FOR TRADING *	FA AT FAIR VALUE WITH CHANGES IN OTHER COMPREHENSIVE INCOME			
		DEBT SEC.	EQUITY INSTRUMENTS	EQUITY INSTRUMENTS	DEBT SEC.	EQUITY INSTRUMENTS		
OPENING BALANCE	3		57			112		
Additions due to business combinations (Note 7)			149					
Reclassifications to other levels			(37)					
Total gains/(losses)			(9)			4		
To profit or loss								
To reserves			(3)			(23)		
To equity valuation adjustments			(6)			27		
Acquisitions	3		1	3				
Settlements and other			(17)			(59)		
CLOSING BALANCE	6		144	3		57		
Total gains/(losses) in the period for instruments held at the end of the period			9			(4)		

FA: Financial Assets. DEBT SEC.: Debt securities

There are no significant movements in financial instruments at Level-3 fair value in 2020.

38.2. Fair value of assets and liabilities measured at amortised cost

The methodology for estimating the fair value of financial instruments at amortised cost recurrently is consistent with the provisions of Note 38.1. It is worth highlighting that the fair value presented for certain instruments may not correspond to their realisable value in a sales or settlement scenario, since it was not determined for that purpose; in particular:

- Loans and advances: Includes investments the typical lending activity. Fair value is estimated using the present value method based on expected cash flows established in the various contracts and subsequently discounted using:
 - Market interest rate curves as of the appraisal date.
 - Early write-off ratios based on available internal historical information.
 - Credit loss ratios based on IFRS 9 expected loss estimates based on internal models.
- Deposits: Includes the attracted deposits central banks, financial institutions and customers. Fair value is obtained using the present value method based on expected cash flows established in the various contracts and subsequently discounted using:
 - Market interest rate curves as of the appraisal date.
 - Internal model for estimating current account maturities and other demand deposits calibrated based on available internal historical information. This model takes the sensitivity of its remuneration at market interest rates and the level of permanence of account balances on the balance sheet.
 - The credit differential is added to the risk-free curve based on the generic loss probabilities of credit ratings.

^(*) Compulsorily measured at fair value through profit or loss.

^(**) No significant impacts have materialised as a result of the sensitivity analyses carried out on the level 3 financial instruments.



38. Information on the fair valueCaixaBank | 2021 Financial Statements



- Debt securities issued: Includes Group debt issuances. Instruments classified in Level 3: fair value is obtained using the present value method based on expected cash flows established in the various issuances and subsequently discounted using:
 - Market interest rate curves as of the appraisal date.
 - Own credit risk
- Other financial liabilities: It chiefly includes amounts for tax collection accounts, clearing houses, and liabilities associated with right of use assets. The fair value has been assimilated to carrying amount, as these are mainly short-term balances. In the case of liabilities associated with right-of-use assets, the current value of future lease payments during the mandatory period of the contract is presented.

For further information on the abovementioned financial assets and liabilities valued at amortised cost, see Notes 13 and 20.

The fair value of the financial instruments at amortised cost recognised in the balance sheet, broken down by associated carrying amount and level is as follows:

FAIR VALUE OF FINANCIAL ASSETS (FA) AT AMORTISED COST

(Millions of euros)

		31-12-2021					31-12-2020				
	CARRYING	FAIR VALUE			CARRYING	FAIR VALUE					
	AMOUNT	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3	AMOUNT	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3	
FA at amortised cost (Note 13)	398,774	421,822	39,071	21,354	361,397	243,659	263,685	18,355	1,545	243,785	
Debt securities	63,239	63,444	39,071	21,354	3,019	19,970	20,531	18,355	1,545	631	
Loans and advances	335,535	358,378			358,378	223,689	243,154			243,154	

FAIR VALUE OF FINANCIAL LIABILITIES (FL) AT AMORTISED COST

		31-12-2021					31-12-2020				
	CARRYING	FAIR VALUE				CARRYING	FAIR VALUE				
	AMOUNT	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3	AMOUNT	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3	
FL at amortised cost (Note 20)	517,751	518,463	49,589	2,027	466,847	314,156	319,040	34,364		284,676	
Deposits	460,903	460,241			460,241	276,072	279,078			279,078	
Debt securities issued	50,624	51,998	49,589	2,027	382	32,781	34,659	34,364		295	
Other financial liabilities	6,224	6,224			6,224	5,303	5,303			5,303	



38. Information on the fair valueCaixaBank | 2021 Financial Statements



38.3. Fair value of property assets

In the particular case of real estate assets, their fair value is obtained by requesting the appraisal value from external appraisal agencies. These agencies maximise the use of observable market data and other factors that market participants would consider when pricing, limiting the use of subjective considerations and unobservable or contrasted data. Along these lines, its fair value, based on the fair value hierarchy, is classified as Level 2.

The Entity has a corporate policy that guarantees the professional competence and independence and objectivity of external valuation agencies, under which these agencies must comply with neutrality and credibility requirements so that use of their estimates does not undermine the reliability of their valuations. This policy stipulates that all valuation agencies and appraisers used by the Entity in Spain must be included in the Bank of Spain's Official Registry and that their valuations be performed in accordance with the methodology set out in Ministerial Order ECO/805/2003 of 27 March. In 2021, the main appraisers and valuation agencies that the Entity worked with are as follows: Tasaciones Inmobiliarias, SA, Gesvalt, SA, Sociedad de Tasación, SA and Krata, SA.

The Entity has established the following criteria to obtain the appraisal values of real estate assets.

- Statistical appraisals are used for real estate with a fair value of less than EUR 300 thousand.
- For foreclosed real estate with a fair value of EUR 300 thousand or more, appraisals have been requested in accordance with the criteria established by Order ECO/805/2003:
 - Appraisals under 2 years old are used for real estate investments, using the rental update method.
 - Appraisals under one year old are used for stock, using the cost method application.
 - Appraisals under one year old are used for properties from credit regularisations, using the comparison method application.

For the specific case of properties from credit regularisations (foreclosed assets) classified as non-current assets for sale, the Entity has developed an internal methodology that determines the discount to be applied to the appraisal value (obtained from companies and appraisal agencies), based on recent experience in sales of Entity assets over the past 3 years; while for sales costs, to asset sales over the past 12 months. This methodology is chiefly based on the following drivers:

- Type of property: The model categorises the type of property, differentiating between residential, commercial, land and ongoing.
- Location. The model categorises property by zones, according to the commercial interest of their geographical location.
- The time that the property has been on the market. The model categorises property based on the time from the date of ownership of the property to the date of sale.

According to the drivers described above, for each sale made the Entity calculates the ratio between the difference between the amount of the last current updated appraisal and the sale price, in the numerator, and the amount of the last current updated appraisal, in the denominator. Thus, it determines the adjustment to be made to the measurement value in order to obtain fair value. The updating of the data used to calculate the adjustment based on appraisal values is conducted on a three-year basis.

In order to determine sale costs, the Entity calculates the ratio between the assumed marketing costs and the total volume of sales of realised assets.

Furthermore, the Group has established a backtesting analysis between the adjustment calculated by the model and the price for which the properties were finally sold. This exercise is conducted on a biannual basis.

The measurement methods used by the Entity to determine non-recurring fair value have not been changed during the year (measurement methods were not changed in 2020).

39. Disclosures required under the Mortgage Market Law

In accordance with regulations governing the mortgage market, issuers of mortgage covered bonds are required to disclose relevant information regarding their issuances. Consequently, CaixaBank, SA presents the following information regarding its total mortgage covered bond issuances:

Information on support and privileges available to holders of mortgage covered bonds issued by the Group

CaixaBank is the only Group entity that issues mortgage covered bonds in Spain.

Mortgage covered bonds are securities in which the principal and interest are especially secured, with no need for registration, by mortgages on all the bonds registered in favour of the Entity, without prejudice to liability of the Entity's assets.

The securities include credit rights for holders vis-à-vis the Entity, guaranteed as stated in the preceding paragraphs, and entail execution to claim payment for the issuer after they mature. The holders of these securities are considered to be creditors with special preference, as stipulated in section 3 of Article 1,923 of the Civil Code, vis-à-vis any other creditor, in relation to the total mortgage credits and loans registered in favour of the issuer. All holders of bonds, irrespective of their date of issue, have the same seniority over the loans and credits which guarantee the bonds.

The members of the Board of Directors certify that CaixaBank has express policies and procedures in place covering all activities carried out within the scope of its mortgage market issuances, and that they guarantee strict compliance with the mortgage market regulations applicable to such activities. These policies and procedures cover issues such as:

- Relationship between the sum of loans and credits and the appraisal value of the mortgaged asset.
- Relationship between the debt and the borrower's income, and verification of the information provided by the borrower and its solvency.
- Prevention of mismatches between flows from the hedging portfolio and those arising from payments owed on issued securities.
- Proper procedures for the selection of appraisers.



208

Information concerning mortgage market issuances

The nominal value of mortgage covered bonds, mortgage participations and mortgage transfer certificates issued by CaixaBank that are outstanding on 31 December 2021 and 2020 are presented below:

MORTGAGE MARKET ISSUES

(Millions of euros)

	31-12-2021	31-12-2020
Mortgage covered bonds issued in public offers (debt securities)	0	0
Mortgage covered bonds not issued in public offers (debt securities)	62,024	45,713
Residual maturity up to 1 year	10,140	7,425
Residual maturity between 1 and 2 years	9,250	7,390
Residual maturity between 2 and 3 years	3,900	5,750
Residual maturity between 3 and 5 years	21,914	9,730
Residual maturity between 5 and 10 years	12,835	13,450
Residual maturity over 10 years	3,985	1,968
Deposits	5,638	2,520
Residual maturity up to 1 year	1,003	675
Residual maturity between 1 and 2 years	625	417
Residual maturity between 2 and 3 years	0	300
Residual maturity between 3 and 5 years	1,405	128
Residual maturity between 5 and 10 years	2,605	550
Residual maturity over 10 years		450
TOTAL MORTGAGE COVERED BONDS	67,662	48,233
Of which: recognised under liabilities	26,050	16,053
Mortgage participations issued in public offers		
Mortgage participations not issued in public offers (*)	3,544	3,929
TOTAL MORTGAGE PARTICIPATIONS	3,544	3,929
Mortgage transfer certificates issued in public offers		
Mortgage transfer certificates not issued in public offers (**)	22,884	18,017
TOTAL MORTGAGE TRANSFER CERTIFICATES	22,884	18,017

^(*) The weighted average maturity at 31 December 2021 is 159 months (130 months at 31 December 2020).

Information on mortgage loans and credits

The nominal amount of all CaixaBank's mortgage loans and credits as well as those which are eligible, pursuant to applicable regulations, for the purposes of calculating the mortgage covered bonds issuance limit, is as follows:

MORTGAGE LOANS. ELIGIBILITY AND ACCOUNTABILITY IN RELATION TO THE MORTGAGE MARKET (Millions of euros)

	31-12-2021	31-12-2020
Total loans	167,687	105,369
Mortgage participations issued	3,544	3,929
Of which: On balance sheet loans	3,544	3,929
Mortgage transfer certificates issued	24,036	18,018
Of which: On balance sheet loans	22,884	18,017
Loans backing mortgage bonds issuances and covered bond issuances	140,107	83,422
Non-eligible loans	34,450	19,202
Meet eligibility requirements, except for limits established in article 5.1. of Royal Decree 716/2009 of 24		
April	16,821	7,027
Other	17,629	12,175
Eligible loans	105,657	64,220
Non-computable amounts	148	101
Computable amounts	105,509	64,119
Loans suitable for backing mortgage bond issuances	105,509	64,119

^(**) The weighted average maturity at 31 December 2021 is 207 months (168 months at 31 December 2020).

39. Mortgage market lawCaixaBank | 2021 Financial Statements



Information is also provided on all pending mortgage loans and credits, and those that are eligible without taking into account the calculation limits set out in Article 12 of Royal Decree 716/2009 of 24 April:

MORTGAGE LOANS AND CREDITS

20	31-12-	2021	31-12-	
TOTAL	TOTAL	TOTAL	TOTAL	
	PORTFOLIO OF	PORTFOLIO OF		
IGIBLE LOANS		ELIGIBLE LOANS		
AND CREDITS	CREDITS	AND CREDITS	CREDITS	
64,220	83,422	105,657	140,107	By source
64,220	83,422	105,580	140,006	Originated by the Entity
	0			Other
64,220	83,422	105,657	140,107	By currency
63,802	82,903	105,340	139,554	Euro
418	519	317	553	Other
64,220	83,422	105,657	140,107	By payment situation
63,073	78,357	104,214	132,170	Business as usual
1,147	5,065	1,443	7,937	Past-due
64,220	83,422	105,657	140,107	By average residual maturity
12,709	17,937	21,531	28,810	Up to 10 years
34,311	42,051	50,977	62,456	From 10 to 20 years
16,967	21,159	32,353	41,652	From 20 to 30 years
233	2,275	796	7,189	Over 30 years
64,220	83,422	105,657	140,107	By type of interest rate
18,257	21,496	27,215	31,415	Fixed
45,954	61,916	78,442	108,692	Variable
9	10			Mixed
64,220	83,422	105,657	140,107	By holder
7,723	17,070	12,527	24,479	Legal entities and entrepreneurs
1,443	3,741	2,179	4,996	Of which: Real estate developers
56,497	66,352	93,130	115,628	Other individuals and not-for-profit institutions
64,220	83,422	105,657	140,107	By collateral
62,864	79,866	103,934	135,854	Assets / completed buildings
58,392	69,348	96,000	119,896	Homes
1,548	1,770	2,775	3,156	Of which: Subsidised housing
1,616	3,012	3,183	7,034	Commercial
2,856	7,506	4,751	8,924	Other
963	2,853	1,292	3,142	Assets / buildings under construction
771	2,012	907	2,128	Homes
8	25	9	23	Of which: Subsidised housing
29	56	96	231	Commercial
163	785	289	783	Other
393	703			
387			•	
6				
	56 785	96	231	Commercial

A breakdown of the eligible loans and mortgage covered bonds affected by the issuance of CaixaBank mortgage covered bonds on 31 December 2021 and 2020 is provided below, according to the outstanding principal of loans and credit, divided by the last fair value of the guarantees affected (LTV):

ELIGIBLE MORTGAGE LOANS AND CREDITS

(Millions of euros)

	31-12-2021	31-12-2020
Mortgage on homes	96,907	59,093
Transactions with LTV below 40%	42,097	26,261
Transactions with LTV between 40% and 60%	35,229	21,832
Transactions with LTV between 60% and 80%	19,581	11,000
Other assets received as collateral	8,750	5,127
Transactions with LTV below 40%	5,363	3,258
Transactions with LTV between 40% and 60%	3,238	1,776
Transactions with LTV over 60%	149	93
TOTAL	105,657	64,220

Changes in mortgage loans and credits, which back the issuance of mortgage covered bonds, are shown below:

MORTGAGE LOANS AND CREDITS CHANGES IN NOMINAL VALUES - 2021

(Millions of euros)

	ELIGIBLE LOANS	NON-ELIGIBLE LOANS
Opening balance	64,220	19,202
Reductions in the year	10,416	9,727
Cancellations on maturity	55	69
Early cancellation	595	758
Assumed by other entities	291	78
Other	9,475	8,822
Additions in the year	51,853	24,975
Additions due to business combinations (Note 7)	43,000	20,773
Originated by the Entity	6,659	2,913
Assumed by other entities	31	9
Other	2,163	1,280
Closing balance	105,657	34,450

The amounts available (committed amounts not drawn down) of the whole portfolio of mortgage loans and credits pending amortisation on 31 December 2021 and 2020 are as follows:

AVAILABLE MORTGAGE LOANS AND CREDITS

	31-12-2021	31-12-2020
Potentially eligible	17,172	16,965
Other	3,916	3,312
TOTAL	21,088	20,277

The calculation of the degree of collateralisation and overcollateralisation of mortgage-covered bonds issued by CaixaBank is shown below:

DEGREE OF COLLATERALISATION AND OVERCOLLATERALISATION

		31-12-2021	31-12-2020
Non-registered mortgage covered bonds		62,024	45,713
Registered mortgage covered bonds placed as customer deposits		5,638	2,520
MORTGAGE COVERED BONDS ISSUED	(A)	67,662	48,233
Total outstanding mortgage loans and credits*		167,687	105,369
Mortgage participations issued		(3,544)	(3,929)
Mortgage transfer certificates issued		(24,036)	(18,018)
PORTFOLIO OF LOANS AND CREDIT COLLATERAL FOR MORTGAGE COVERED BONDS	(B)	140,107	83,422
COLLATERALISATION:	(B)/(A)	207%	173%
OVERCOLLATERALISATION:	[(B)/(A)]-1	107%	73%

^(*) Includes on- and off-balance-sheet portfolio

40. Related-party transactions

The "key management personnel" at CaixaBank are those persons having authority and responsibility for planning, directing and controlling the activities of the Entity, directly or indirectly, including all members of the Board of Directors and Senior Management (equivalent to the Management Committee members) of CaixaBank. Given their posts, each member of key management personnel is treated as a related party.

Close relatives to 'key management personnel' are also considered related parties, understood as family members who could exercise influence, or be influenced by this person, in matters relating to the Entity, as well as the companies in which the key staff or their close relatives exercise control, joint control or significant influence, or directly or indirectly have important voting powers.

According to the Regulations of the Board of Directors, transactions between Directors and their related parties must be authorised by the Board of Directors, subject to a report by the Audit and Control Committee, except if they meet the following three conditions:
i) they are governed by standard form contracts applied on an across the-board basis to a large number of clients; ii) they go through at market prices, generally set by the person supplying the goods or services; and iii) that the amount of the transaction does not exceed one per cent (1%) of the company's annual earnings. Notwithstanding the above, express authorisation by the Bank of Spain is required for the granting of loans, credits or guarantees to the "key management personnel".

The approval policy for loans to members of the Board of Directors who are employees of CaixaBank and Senior Management is governed by the provisions of the collective bargaining agreement for savings bank and financial savings institutions, as well as the internal employment regulations that implement this agreement. The breakdown of financing granted to "key management personnel and executives" is as follows:

OUTSTANDING FINANCING TO KEY PERSONNEL - DIRECTORS AND SENIOR MANAGEMENT (Thousands of euros)

2021 9,036	2020
9.036	
3,030	6,854
19	20
0.41	0.31
1,363	1,764
22	23
0.93	0.79
	19 0.41 1,363 22

All other loan and deposit transactions or financial services arranged by CaixaBank with 'key management personnel', in addition to related party transactions, were approved under normal market conditions. Moreover, none of those transactions involved a significant amount of money. Likewise, there was no evidence of impairment to the value of the financial assets or to the guarantees or contingent commitments held with 'key management personnel'.

The most significant balances between CaixaBank and its related parties are detailed below, complementing the other balances in this report.

RELATED PARTY BALANCES AND OPERATIONS

(Willions of Euros)	SIGNIFICANT SH	AREHOLDER			ASSOCIATES	AND IOINT	DIRECTORS A	ND SENIOR				
	(1)	AREHOLDER	GROUP EN	NTITIES	VENTURES				OTHER RELATED	PARTIES (3)	EMPLOYEE PENSION PLAN	
	31-12-2021	31-12-2020	31-12-2021	31-12-2020	31-12-2021	31-12-2020	31-12-2021	31-12-2020		31-12-2020		31-12-2020
ASSETS												
Loans and advances to credit institutions			1,237	968								
Loans and advances	36	22	16,274	12,628	552	417	9	7	24	20		
Reverse repurchase agreement			80									
Mortgage loans	18	21			3		9	7	11	10		
Other	18	1	16,194	12,628	549	417			13	10		
Of which: valuation adjustments			(25)	(15)	(1)	(1)						
Debt securities	1	12	1,733	1,032								
TOTAL	37	34	19,244	14,628	552	417	9	7	24	20		
LIABILITIES												
Customer deposits	304	208	6,179	6,673	1,054	619	13	26	18	48	119	66
Debt securities issued			245	88								
TOTAL	304	208	6,424	6,761	1,054	619	13	26	18	48	119	66
PROFIT OR LOSS												
Interest income		1	246	248	6	5						
Interest expense			(81)	(109)	(1)							
Fee and commission income			728	597	176	194						
Fee and commission expenses			(27)	(27)	(2)	(1)						
TOTAL		1	866	709	179	198						
OTHER												
Contingent liabilities	1		447	485	40	37						
Contingent commitments			3,335	2,952	742	510	2	2	1	2		
Assets under management (AUMs) and assets												
under custody (4)	23,623	12,842	72	64,387	1,489	1,648	28	192		336	1,396	1,349
TOTAL	23,624	12,842	3,854	67,824	2,271	2,195	30	194	22	338	1,396	1,349

⁽¹⁾ On 31 December 2021 they refer to balances and operations carried out with the "Fundación la Caixa" Banking Foundation, CriteriaCaixa, BFA Tenedora de Acciones, SAU, the FROB and its dependent companies. On 31 December 2021 the stake of CriteriaCaixa and BFA tenedora de Acciones, SAU in CaixaBank is 30.01% and 16.12%, respectively. At 31 December 2020 CriteriaCaixa's stake in CaixaBank is 40.02%. The stake of BFA Tenedora de Acciones, SAU in CaixaBank comes from the merger with Bankia (see Note 7).

(2) Directors and Senior Management of CaixaBank.

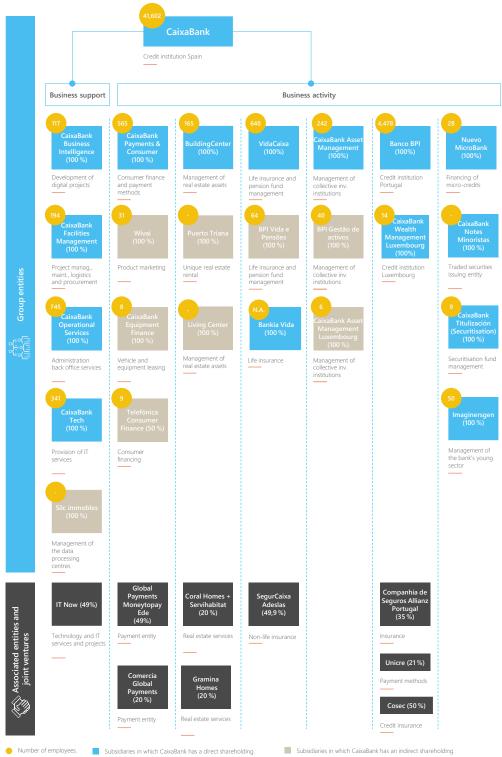
⁽³⁾ Relatives and companies related to members of the Board of Directors and Senior Management of CaixaBank. There are no significant differences in the perimeter considered under the Board Regulations (adapted to the amendments in 2021 of the Corporate Enterprises Act) and that of Circular 4/2017.

⁽⁴⁾ Includes mutual funds, insurance contracts, pension funds and post-employment obligations contributed. In 2021, the transfer of VidaCaixa's depository contracts to CecaBank had an impact on the performance of the Group's Entities balance.



There are no Related-party Transactions, as defined in Article 529s of the CCA that have exceeded, either individually or aggregated, the thresholds for their breakdown

The table below shows the main subsidiaries, joint ventures and associates, and their type of link.



Note: This includes the most relevant entities in terms of their contribution to the Group, excluding operations of a shareholding nature (dividends) and extraordinary



Nature of the link **Linked companies** > CaixaBank provides the FBLC Group (including CriteriaCaixa) certain services, under the Internal Protocol of Relationships subscribed by the parties. CaixaBank, S.A. is the parent company of the tax group for the purpose corporation tax with regard to the majority of the consolidated group's **Business activity** subsidiaries with a tax address in Spain. The tax group includes CriteriaCaixa and the "la Caixa" Banking Foundation, in accordance with the current Business support > CaixaBank fully or partially brokers the financial operations of the companies under its consolidated group and finances their activities. Similarly, CaixaBank holds BPI prudential issuances in its portfolio, within the framework of the **Business activity** management of the Group's joint liquidity. Additionally, VidaCaixa procures financial interest rate swaps with CaixaBank to adapt the flows of investments **Business support** to insurance contract commitment derivatives. CaixaBank subsequently closes this risk with market. > CaixaBank receives fees for the services of its subsidiaries and associates **Business activity** marketed via its network in Spain. >BPI receives fees for marketing the services marketed via its network in Portugal. Similarly it fully or partially brokers the financial operations of these companies and finances their activities. Unicre Cosec >IT Now (a joint venture between the Group and IBM) provides to CaixaBank Tech technology and IT development services. In turn, CaixaBank Tech provides IT Now CaixaBank Tech IT services to the FBLC Group (including CriteriaCaixa) and to the rest of **Business activity** CaixaBank Group's subsidiaries. >CaixaBank Business Intelligence provides digital project development services. > CaixaBank Operational Services and CaixaBank Facilities Management provide the companies of the identified staff administrative back-office services and works management, maintenance, logistics and procurement services, **Business activity** respectively. **Business support** > CaixaBank has outsourced certain employee commitments to VidaCaixa and CaixaBank > Silc immobles maintains the real estate and carries out maintenance on the data processing centres, which are leased to CaixaBank. > BuildingCenter is the owner of real estate that is leased to subsidiaries of the BuildingCenter Group and it receives rental income through said real estate. Similarly, BuildingCenter provides management services on certain CaixaBank assets for which it receives a fee. Living Center is the owner of the properties from foreclosures from the businesses combination with Bankia. **Business activity Business support** Coral Homes + Servihabitat > Servihabitat undertakes the servicing of the BuildingCenter property portfolio. Similarly, Servihabitat receives marketing fees for sales through its real estate channels owned by BuildingCenter and CaixaBank. Gramina Homes



40. Related-party transactions

CaixaBank | 2021 Financial Statements



Transactions between Group companies form part of the normal course of business and are carried out at arm's length.

The most relevant operations of 2021 and 2020 with the significant shareholder, in addition to those mentioned in the previous notes of this report, are as follows:

At 31 December 2021 and 2020, CriteriaCaixa has derivatives with CaixaBank to hedge interest rates on bilateral bank loans for a nominal amount of EUR 250 million and EUR 202 million, respectively. At 31 December 2021 and 2020, the fair value of this derivative amounts to EUR 3 million and EUR 2 million, respectively.

Description of the relations with CriteriaCaixa and the 'la Caixa' Banking Foundation

The 'la Caixa' Banking Foundation (FBLC), CriteriaCaixa and CaixaBank have an Internal Protocol on Relations available on the CaixaBank website, last updated in 2021, which governs the mechanisms and criteria of relations between CaixaBank and FBLC and CriteriaCaixa, particularly in the following areas: i) management of related-party transactions, establishing mechanisms to avoid conflicts of interest; and ii) regulation of the information flows needed to fulfil reporting obligations in terms of trading and supervision.

The latest amendment to the Internal Protocol on Relations was made to adapt it to the entry into force of Act 5/2021, of 12 April, which amends the revised text of the Corporate Enterprises Act, among other matters, with respect to the regime governing related-party transactions carried out by listed companies. This affects transactions between CaixaBank and CaixaBank Group companies, on the one hand, and the "la Caixa" Banking Foundation and "la Caixa" Banking Foundation Group companies, such as Criteria, on the other.

CaixaBank (as licensee) has a license agreement in effect with FBLC (as licensor) governing the use of certain trade names and the assignment of Internet domain names. The trade names licensed out under that agreement include the "la Caixa" brand and the star logo. The trade name license was granted in 2014 with an indefinite nature. However, it may be terminated by withdrawal or complaint by the licensor after 15 years have passed from signing, or in the event the stake held by FBLC in CaixaBank is less than 30 per cent of the share capital and voting rights of CaixaBank, or in the event there is a shareholder with a bigger stake in CaixaBank. The Company pays FBLC a fee for this licence that can be reviewed annually.

FBLC assigned to CaixaBank and CaixaBank Group companies, free of charge, the trademarks corresponding to their corporate names and the trademarks related to banking, financial, investment and insurance products and services, except for those that contain the "Miró Star" (Estrella de Miró) graphic design or the "la Caixa" denominative sign, which are covered by the licence. It also assigned the domain names used relating to the same company names.

Beyond the provisions of the above paragraphs, the Group's activities are not dependent on or significantly influenced by patents or licences, industrial contracts, new manufacturing processes or special commercial or financial contracts.

41. Other disclosure requirements

41.1. The environment

There is no significant environmental risk due to the activity of the Entity, and therefore, it is not necessary to include any specific breakdown on environmental information in the document (Order of the Ministry of Justice JUS/794/2021). Furthermore, no significant tangible asset items in the Entity are affected by environmental issues of any type.

The Entity is committed to carrying out its business, projects, products and services in the most environmentally-friendly way possible, and its activities do not have a direct impact on the environment (see the corresponding section in the accompanying Management Report).

The Entity did not receive any relevant fines or sanctions related to compliance with environmental regulations in 2021.

No significant tangible asset items at the Entity are affected by environmental issues of any type.

41.2. Customer service

CaixaBank has a Customer Service Office charged with handling and resolving customer complaints and claims. This office has no connections with commercial services and performs its duties with independent judgment and according to the protection rules for financial services customers.

A number of potential improvements to the policies, procedures and documents for marketing the products and services of CaixaBank and its Group have been identified from an in-depth analysis of claims and especially, the reports issued by the Supervisors' Claims Services in 2021. These led to the Customer Service Office drawing up 17 improvement proposals respectively.

The average resolution time in 2021 is 21 calendar days, compared to 23 calendar days in 2020.

COMPLAINTS RECEIVED

(Number of complaints)

	2021	2020
HANDLED BY THE CUSTOMER SERVICE OFFICE AND CUSTOMER CONTACT CENTER (CCC)	193,755	99,219
Customer Service Office (CSA) and Customer Contact Center (CCC)	193,755	99,219
FILED WITH THE SUPERVISORS' CLAIMS SERVICES	3,334	1,251
Bank of Spain	3,151	1,169
Comisión Nacional del Mercado de Valores (Spanish securities market regulator)	183	82
Directorate-General for Insurance and Pension Plans (DGS)	24	

The number of reports or resolutions issued by Customer Services and the Supervisors' Claims Services was as follows:

REPORTS ISSUED BY CUSTOMER SERVICES AND SUPERVISORS' CLAIMS SERVICES

(Number)

(Number)									
							DGS (Direct	orate	
	CS AND (CS AND CSO BA		BANK OF SPAIN		/	General of Insuran		
TYPE OF RESOLUTION	2021	2020	2021	2020	2021	2020	2021	2020	
Resolved in favour of the claimant	90,606	44,876	480	160	65	22	4		
Resolved in favour of the entity	76,653	30,521	442	140	65	19	4		
Acceptance			1,032	187	37	6			
Other (rejected/unresolved)	28,222	15,898	534				1		
TOTAL	195,481	91,295	2,488	487	167	47	9	0	

42. Statements of cash flows

The main cash flow variations corresponding to the financial year are set out below by type:

- Operating activities (EUR 33,624 million): This was mainly due to the increase in demand deposits under financial liabilities at amortised cost (EUR 17,404 million) and sales, depreciation and amortisation of debt securities under financial assets at fair value with changes in other comprehensive income (EUR 12,632 million).
- Investment activities (EUR 16,343 million): They mainly correspond to the cash flow from Bankia for the business combination (EUR 11,883 million) and the flows from the sale to Group companies of Bankia's real estate business (EUR 2,339 million).
- Financing activities (EUR 98 million): The proceeds from cash flows from issuances (EUR 4,212 million) and depreciation and amortisation of debt or equity instruments (EUR 4,526 million), as well as dividends paid (EUR 216 million) in the year.

219

(1/3)

Appendix 1 – CaixaBank investments in subsidiaries of CaixaBank Group

(Thousands of euros)

ReGISTRED SURINES ACTIVITY ADDRES DIRECT TOTAL CAPITAL RESIDES SOSTOFINE DIRECT ADDRES DIRECT TOTAL CAPITAL RESIDES SO HOLDING (NET) ADDRES ADDRES CAPITAL RESIDES SO HOLDING (NET) ADDRES CAPITAL RESIDES SOSTOFINE DIRECT CAPITAL RESIDES SOSTOFINE DIRECT CAPITAL RESIDES CA		% OWNERSHIP							(1)3)
Abside Capital SICAV-S.A. (*) SICAV-S SICAV-S Madrid-Spain 90.96 90.96 1.546			REGISTERED			SHARE		PROFIT/(LOS	COST OF THE DIRECT
Alicante Capital SICAV S.A. (*) SICAVS SICAVS Bracelona-Spain 100.00 100.00 15. 381 39 39. 3	CORPORATE NAME	BUSINESS ACTIVITY	ADDRESS	DIRECT	TOTAL	CAPITAL	RESERVES	S)	HOLDING (NET)
Aris Rosen, S.A.U. Services Barcelona-Spain 10.00 10.00 15 381 (39) 6.0 Arguitrabe Activos, S.L. Holding company Barcelona-Spain 85.00 85.00 12,720 4,259 1,647 14,300 Banco BPI, S.A. Banco BPI, S.A. Barcelona-Spain 85.00 85.00 12,720 42,59 1,647 14,300 BPI (Suises), S.A. (2) Assentangement Portugal 10.00 10.00 2,93,68 2,93,88 2,060,366 BPI (Suises), S.A. (2) Assentangement of collective investment institutions Portugal 1 10.00 7,500 64,710 9.924	Abside Capital SICAV S.A. (*)	SICAVs	Madrid-Spain	90.96	90.96	1,546	-	-	1,200
Arguitzbe Activos, S.L. Holding company Barcelona-Spain 10.00 10.00 98,431 4,866 1376 10.29.46 Arrendadora de Equipamientos Ferroviarios, S.A. Lessor of trains Barcelona-Spain 85.00 10.00 12.93,663 25.24 29.3,680 20.0036 BPI (Suisse), S.A. (2) Asset management Switzerland Switzerland 10.00 10.00 1.93,663 25.24 29.3,680 2.060,366 BPI (Suisse), S.A. (2) Asset management Switzerland Switzerland 10.00 10.00 1.93,663 25.24 29.3,680 2.060,366 BPI (Suisse), S.A. (2) Asset management Switzerland Switzerland Switzerland 10.00 10.00 1.650 3.217 3.217 3.217 BPI (Great Poet Activos - Sociedade Gestora de Fundos de Investimento Mobiliário, S.A Management of collective investment institutions Portugal 0.000 0.	Alicante Capital SICAV S.A. (*)	SICAVs	Madrid-Spain	99.99	99.99	2,555	(786)	(16)	1,278
Arrendadora de Equipamientos Ferroviarios, S.A. Lessor of trains Barce BPI, S.A. Barce BPI, S.A. Banking Portugal 10.00 10.00 12,72 4,259 1,647 3,217	Aris Rosen, S.A.U.	Services	Barcelona-Spain	100.00	100.00	15	381	(39)	60
Banking BPI, S.A. 293,368 2,060,366	Arquitrabe Activos, S.L.	Holding company	Barcelona-Spain	100.00	100.00	98,431	4,866	(376)	102,946
PF (Suisse), S.A. (2)	Arrendadora de Equipamientos Ferroviarios, S.A.	Lessor of trains	Barcelona-Spain	85.00	85.00	12,720	4,259	1,647	14,300
Price Pric	Banco BPI, S.A.	Banking	Portugal	100.00	100.00	1,293,063	2,253,478	293,368	2,060,366
Investimento Mobiliário, SA Management of collective investment institutions Portugal - 100.00 2,500 14,412 10,899 10,400	BPI (Suisse), S.A. (2)	Asset management	Switzerland	-	100.00	3,000	1,657	3,217	-
BPI Vida e Pensões - Companhia de Seguros, SA Life insurance and pension fund management Portugal - 10.00 76,000 64,710 9,24 BPI, Incorporated (3) (L) Banking US - 100.00 - 2 - 2 - 2 - 2 - 2 - 2 -	BPI Gestão de Activos - Sociedade Gestora de Fundos de								
BPI, Incorporated (3) (L) Banking US - 100.00 -	Investimento Mobiliário, SA	Management of collective investment institutions	Portugal	-	100.00	2,500	14,412	10,899	-
Bankia Commerce, S.L.U. Product marketing Madrid-Spain 10.00 100.00 755,560 (23,901) (7,599) - 2,000 755,560 (23,901) (7,599) - 2,000 - 2,000 755,560 (23,901) (7,599) - 2,000 - 2,000 755,550 (23,901) (7,599) - 2,000 - 2,000 - 2,000 755,550 (23,901) (7,599) - 2,000	BPI Vida e Pensões - Companhia de Seguros, SA	Life insurance and pension fund management	Portugal	-	100.00	76,000	64,710	9,924	-
Bankia Habitat, S.I.U. Holding company Madrid-Spain - 10.00 755,60 (23,901) (7,599) - 10.00 Bankia Mediación, Operador de Banca de Seguros Insurance agency Madrid-Spain 100.00 100.00 263,962 (169,897) 91,891 Bankia Vida, S.A. de Seguros y Reaseguros Life insurance Madrid-Spain 100.00 100.00 22,686 369,589 76,829 774,791 Building Center, S.A.U. Holder of real estate assets Madrid-Spain 100.00 100.00 2,000,600 (126,092) (156,711) 2,083,628 Caixa Capital Florndos Sociedad De Canital Riesgo S.A. Venture capital company Madrid-Spain 100.00 100.00 1,200 7,565 48 2,933 Caixa Capital Florndos Sociedad De Capital Riesgo S.A. Venture capital company Madrid-Spain 100.00 100.00 1,200 7,264 3,091 5,434 Caixa Capital Floridos Sociedad De Capital Riesgo S.A. Venture capital company Barcelona-Spain 80.65 80.65 1,209 5,140 (108) 4,988 Caixa Capital Tic S.C.R. S.A.	BPI, Incorporated (3) (L)	Banking	US	-	100.00	-	-	-	-
Bankia Mediación, Operador de Banca de Seguros Insurance agency Madrid-Spain 100.00 100.00 269 263,962 (169,897) 91,8991 Sankia Vida, S.A. de Seguros y Reaseguros Life insurance Madrid-Spain 100.00 100.00 22,686 369,589 76,829 774,791 Building Center, S.A.U. Holder of real estate assets Madrid-Spain 100.00 100.00 2,00,060 (126,092) (156,711) 2,083,628 Caixa Capital Biomed S.C.R. S.A. Venture capital company Barcelona-Spain 90.91 9.91 1,200 2,565 (48) 2,933 Caixa Capital Micro SCR S.A. Venture capital company Madrid-Spain 100.00 100.00 1,200 7,264 3,091 9,234 Caixa Capital Tic S.C.R. S.A. Venture capital company Madrid-Spain 100.00 100.00 1,200 5,140 9.01 1,205 Caixa Earnial Tic S.C.R. S.A. Venture capital company Barcelona-Spain 100.00 100.00 361 351 - 585 Caixa Earnial Tic S.C.R. S.A. Ventu	Bankia Commerce, S.L.U.	Product marketing	Madrid-Spain	100.00	100.00	3	787	(474)	-
Vinculado, S.A.U. Insurance agency Madrid-Spain 100.00 100.00 269 263,962 (169,897) 91,891 Bankla Vida, S.A. de Seguros y Reaseguros Life insurance Madrid-Spain 100.00 100.00 22,686 369,589 76,829 774,791 Baulding Center, S.A.U. Holder of real estate assets Madrid-Spain 100.00 100.00 2,000.00 (126,092) (156,711) 2,083,628 Caixa Capital Biomed S.C.R. S.A. Venture capital company Madrid-Spain 100.00 100.00 1,200 7,264 3,091 5,434 Caixa Capital Micro SCR S.A. Venture capital company Madrid-Spain 100.00 100.00 1,200 240 130 1,254 Caixa Capital Tic S.C.R. S.A. Venture capital company Barcelona-Spain 80.65 80.65 1,200 240 130 1,254 Caixa Emprendedor XXI, S.A.U. Venture capital company Barcelona-Spain 100.00 100.00 10,00 18,015 16,02 17,04 17,05 17,05 12,00 1,00 1,00	Bankia Habitat, S.L.U.	Holding company	Madrid-Spain	-	100.00	755,560	(23,901)	(7,599)	-
Bankia Vida, S.A. de Seguros y Reaseguros Life insurance Madrid-Spain 100.00 100.00 22,686 369,589 76,829 774,791 BuildingCenter, S.A.U. Holder of real estate assets Madrid-Spain 100.00 100.00 2,000,060 (126,092) (156,711) 2,083,628 Caixa Capital Biomed S.C.R. S.A. Venture capital company Barcelona-Spain 90.91 90.91 1,200 2,565 (48) 2,933 Caixa Capital Micro SCR S.A. Venture capital company Madrid-Spain 100.00 100.00 1,200 7,264 3,091 1,254 Caixa Capital Micro SCR S.A. Venture capital company Madrid-Spain 100.00 100.00 1,200 240 130 1,254 Caixa Capital Tic S.C.R. S.A. Venture capital company Barcelona-Spain 80.65 80.65 1,209 5,140 (108) 4,988 Caixa Eaprendedor XXI, S.A.U. Promotion of business and entrepreneurial initiatives Barcelona-Spain 100.00 100.00 361 351 - 585 Caixa Eaprendedor XXI, S.A.U.	Bankia Mediación, Operador de Banca de Seguros								
BuildingCenter, S.A.U. Holder of real estate assets Madrid-Spain 100.00 2,000,060 (126,092) (156,711) 2,083,628 Caixa Capital Biomed S.C.R. S.A. Venture capital company Barcelona-Spain 90.91 90.91 1,200 2,565 (48) 2,933 Caixa Capital Fondos Sociedad De Capital Riesgo S.A. Venture capital company Madrid-Spain 100.00 100.00 1,200 2,565 (48) 2,933 Caixa Capital Micro SCR S.A. Venture capital company Madrid-Spain 100.00 100.00 1,200 2,404 3,091 5,434 Caixa Capital Tic S.C.R. S.A. Venture capital company Barcelona-Spain 80.65 80.65 1,209 5,140 (108) 4,988 Caixa Cary, S.A. Holding company Barcelona-Spain 100.00 100.00 361 351 - 585 Caixa Emprendedor XXI, S.A.U. Promotion of business and entrepreneurial initiatives Barcelona-Spain 100.00 100.00 1,007 18,057 (29) 17,954 CaixaBank Rosa Management, SGIIC, S.A.U. Manag	Vinculado, S.A.U.	Insurance agency	Madrid-Spain	100.00	100.00	269	263,962	(169,897)	91,891
Caixa Capital Biomed S.C.R. S.A. Venture capital company Barcelona-Spain 90.91 90.91 1,200 2,565 (48) 2,933 Caixa Capital Fondos Sociedad De Capital Riesgo S.A. Venture capital company Madrid-Spain 100.00 100.00 1,200 7,264 3,091 5,434 Caixa Capital Micro SCR S.A. Venture capital company Madrid-Spain 100.00 100.00 1,200 240 130 1,254 Caixa Capital Tic S.C.R. S.A. Venture capital company Barcelona-Spain 80.65 80.65 1,209 5,140 (108) 4,988 Caixa Capital Tic S.C.R. S.A. Venture capital company Barcelona-Spain 80.05 80.65 1,209 5,140 (108) 4,988 Caixa Emprendedor XXI, S.A.U. Promotion of business and entrepreneurial initiatives Barcelona-Spain 100.00 100.00 1,000 18,057 (29) 17,954 CaixaBank Asset Management, SGIIC, S.A.U. Management of collective investment institutions Luxembourg - 100.00 100.00 100,975 140,815 177,016	Bankia Vida, S.A. de Seguros y Reaseguros	Life insurance	Madrid-Spain	100.00	100.00	22,686	369,589	76,829	774,791
Caixa Capital Fondos Sociedad De Capital Riesgo S.A. Venture capital company Madrid-Spain 100.00 100.00 1,200 7,264 3,091 5,434 Caixa Capital Micro SCR S.A. Venture capital company Madrid-Spain 100.00 100.00 1,200 240 130 1,254 Caixa Capital Tic S.C.R. S.A. Venture capital company Barcelona-Spain 80.65 80.65 1,209 5,140 (108) 4,988 Caixa Corp, S.A. Holding company Barcelona-Spain 100.00 100.00 361 351 - 588 Caixa Emprendedor XXI, S.A.U. Promotion of business and entrepreneurial initiatives Barcelona-Spain 100.00 100.00 1,007 18,057 (29) 17,954 CaixaBank Asset Management, SGIIC, S.A.U. Management of collective investment institutions Madrid-Spain 100.00 100.00 86,310 109,975 140,815 177,016 CaixaBank Brasil Escritório de Representação Ltda. (1) Representative office Brazil 100.00 100.00 100.00 1,000 2,624 323 345 CaixaBank Business Intelligence, SAU Development of digital projects Barcelona-Spain 100.00 100.00 10,518 40,124 9,673 CaixaBank Facilities Management, S.A. Vehicle and equipment leasing Madrid-Spain 100.00 100.00 10,803 1,803 4,871 780 2,053 CaixaBank Notas Minoristas, S.A.U. Finance Madrid-Spain 100.00 100.00 100.00 1,803 19,517 2,795 9,579 1,050 1	BuildingCenter, S.A.U.	Holder of real estate assets	Madrid-Spain	100.00	100.00	2,000,060	(126,092)	(156,711)	2,083,628
Caixa Capital Micro SCR S.A. Venture capital company Barcelona-Spain 100.00 100.00 1,200 240 130 1,254 Caixa Capital Tic S.C.R. S.A. Venture capital company Barcelona-Spain 80.65 80.65 1,209 5,140 (108) 4,988 Caixa Corp, S.A. Holding company Barcelona-Spain 100.00 100.00 361 351 - 585 Caixa Emprendedor XXI, S.A.U. Promotion of business and entrepreneurial initiatives Barcelona-Spain 100.00 100.00 1,007 18,057 (29) 17,954 CaixaBank Asset Management, SGIIC, S.A.U. Management of collective investment institutions Madrid-Spain 100.00 100.00 86,310 109,975 140,815 177,016 CaixaBank Asset Management Luxembourg, S.A. Management of collective investment institutions Luxembourg - 100.00 150 3,937 841 - CaixaBank Brasil Escritório de Representação Ltda. (1) Representative office Brazil 100.00 100.00 1,0	Caixa Capital Biomed S.C.R. S.A.	Venture capital company	Barcelona-Spain	90.91	90.91	1,200	2,565	(48)	2,933
Caixa Capital Tic S.C.R. S.A. Venture capital company Barcelona-Spain B	Caixa Capital Fondos Sociedad De Capital Riesgo S.A.	Venture capital company	Madrid-Spain	100.00	100.00	1,200	7,264	3,091	5,434
Caixa Corp, S.A. Caixa Emprendedor XXI, S.A.U. Promotion of business and entrepreneurial initiatives Barcelona-Spain 100.00 100.00 100.00 1,007 18,057 (29) 17,954 CaixaBank Asset Management, SGIIC, S.A.U. Management of collective investment institutions Madrid-Spain 100.00 100.00 86,310 109,975 140,815 177,016 CaixaBank Asset Management Luxembourg, S.A. Management of collective investment institutions Luxembourg - 100.00 150 3,937 841 - CaixaBank Brasil Escritório de Representaçao Ltda. (1) Representative office Brazil 100.00 100.00 1,000 1,000 1,000 2,624 323 345 CaixaBank Business Intelligence, SAU Development of digital projects Barcelona-Spain 100.00 100.00 100.00 1,100 1,100 2,624 323 345 CaixaBank Equipment Finance, S.A.U. Vehicle and equipment leasing Madrid-Spain 100.00 100.00 100.00 100.00 1,10	Caixa Capital Micro SCR S.A.	Venture capital company	Madrid-Spain	100.00	100.00	1,200	240	130	1,254
Caixa Emprendedor XXI, S.A.U. Promotion of business and entrepreneurial initiatives Barcelona-Spain 100.00 100.00 1,007 18,057 (29) 17,954 CaixaBank Asset Management, SGIIC, S.A.U. Management of collective investment institutions Madrid-Spain 100.00 100.00 86,310 109,975 140,815 177,016 CaixaBank Asset Management Luxembourg, S.A. Management of collective investment institutions Luxembourg - 100.00 100.00 1,000 1,000 2,624 323 345 CaixaBank Business Intelligence, SAU Development of digital projects Barcelona-Spain 100.00 100.00 100.00 1,000 1,100 1,100 1,100 1,100 1,000 1,	Caixa Capital Tic S.C.R. S.A.	Venture capital company	Barcelona-Spain	80.65	80.65	1,209	5,140	(108)	4,988
CaixaBank Asset Management, SGIIC, S.A.U. Management of collective investment institutions Luxembourg 100.00 100.00 86,310 109,975 140,815 177,016 CaixaBank Asset Management Luxembourg, S.A. Management of collective investment institutions Luxembourg - 100.00 150 3,937 841 - CaixaBank Brasil Escritório de Representação Ltda. (1) Representative office Brazil 100.00 100.00 100.00 1,200 2,624 323 345 CaixaBank Business Intelligence, SAU Development of digital projects Barcelona-Spain 100.00 100.00 100.00 1,199 337 1,200 CaixaBank Equipment Finance, S.A.U. Vehicle and equipment leasing Madrid-Spain - 100.00 10,518 40,124 9,673 - CaixaBank Facilities Management, S.A. Project management, maintenance, logistics and procurement Barcelona-Spain 100.00 100.00 1,803 1,871 780 2,053 CaixaBank Notas Minoristas, S.A.U. Finance Madrid-Spain 100.00 100.00 1,803 1,803 1,871 2,795 9,579 9,579	Caixa Corp, S.A.	Holding company	Barcelona-Spain	100.00	100.00	361	351	-	585
CaixaBank Asset Management Luxembourg, S.A. Management of collective investment institutions Luxembourg - 100.00 150 3,937 841 - CaixaBank Brasil Escritório de Representação Ltda. (1) Representative office Brazil 100.00 100.00 1,200 2,624 323 345 CaixaBank Business Intelligence, SAU Development of digital projects Barcelona-Spain 100.00 100.00 100.00 1,190 337 1,200 CaixaBank Equipment Finance, S.A.U. Vehicle and equipment leasing Madrid-Spain - 100.00 10,518 40,124 9,673 - CaixaBank Facilities Management, S.A. Project management, maintenance, logistics and procurement Barcelona-Spain 100.00 100.00 1,803 1,871 780 2,053 CaixaBank Notas Minoristas, S.A.U. Finance Madrid-Spain 100.00 100.00 1,803 1,871 9,579 9,579	Caixa Emprendedor XXI, S.A.U.	Promotion of business and entrepreneurial initiatives	Barcelona-Spain	100.00	100.00	1,007	18,057	(29)	17,954
CaixaBank Brasil Escritório de Representaçao Ltda. (1) Representative office Brazil 100.00 100.00 1,200 2,624 323 345 CaixaBank Business Intelligence, SAU Development of digital projects Barcelona-Spain 100.00 100.00 100.00 100.00 1,200 2,624 323 345 1,200 1,200 2,624 323 345 1,200 1,200 1,199 337 1,200 1,2	CaixaBank Asset Management, SGIIC, S.A.U.	Management of collective investment institutions	Madrid-Spain	100.00	100.00	86,310	109,975	140,815	177,016
CaixaBank Business Intelligence, SAU Development of digital projects Barcelona-Spain 100.00 100.00 100 1,199 337 1,200 CaixaBank Equipment Finance, S.A.U. Vehicle and equipment leasing Madrid-Spain - 100.00 10,518 40,124 9,673 - CaixaBank Facilities Management, S.A. Project management, maintenance, logistics and procurement Barcelona-Spain 100.00 100.00 1,803 1,871 780 2,053 CaixaBank Notas Minoristas, S.A.U. Finance Madrid-Spain 100.00 100.00 100.00 1,803 1,871 96 2,250 CaixaBank Operational Services, S.A. Specialised services for back office administration Barcelona-Spain 100.00 100.00 1,803 19,517 2,795 9,579	Caixabank Asset Management Luxembourg, S.A.	Management of collective investment institutions	Luxembourg	-	100.00	150	3,937	841	-
CaixaBank Equipment Finance, S.A.U. Vehicle and equipment leasing Madrid-Spain - 100.00 10,518 40,124 9,673 - CaixaBank Facilities Management, S.A. Project management, maintenance, logistics and procurement Barcelona-Spain 100.00 100.00 1,803 1,871 780 2,053 CaixaBank Notas Minoristas, S.A.U. Finance Madrid-Spain 100.00 100.00 100.00 60 1,654 96 2,250 CaixaBank Operational Services, S.A. Specialised services for back office administration Barcelona-Spain 100.00 100.00 1,803 19,517 2,795 9,579	CaixaBank Brasil Escritório de Representação Ltda. (1)	Representative office	Brazil	100.00	100.00	1,200	2,624	323	345
CaixaBank Facilities Management, S.A. Project management, maintenance, logistics and procurement Barcelona-Spain 100.00 100.00 1,803 1,871 780 2,053 CaixaBank Notas Minoristas, S.A.U. Finance Madrid-Spain 100.00 100.00 100.00 60 1,654 96 2,250 Caixabank Operational Services, S.A. Specialised services for back office administration Barcelona-Spain 100.00 100.00 1,803 1,871 780 2,053 1,871 780 2,755 1,055 1	CaixaBank Business Intelligence, SAU	Development of digital projects	Barcelona-Spain	100.00	100.00	100	1,199	337	1,200
CaixaBank Notas Minoristas, S.A.U. Finance Madrid-Spain 100.00 100.00 60 1,654 96 2,250 CaixaBank Operational Services, S.A. Specialised services for back office administration Barcelona-Spain 100.00 100.00 1,803 19,517 2,795 9,579	CaixaBank Equipment Finance, S.A.U.	Vehicle and equipment leasing	Madrid-Spain	-	100.00	10,518	40,124	9,673	-
Caixabank Operational Services, S.A. Specialised services for back office administration Barcelona-Spain 100.00 100.00 1,803 19,517 2,795 9,579	CaixaBank Facilities Management, S.A.	Project management, maintenance, logistics and procurement	Barcelona-Spain	100.00	100.00	1,803	1,871	780	2,053
	CaixaBank Notas Minoristas, S.A.U.	Finance	Madrid-Spain	100.00	100.00	60	1,654	96	2,250
Caixabank Payments & Consumer, E.F.C., E.P., S.A. Consumer finance Madrid-Spain 100.00 100.00 135,156 1,442,066 218,729 1,571,634	Caixabank Operational Services, S.A.	Specialised services for back office administration	Barcelona-Spain	100.00	100.00	1,803	19,517	2,795	9,579
	Caixabank Payments & Consumer, E.F.C., E.P., S.A.	Consumer finance	Madrid-Spain	100.00	100.00	135,156	1,442,066	218,729	1,571,634

CAIXABANK INVESTMENTS IN SUBSIDIARIES OF CAIXABANK GROUP

(Thousands of euros)

CORPORATE NAME Caixabank Tech, S.L. Provision of IT services Bactivity Caixabank Titulizacion S.G.F.T., S.A. Securitisation fund management M CaixaBank Wealth Management Luxembourg, S.A. Banking LL Centro de Servicios Operativos e Ingeniería de Procesos, S.L.U. Specialised services for back office administration M Provision of financial services and intermediation in the shipbuilding sector M Corporación Hipotecaria Mutual, E.F.C., S.A. Mortgage lending Provision of financial services and intermediation in the shipbuilding sector M El Abra Financiera Naval, S.L. Shipbuilding sector M Estugest, S.A. Administrative activities and services Gestión y Recaudación Local, S.L. Management of collection in city councils	REGISTERED ADDRESS Barcelona-Spain Madrid-Spain Luxembourg	% OWNER DIRECT 100.00 100.00	TOTAL 100.00	SHARE CAPITAL		ROFIT/(LOS	COST OF THE DIRECT
Corporate Name Caixabank Tech, S.L. Caixabank Titulizacion S.G.F.T., S.A. Caixabank Wealth Management Luxembourg, S.A. Centro de Servicios Operativos e Ingeniería de Procesos, S.L.U. Specialised services for back office administration Provision of financial services and intermediation in the shipbuilding sector Mortgage lending Provision of financial services and intermediation in the shipbuilding sector Mortgage lending Mortga	ADDRESS Barcelona-Spain Madrid-Spain	100.00				ROFIT/(LOS	COST OF THE DIRECT
Caixabank Tech, S.L. Caixabank Titulizacion S.G.F.T., S.A. Caixabank Wealth Management Luxembourg, S.A. Centro de Servicios Operativos e Ingeniería de Procesos, S.L.U. Specialised services for back office administration Provision of financial services and intermediation in the shipbuilding sector Mortgage lending Provision of financial services and intermediation in the shipbuilding sector Mortgage lending Mortgage lendin	Barcelona-Spain Madrid-Spain	100.00		CAPITAL			COST OF THE DIRECT
Caixabank Titulizacion S.G.F.T., S.A. Caixabank Wealth Management Luxembourg, S.A. Centro de Servicios Operativos e Ingeniería de Procesos, S.L.U. Specialised services for back office administration Provision of financial services and intermediation in the shipbuilding sector Mortgage lending Provision of financial services and intermediation in the shipbuilding sector Mortgage lending Mortg	Madrid-Spain		100.00		RESERVES	S)	HOLDING (NET)
CaixaBank Wealth Management Luxembourg, S.A. Centro de Servicios Operativos e Ingeniería de Procesos, S.L.U. Specialised services for back office administration Provision of financial services and intermediation in the shipbuilding sector Mortgage lending Provision of financial services and intermediation in the shipbuilding sector Mortgage lending Mortgage l	<u> </u>	100.00		15,003	100,801	1,672	174,519
Centro de Servicios Operativos e Ingeniería de Procesos, S.L.U. Specialised services for back office administration M Provision of financial services and intermediation in the shipbuilding sector M Corporación Hipotecaria Mutual, E.F.C., S.A. Mortgage lending M Provision of financial services and intermediation in the shipbuilding sector M Estugest, S.A. Administrative activities and services Gestión y Recaudación Local, S.L. Management of collection in city councils	uxembourg		100.00	1,503	606	3,108	6,423
S.L.U. Specialised services for back office administration M Provision of financial services and intermediation in the shipbuilding sector M M Corporación Hipotecaria Mutual, E.F.C., S.A. Mortgage lending M Provision of financial services and intermediation in the shipbuilding sector M M Estugest, S.A. Administrative activities and services Backestión y Recaudación Local, S.L. Management of collection in city councils Gi		100.00	100.00	12,076	18,845	(6,908)	40,725
Provision of financial services and intermediation in the shipbuilding sector M M Corporación Hipotecaria Mutual, E.F.C., S.A. Mortgage lending Provision of financial services and intermediation in the El Abra Financiera Naval, S.L. shipbuilding sector M Estugest, S.A. Administrative activities and services Based Gestión y Recaudación Local, S.L. Management of collection in city councils Gi							
Coia Financiera Naval, S.L. Shipbuilding sector Mortgage lending Provision of financial services and intermediation in the shipbuilding sector El Abra Financiera Naval, S.L. Shipbuilding sector Mamagement of collection in city councils Giranciera Naval, S.L. Management of collection in city councils	Madrid-Spain	100.00	100.00	500	14,209	481	18,617
Corporación Hipotecaria Mutual, E.F.C., S.A. Mortgage lending Provision of financial services and intermediation in the shipbuilding sector Estugest, S.A. Administrative activities and services Gestión y Recaudación Local, S.L. Management of collection in city councils Gi							
Provision of financial services and intermediation in the shipbuilding sector M Estugest, S.A. Administrative activities and services Bar Gestión y Recaudación Local, S.L. Management of collection in city councils Grinds	Madrid-Spain	76.00	76.00	3	59	(1)	2
El Abra Financiera Naval, S.L. shipbuilding sector M Estugest, S.A. Administrative activities and services Ba Gestión y Recaudación Local, S.L. Management of collection in city councils Gi	Madrid-Spain	100.00	100.00	5,000	69,261	775	71,987
Estugest, S.A. Administrative activities and services Bar Gestión y Recaudación Local, S.L. Management of collection in city councils Grant Gestión y Recaudación Local, S.L.							
Gestión y Recaudación Local, S.L. Management of collection in city councils Gi	Madrid-Spain	76.00	76.00	3	24	1	2
, ,	Barcelona-Spain	100.00	100.00	661	161	22	781
Gostión y Ponrocantación Global S.I.I. Instrument	Granada-Spain	-	99.75	900	841	190	-
destion y representation diobal, 3.L.o.	Madrid-Spain	100.00	100.00	12	27,715	(6)	27,732
Grupo Aluminios de Precisión, S.L.U. (*) Aluminium smelting in sand moulds Bu	Burgos-Spain	100.00	100.00	7,500	19,827	1,631	3,360
HipoteCaixa 2, S.L. Mortgage loan management company Ba	Barcelona-Spain	100.00	100.00	3	62,121	(596)	61,797
Hiscan Patrimonio II, S.A.U. Holding company M	Madrid-Spain	100.00	100.00	241,927	(18,723)	(1,129)	221,862
Hiscan Patrimonio, S.A. Holding company Ba	Barcelona-Spain	100.00	100.00	46,867	129,581	(16)	176,797
Imaginersgen, S.A. Digital business Ba	Barcelona-Spain	99.99	100.00	60	2,030	466	1,858
Inter Caixa, S.A. Services Ba	Barcelona-Spain	99.99	100.00	16	20	(3)	47
Inversiones Coridith SICAV S.A. (*) SICAVs M	Madrid-Spain	99.95	99.95	2,515	(742)	(18)	1,257
Inversiones Corporativas Digitales, S.L. Holding company Ba	Barcelona-Spain	-	100.00	3	(3,059)	9	-
Inversiones Inmobiliarias Teguise Resort, S.L. Hotels and similar accommodation La	as Palmas-Spain	60.00	60.00	7,898	10,269	1,861	8,618
Inversiones y Desarrollos 2069 Madrid, S.L.U., in liquidation							
(L) Real estate services M	Madrid-Spain	100.00	100.00	6,711	(3,906)	(34)	115
Livingcenter Activos Inmobiliarios, S.A.U. Real estate development Ba	Barcelona-Spain	-	100.00	137,331	1,436,746	(43,009)	-
Líderes de Empresa Siglo XXI, S.L. Private security for goods and people Ba	Barcelona-Spain	100.00	100.00	378	1,116	192	753
Le Le	as Palmas de						
G	Gran Canaria-						
Naviera Cata, S.A. Shipowner Sp	Spain	100.00	100.00	60	39	(10)	118
Negocio de Finanzas e Inversiones II, S.L. Finance Ba	Barcelona-Spain	100.00	100.00	6	440	(2)	445
Nuevo Micro Bank, S.A.U. Financing of micro-credits M	Madrid-Spain	100.00	100.00	90,186	261,695	36,357	90,186
Participaciones y Cartera de Inversión, S.L. Instrument M			_00.00	,			

CAIXABANK INVESTMENTS IN SUBSIDIARIES OF CAIXABANK GROUP

(Thousands of euros)

(Thousands of euros)								(3 /3)
			% OWNE	RSHIP				
		REGISTERED			SHARE	F	PROFIT/(LOS	COST OF THE DIRECT
CORPORATE NAME	BUSINESS ACTIVITY	ADDRESS	DIRECT	TOTAL	CAPITAL	RESERVES	S)	HOLDING (NET)
PremiaT Comunidad Online, S.L.	Marketing of cashless platform	Barcelona-Spain	-	100.00	100	749	(137)	-
Puertas de Lorca Desarrollos Empresariales, S.L.U., in								
liquidation "(L)"	Real estate services	Madrid-Spain	100.00	100.00	10,747	(6,446)	(3)	1,102
Puerto Triana, S.A.U.	Real estate developer specialised in shopping centres	Seville-Spain	100.00	100.00	124,290	(4,835)	1,664	120,894
Segurbankia, S.A.U. Correduria de Seguros del Grupo								
Bankia	Insurance agency	Madrid-Spain	100.00	100.00	150	4,397	629	4,890
Sercapgu, S.L.	Holding company	Barcelona-Spain	100.00	100.00	4,230	(222)	(18)	632
Silc Immobles, S.A.	Real-estate administration, management and operation	Madrid-Spain	-	100.00	40,070	107,442	(9,788)	-
Sociedad de Gestión Hotelera de Barcelona, S.L. (*)	Real-estate operations	Barcelona-Spain	-	100.00	8,144	9,150	(4,203)	-
Telefónica Consumer Finance E.F.C., S.A.	Consumer finance	Madrid-Spain	-	50.00	5,000	28,781	3,970	-
Tenedora Fintech Venture, S.A.U.	Holding company	Madrid-Spain	100.00	100.00	60	2,570	(1,445)	369
Unión de Crédito para la Financiación Mobiliaria e								
Inmobiliaria, E.F.C., S.A.U.	Mortgage loans	Madrid-Spain	100.00	100.00	53,383	6,383	(1,801)	51,501
Valenciana de Inversiones Mobiliarias, S.L.U.	Holding company	Valencia-Spain	100.00	100.00	4,330	109,602	(363)	113,784
VidaCaixa Mediació, Sociedad de Agencia de Seguros								
Vinculada, S.A.U.	Insurance agency	Madrid-Spain	-	100.00	60	3,478	219	_
VidaCaixa, S.A. de Seguros y Reaseguros Sociedad	Direct life insurance, reinsurance and pension fund							
Unipersonal	management	Madrid-Spain	100.00	100.00	1,347,462	352,942	538,298	2,337,896
Wivai Selectplace, S.A.U.	Product marketing	Barcelona-Spain	-	100.00	60	1,894	30,656	-

^(*) Companies classified as non-current assets held for sale

Note: The information corresponding to non-listed companies is based on the most recent data available (actual or estimated) at the time of preparation of the notes to these financial statements.

Note: Besides the companies set out in the details of the Appendix, the Group holds a 100% share of the share capital of the following companies that are inactive: Cestainmob, S.L.U.; GDS Grupo de Servicios I, S.A.; Medicaixa, S.A.; Web Gestión 1, S.A.; Web Gestión 2, S.A.; Web Gestión 3, S.A.; Web Gestión 3, S.A.; Cartera de Participaciones SVN, S.L.; Web Gestión 7, S.A.; Gestión Global de Participaciones, S.L.U.; Inmogestión y Patrimonios, S.A. and Valoración y Control, S.L. Similarly, the following companies of which the Group wholly owns the share capital, are currently in liquidation: Inmobiliaria Piedras Bolas, S.A. de C.V.; Playa Paraíso Maya, S.A. de C.V.; Inmacor Desarrollos, S.A. de C.V.; Proyectos y Desarrollos Hispanomexicanos, S.A. de C.V.; Grand Coral Property and Facility Management, S.A., de CV; Tubespa, S.A., Costa Eboris, S.L.U. and Encina de los Monteros, S.L.U. Lastly, CaixaBank as well as other investee companies of CaixaBank Group are joint entities participating in the Joint Prevention Service of "la Caixa" Group.

⁽L) Companies in liquidation.

⁽¹⁾ All data except cost are in local currency: Brazilian real (thousands).

⁽²⁾ All data except cost are in local currency: Swiss franc (thousands)

⁽³⁾ All data except cost are in local currency: US dollar (thousands)

(1/1)

Appendix 2 – CaixaBank stakes in agreements and joint ventures of CaixaBank Group

(Thousands of euros)

											TOTAL		
			% OWNE	RSHIP							COMPREHEN	COST OF DIRECT	DIVIDENDS ACCRUED
		REGISTERED -	70 O WINE				ORDINARY	SHARE		PROFIT/(LOS	SIVE	OWNERSHIP	FROM THE TOTAL
CORPORATE NAME	BUSINESS ACTIVITY	ADDRESS	DIRECT	TOTAL	ASSETS	LIABILITIES	INCOME	CAPITAL	RESERVES	S)	INCOME	INTEREST (NET)	HOLDING
Cosec - Companhia de Seguros de Crédito, S.A.	Credit insurance	Portugal	-	50.00	142,288	88,981	18,674	7,500	36,563	5,630	5,630	-	2,356
Global Payments South America, Brasil – Serviço	S												
de Pagamentos, S.A.(*) (1)	Payment methods	Brazil	33.33	33.33	995,252	1,021,509	37,635	181,564	(184,184)	(23,637)	(23,637)	-	-
Inversiones Alaris, S.L. In liquidation (L)	Securities holding	Navarre-Spain	33.33	66.67	13,513	8,241	-	11,879	(6,092)	(515)	(515)	-	-
Payment Innovation HUB, S.A.	Payment methods	Barcelona-Spain	-	50.00	1,525	232	1,729	60	867	366	366	-	-
Vivienda Protegida y Suelo de Andalucía, S.A., in	Real estate												
liquidation (L)	development	Seville-Spain	-	50.00	4,373	7,102	-	60	(2,744)	(45)	(45)	-	<u>-</u>

^(*) A company considered as non-current assets classified as available for sale

Note: The information on companies corresponds with the last data available (real or estimated) at the time this Report was drawn up.

⁽L) Companies in liquidation.

⁽¹⁾ All data are in local currency: Brazilian real (thousands).

223

Appendix 3 – Investments in associates of CaixaBank

(Thousands of euros)

(Thousands of Euros)													(1/3)
			% OWNE	RSHIP							TOTAL		
		DE 01075050					00011111011	011455				COST OF DIRECT	DIVIDENDS ACCRUED
COPPORATE NAME	DUCINIESS ACTIVITY	REGISTERED	DIRECT	TOTAL	ACCETC		ORDINARY			PROFIT/(LOS	SIVE	OWNERSHIP	FROM THE TOTAL
CORPORATE NAME Abaco Iniciativas Inmobiliarias, S.L., in	BUSINESS ACTIVITY	ADDRESS	DIRECT	TOTAL	ASSETS	LIABILITIES	INCOME	CAPITAL	RESERVES	S)	INCOME	INTEREST (NET)	HOLDING
liquidation (L)	Real estate development	Seville-Spain	-	40.00	11,448	46,350	-	13,222	(48,025)	(98)	(98)	-	
Ape Software Components S.L.	Computer programming activities	Barcelona-Spain	_	25.22	3,228					(664)	(664)		
Arrendadora Ferroviaria, S.A.	Lessor of trains	Barcelona-Spain	54.15	54.32	164.466			60		(004)	(004)	-	•
Banco Comercial de Investimento, S.A.R.L. (2)	Banking	Mozambique	34.13		. ,	164,095,359			. ,	5,203,367	5,203,367		6,097
BIP & Drive, S.A. (*)	Teletoll systems	Madrid-Spain		25.00	24,725			4,613		2.340			0,037
Bizum, S.L. (*)	Payment entity	Madrid-Spain	8.54	31.46	10,885		,	2,346		1,494	,		
Brilliance-Bea Auto Finance Co., L.T.D. (3)	Automotive sector financing	China	-	22.50	4,160,545					16,208			
Comercia Global Payments, Entidad de Pago,	Automotive sector infancing	Ciliid		22.30	4,100,545	2,432,310	22,370	1,000,000	112,020	10,200	10,200		
S.L.	Payment entity	Madrid-Spain	-	20.00	777,440	322,652	183,814	4,625	395,745	54,418	54,418	-	
Companhia de Seguros Allianz Portugal, S.A.	Insurance	Portugal	-	35.00	1,489,640	1,280,560	517,317	39,545	50,143	39,428	39,428	-	10,500
Concessia, Cartera y Gestión de	Infrastructure construction and												
Infraestructuras, S.A.	operations	Madrid-Spain	24.20	32.20	18,304	932	12	17,249	207	(85)	(85)	878	
Coral Homes, S.L.	Real estate services	Madrid-Spain	-	20.00	3,245,104	134,980	875,356	270,774	2,886,905	(47,555)	(47,555)	-	
Drembul, S.L.	Real estate development	Logroño-Spain	21.83	46.83	40,376	5,780	9,538	30	3,366	(937)	(937)	3,550	
Ensanche Urbano, S.A., in liquidation (L)	Real estate development	Castellón-Spain	-	49.30	36,063	27,500	-	9,225	; -	(661)	(661)	-	
Finweg, S.A.	Development of digital projects	Madrid-Spain	-	20.00	1,009	663	184	102	760	(516)	(516)	-	
Girona, S.A.	Holding company	Girona-Spain	34.22	34.22	5,480	54	552	1,200	4,401	(175)	(175)	1,642	
Global Payments Moneytopay, EDE, S.L.	Payment entity	Madrid-Spain	-	49.00	162,482	132,612	12,405	1,367	25,366	3,137	3,137	-	
Global Payments – Caixa Acquisition													
Corporation S.A.R.L.	Payment methods	Luxembourg	-	49.00	42,897	80	-	14	42,860	(56)	(56)	-	
Gramina Homes, S.L.	Real estate services	Madrid-Spain	-	20.00	506,029	16,125	47,679	27,626	467,722	(5,443)	(5,443)	-	-
Guadapelayo, S.L., in liquidation (L)	Real estate development	Madrid-Spain	-	40.00	312	5,049	-	1,981	(6,667)	(51)	(51)	-	-
IT Now, S.A.	Services for IT technology												
	projects	Barcelona-Spain	39.00	49.00	157,352			3,382		1,481	1,481		-
Inter-Risco – Sociedade de Capital de Risco, S.A	A. Venture capital	Portugal	-	49.00	963	362	1,306	400	347	(146)	(146)	-	-

CAIXABANK INVESTMENT IN ASSOCIATES OF CAIXABANK GROUP

(Thousands of euros)

(Thousands of euros)													(2 /
			% OWNER	RSHIP							TOTAL		
								0114.05				COST OF DIRECT	DIVIDENDS ACCRUE
CORPORATE NAME	BUSINESS ACTIVITY	REGISTERED ADDRESS	DIRECT	TOTAL	ASSETS		ORDINARY INCOME		RESERVES	PROFIT/(LOS S)	SIVE INCOME	OWNERSHIP INTEREST (NET)	FROM THE TOTAL HOLDING
Ircio Inversiones, S.L., in liquidation (L)	Real estate development	Burgos-Spain	35.00	35.00	1,906	7,361	INCOME			(224)	(224)		HOLDING
Justinmind, S.L.	Development of IT systems	Barcelona-Spain	33.00	16.98	1,128	,	643		.,,,	(497)	(497)		
Murcia Emprende Sociedad de Capital Riesgo,	Development of 11 systems	Barcelona-spain	-	10.56	1,120	910	043	3	703	(497)	(497)	-	
S.A. (*)	Venture capital company	Murcia-Spain	28.68	28.68	2,136	76	-	2,557	(315)	(181)	(181)	600	
•	Research and development in	·											
Nlife Therapeutics, S.L. (L)	biotechnology	Granada-Spain	-	37.18	13,245	10,096	1,928	6,930	(3,974)	(1,003)	(1,003)	-	
	Other types of research and												
	development in natural and	D. L. C. :		47.06	4 000	270		_		(4.72)	(470)		
Numat Medtech, S.L.	technical sciences Science park operation and	Palma-Spain	-	17.86	1,002	378	-	7	613	(172)	(172)	-	
Parque Científico y Tecnológico de Córdoba, S.	·	Córdoba-Spain	15.58	35.69	29,368	20,440	237	23,422	(18,133)	(243)	(243)	-	
Peñíscola Green, S.L., in liquidation (L)	Real estate development	Castellón-Spain	-		11,740	4,856				(= :-7	(= :)		
r embodia er een) orzi, in inquiaction (z)	Other services related to	castement spann		55.55	11), 10	1,000		22,000	(3)110)				
	information technology and												
Portic Barcelona, S.A.	telecommunications	Barcelona-Spain	25.81	25.81	2,385	262	2,154	291	1,754	78	78	105	
Redsys Servicios de Procesamiento, S.L.	Payment methods	Madrid-Spain	4.17	24.90	107,326	33,221	150,499	5,815	63,133	5,157	5,157	8,399	
		Balearic Islands-											
Sa Nostra Compañia de Seguros de Vida, S.A.	Life insurance	Spain	18.69	18.69	1,305,857	1,107,487	30,346	14,399	150,701	7,587	(1,142)	42,524	
SegurCaixa Adeslas, S.A. de Seguros y	N. U.S.			40.00	5 F24 660	2 740 262	2 072 605	460.670	072.000	420.000	420 520		
Reaseguros Servired, Sociedad Española de Medios de Pag	Non-life insurance	Madrid-Spain	-	49.92	5,531,668	3,710,362	3,873,605	469,670	872,009	420,000	420,538	-	
S.A.	Payment methods	Madrid-Spain	19.20	41.21	109,650	83,581	2,675	16,372	7,967	(1,107)	(1,107)	5,844	
Sistema de Tarjetas y Medios de Pago, S.A.	Payment methods	Madrid-Spain	2.50	20.61	1,925,228		6,823				497		
Sociedad Española de Sistemas de Pago, S.A.	Payment entity	Madrid-Spain	26.91	26.91	11,737	2,505	9.593			1,535	1,535		1
	Development and				,	_,-,	2,222		.,	=,===	_,	_,	
	implementation of the T-												
Societat Catalana per a la Mobilitat S.A.	mobilitat project	Barcelona-Spain	23.50	23.50	128,266	118,749	8,616	9,874	(1,053)	622	622	1,846	
Telefonica Factoring España, S.A.	Factoring	Madrid-Spain	20.00	20.00	72,674	57,158	8,706	5,109	1,740	8,667	8,667	2,525	1,4
Telefonica Factoring do Brasil, Ltda. (1)	Factoring	Brazil	20.00	20.00	339,753	299,513	56,603	5,000	(50)	35,289	35,289	2,029	8
Telefónica Factoring Colombia (4)	Factoring	Colombia	16.20	16.20	304,506,552	289,923,034	13,759,650	4,000,000	2,125,218	8,458,300	8,458,300	543	1
Telefónica Factoring Perú, S.A.C. (5)	Factoring	Peru	16.20	16.20	29,733	4,623	14,387	6,000	8,348	10,761	10,761	. 920	1
Unicre - Institução Financeira de Crédito, S.A.	Card issuance	Portugal	-	21.01	405,901	287,056	150,962	10,000	84,544	19,510	19,510	-	7,5

CAIXABANK INVESTMENT IN ASSOCIATES OF CAIXABANK GROUP

(Thousands of euros)

(3/3)

			% OWN	RSHIP							TOTAL		
											COMPREHEN	COST OF DIRECT	DIVIDENDS ACCRUED
		REGISTERED					ORDINARY	SHARE		PROFIT/(LOS	SIVE	OWNERSHIP	FROM THE TOTAL
CORPORATE NAME	BUSINESS ACTIVITY	ADDRESS	DIRECT	TOTAL	ASSETS	LIABILITIES	INCOME	CAPITAL	RESERVES	S)	INCOME	INTEREST (NET)	HOLDING
Zone2Boost, S.L.	Holding company for business												
	acquisition	Barcelona-Spain	-	40.00	2,620	25	130	3	3 2,974	(382)	(382)	-	-

- (*) Companies classified as non-current assets held for sale
- (L) Companies in liquidation.
- (1) All data except the cost and the dividend are in local currency: Brazilian real (thousand)
- (2) All data except cost are in local currency: New Mozambique metical (thousands)
- (3) All data except cost are in local currency: Renmimbi (thousands)
- (4) All data except cost are in local currency: Colombian pesos (thousands)
- (5) All data except the cost are in local currency: Peruvian soles (thousands)

Note: The information corresponding to non-listed companies is based on the most recent data available (actual or estimated) at the time of preparation of the notes to these financial statements.

Note: Furthermore, the company has significant influence over the investee companies Habitat Dos Mil Dieciocho, S.L. And Chimparra, A.I.E. that are currently in liquidation.

Appendix 4 - Other tax details

The table below shows information on the impairment losses pending integration from entities classified as group entities, investments in joint ventures and associates at 31 December 2019 and the recoveries effected in 2020:

DEDUCTIONS FOR IMPAIRMENT AT INVESTEES

	AMOUNTS DEDUCTED FROM		AMOUNTS DEDUCTED FROM PREVIOUS TAX PERIODS PENDING
	PREVIOUS TAX PERIODS PENDING	AMOUNTS INCLUDED IN	INCLUSION AT
INVESTEE	INCLUSION AT 31-12-2019	2020	31-12-2020 (3)
BuildingCenter, SA (1)	214.98	(214.98)	0.00
Credifimo, EFC, SAU (2)	34.68	(34.68)	0.00
Inversiones Valencia SCR (1)	1.73	(1.73)	0.00
Ircio inversiones, SL	0.05	(0.05)	0.00
Puerto Triana (1)	6.55	(6.55)	0.00
Sercapgu (2)	0.59	(0.59)	0.00
Tubespa (2)	1.16	(1.16)	0.00
TOTAL	259.74	(259.74)	0.00

⁽¹⁾ Impairment eliminated on consolidation

⁽²⁾ Impairment partially eliminated on consolidation

⁽³⁾ Of the impairments disclosed in this column, EUR 234 million was eliminated in the consolidated tax group.



Appendix 5 - Disclosure on the acquisition and disposal of ownership interests in subsidiaries in 2021

CaixaBank | 2021 Financial Statements



Appendix 5 - Disclosure on the acquisition and disposal of ownership interests in subsidiaries in 2021

(Article 155 of the Corporate Enterprises Act and Article 125 of the restated text of Spanish Securities Market Law).

The communication of CaixaBank, S.A. (hereinafter CaixaBank) informing of the registration in the Commercial Registry of Valencia of the merger by acquisition of Bankia S.A. by CaixaBank was registered in the CNMV on 26 March 2021. It was also reported that, in order to meet the exchange of the merger, CaixaBank increased its share capital by issuing 2,079,209,002 new common shares, the resulting share capital becoming 8,060,647,033 shares each with a par value of one euro, of the same single class and series.

On 5 November 2021, CaixaBank registered the communication of "Insider Information" in the CNMV, informing it of the transmission of all of its stake of 9.92% held in Erste Bank Group AG.

CaixaBank's communication of "Insider Information" was registered in the CNMV on 29 December 2021, informing it of the acquisition from Grupo Mapfre, S.A. of 51% of the company Bankia Vida, Sociedad Anónima de Seguros y Reaseguros. After this acquisition, CaixaBank came to wholly own the capital of Bankia Vida.

Appendix 6 – List of agents

Information required under Article 21 of Royal Decree 84/2015, of 13 February

NAME	
ASESORIA SUAREZ S.L.	
ASESORIA Y GESTION MARTINEZ LERIDA S.L.	
SERFIS ASESORIA E XESTION, S.L.	
GESTIMAR ASESORES S.COOPERATIVA	
ANTONIO ASENSIO ROMERO	
LUZ MARIA GARCIA VALERO	
JOSE ANDRES CEJAS GALVEZ	
ALFONSO AMURRIO MARTINEZ	
MARIA JULIANA GOMEZ PAEZ	
MARIA GEMA MELGAR NAVARRO	
ANTONIO JESUS GOMEZ CHICA	
LOURDES CERES OCAÑA	
SERGIO LOPEZ RODRIGUEZ	
MATIAS JESUS RUIZ LOPEZ	
JOSE MANUEL CRUZ MUÑIZ	
APOLONIA GOMEZ SANTOS	
FRANCISCO JAVIER DOMINGUEZ CORNEJO	
JUANA WIC GOMEZ	
JONATHAN PEREZ IGLESIA	
MARIA CARMENULG AR GUTIERREZ	
BEATRIZ LOPEZ BELLO	
JESUS MIGUEL PRADO CEA	
MARIA ISABEL PAÑOS RUEDA	
AURORA JURADO ROMEO	
JESUS RAFAEL SERRANO LOPEZ	
MARIA ARACELI JANDULA MONTILLA	
MARIA REYES RODRIGUEZ NARANJO	
MARIA PURIFICACION ROPERO CASTILLO	
LORENA TOLEDO GARCIA	
MIGUEL ANGEL SANCHEZ PAREJA	
FRANCISCA CASTILLA GIGANTE	
MARIA BEATRIZ MATAS ALMIRON	
INMACULADA ROMERO DIEGO	
MIGUEL GARCIA DOMINGUEZ	

Appendix 7 – Balance sheet of Bankia, S.A. on 31 March 2021

BALANCE SHEET

	AMOUNT
ASSETS	
Cash and cash balances at central banks and other demand deposits	11,883
Financial assets held for trading	5,992
Derivatives	5,985
Equity instruments	1
Debt securities	6
Financial assets not designated for trading compulsorily measured at fair value through profit or loss	11
Financial assets at fair value with changes in other comprehensive income	8,478
Equity instruments	58
Debt securities	8,420
Financial assets measured at amortised cost	160,867
Debt securities	37,357
Loans and advances	123,510
Central banks	1
Credit institutions	3,743
Customers	119,766
Derivatives - Hedge accounting	2,137
Investments in subsidiaries, associates and joint ventures	1,739
Subsidiaries	1,292
Associates	447
Tangible assets	2,415
Property, plant and equipment	1,957
Investment property	458
Intangible assets	429
Other intangible assets	429
Tax assets	9,954
Current tax assets	141
Deferred tax assets	9,813
Other assets	7,688
Non-current assets and disposal groups classified as held for sale	1,702
TOTAL ASSETS	213,295
LIABILITIES	
Financial liabilities held for trading	5,987
Financial liabilities at amortised cost	192,309
Deposits	174,989
Debt securities issued	16,078
Other financial liabilities	1,242
Derivatives - Hedge accounting	146
Provisions	1,203
Pensions and other post-employment defined benefit obligations	626
Pending legal issues and tax litigation	178
Commitments and guarantees given	277
Other provisions	122
Tax liabilities	408
Current tax liabilities	16
Deferred tax liabilities	392
Other liabilities	620
TOTAL LIABILITIES	200,673
TOTAL EQUITY	12,622
•	,





Appendix 8 – Depreciable assets included in CaixaBank's balance sheet by year of acquisition

DEPRECIABLE ASSETS ORIGINATING FROM BANKIA, SA *

(Thousands of euros)

(Thousands of euros)		ACCUMULATED	FAIR VALUE	
YEAR OF ACQUISITION	COST OF ACQUISITION	ACCUMULATED DEPRECIATION	FAIR VALUE ADJUSTMENTS	NET CARRYING AMOUNT
1955	267	(117)	(41)	109
1958	915	(266)	(186)	463
1961	424	(98)	(61)	265
1962	1,212	(270)	(357)	585
1964	255	(95)	20	180
1965	32,940	(9,061)	13,899	37,778
1966	1,604	(981)	2,463	3,086
1967	7,738	(2,687)	1,339	6,390
1968	26,835	(7,518)	(7,225)	12,092
1969	1,051	(505)	715	1,261
1970	362	(183)	1,010	1,189
1971	2,898	(1,265)	3,868	5,501
1972	2,086	(817)	2,170	3,439
1973	3,993	(2,233)	9,229	10,989
1974	10,868	(3,000)	1,284	9,152
1975	8,104	(3,223)	6,808	11,689
1976	13,296	(4,751)	2,455	11,000
1977	5,525	(2,359)	4,766	7,932
1978	6,702	(2,663)	4,525	8,564
1979	12,167	(6,705)	5,583	11,045
1980	53,792	(44,090)	8,182	17,884
1981	301,054	(66,914)	60,961	295,101
1982	7,305	(2,707)	4,075	8,673
1983	23,479	(16,005)	2,470	9,944
1984	16,184	(6,672)	4,358	13,870
1985	13,668	(6,251)	5,679	13,096
1986	55,004	(22,443)	(4,555)	28,006
1987	123,571	(34,237)	(28,962)	60,372
1988	30,543	(19,289)	(549)	10,705
1989	45,859	(23,347)	(5,471)	17,041
1990	151,345	(62,562)	(19,084)	69,699
1991	111,601	(56,342)	(5,176)	50,083
1992	66,267	(45,363)	(3,525)	17,379
1993	53,165	(38,340)	(2,477)	12,348
1994	76,786	(57,081)	3,105	22,810
1995	59,149	(40,902)	3,103	18,586
1996	61,518	(56,270)	932	6,180
1997			(7,200)	
	107,020	(59,399)		40,421
1998	94,577	(83,690)	(33)	10,854
1999	51,801	(43,323)	3,273	11,751
2000	68,133	(48,764)	(301)	19,068
2001	71,612	(64,143)	(1,774)	5,695
2002	75,128	(60,439)	(4,416)	10,273
2003	51,244	(39,259)	(2,550)	9,435
2004	219,602	(81,566)	(51,147)	86,889
2005	151,114	(74,558)	(25,124)	51,432
2006	78,555	(67,068)	(4,488)	6,999
2007	94,039	(76,074)	(5,283)	12,682
2008	74,523	(66,353)	(2,394)	5,776

Appendix 8 – Depreciable assets included in CaixaBank's balance sheet by year of acquisition CaixaBank | 2021 Financial Statements

DEPRECIABLE ASSETS ORIGINATING FROM BANKIA, SA *

(Thousands of euros)

		ACCUMULATED	FAIR VALUE	
YEAR OF ACQUISITION	COST OF ACQUISITION	DEPRECIATION	ADJUSTMENTS	NET CARRYING AMOUNT
2009	78,699	(71,888)	(3,500)	3,311
2010	40,678	(34,767)	(2,825)	3,086
2011	20,121	(18,044)	610	2,687
2012	10,952	(10,801)	0	151
2013	33,736	(29,965)	155	3,926
2014	96,921	(75,390)	0	21,531
2015	233,087	(72,590)	(68,054)	92,443
2016	55,652	(32,122)	0	23,530
2017	86,300	(38,299)	(611)	47,390
2018	60,635	(19,677)	0	40,958
2019	62,080	(12,515)	(1,320)	48,245
2020	23,301	(2,468)	0	20,833
2021	3,683	(41)	435	4,077
TOTAL	3,332,727	(1,830,817)	(103,981)	1,397,929

^(*) Amounts corresponding to 31 March 2021 (date of the business combination) of the tangible assets of Bankia, SA.

Proposed appropriation of CaixaBank profit

CaixaBank | 2021 Financial Statements



Proposed appropriation of CaixaBank profit

The appropriation of profits of CaixaBank, SA from the 2021 financial year, which the Board of Directors agrees to propose to the Annual General Meeting for approval, based on the information available to elaborate these financial statements, is presented below:

PROPOSED APPROPRIATION OF PROFIT OF CAIXABANK SA

(Euros)

	2021
BASIS OF APPROPRIATION	
Profit/(loss) for the year	4,215,072,239.83
DISTRIBUTION	
To dividends (1)	1,179,272,660.93
To reserves(2)	3,035,799,578.90
To legal reserve (3)	
To voluntary reserve (2) (4)	3,035,799,578.90
NET PROFIT FOR THE YEAR	4,215,072,239.83

⁽¹⁾ Estimated amount corresponding to payment of the dividend of EUR 0.1463 per share, to be paid in cash. This amount is equivalent to 50% of consolidated net profit, adjusted to include the extraordinary impacts to have arisen from the merger with Bankia S.A., in line with the dividend policy currently in force. The amount of EUR 1,179,272,660.93 euros will be reduced according to the number of treasury shares held by CaixaBank at the time of payment of the dividend, given that, as required by the Corporate Enterprises Act, treasury shares cannot receive a dividend.

⁽²⁾ Estimated amount to be appropriated to voluntary reserves. This amount will be increased by the same quantity as the reduction in the amount earmarked for payment of the dividend (see note (1) above).

⁽³⁾ It is not necessary to transfer part of the 2021 profit to the legal reserve, as this reserve has reached 20% of the share capital at this time (article 274 of the Corporate Enterprises Act).

⁽⁴⁾ Remuneration of AT1 capital instruments corresponding to 2021, totalling EUR 244,129,302.54, will be deemed to have been paid, with this amount charged to voluntary reserves.





Legal notice

The aim of this document is purely informative, and it does not claim to provide a financial advisory service or the offer of a sale, exchange, acquisition or invitation to acquire any kind of securities, product or financial services of CaixaBank, S.A. (hereinafter, CaixaBank or the Entity), or of any other companies mentioned within it. The information contained therein is subject to, and should be treated as complementary to, all other publicly available information. Any person who at any time acquires a security should do so only on the basis of their own judgement or the suitability of the security for their purpose, and based only on the public information contained in the public documentation prepared and filed by the issuer in the context of that particular information, taking advice if they consider it necessary or appropriate in the circumstances, and not on the basis of the information contained in this document

CaixaBank cautions that this document may contain statements on provisions and estimates of future business and profitability, particularly in relation to the financial information relating to the CaixaBank Group, which has been prepared mainly on the basis of estimates made by the Entity. Please note that these estimates represent our expectations regarding the development of our business and that there may be various risks, uncertainties and other relevant factors that could cause developments to differ materially from our expectations. These variables include market conditions, macroeconomic factors, regulatory and government requirements; fluctuations in national or international stock markets or in interest and exchange rates; changes in the financial position or our customers, debtors or counterparties, and so forth. These elements, together with risk factors identified in past or future reports, could adversely affect our business and performance. Other variables that are unknown or unpredictable, or for which there is uncertainty about their evolution and/or potential impacts, may cause the results to differ materially from those described in the forecasts and estimates.

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. It should also be noted that this document has been prepared on the basis of the accounting records kept by CaixaBank and, where applicable, by the other Group companies, and includes certain adjustments and reclassifications to bring the principles and criteria followed by the integrated companies in line with those of CaixaBank, and therefore the data contained in this presentation may not coincide in some respects with the financial information published by CaixaBank. Likewise, with regard to the historical information on Bankia and that referring to the performance of Bankia and/or the Group contained in this presentation, it should be noted that certain adjustments and reclassifications have been made to bring it into line with the CaixaBank Group's presentation criteria.

The statement of profit or loss, the consolidated balance sheet and the various breakdowns thereof shown in this report are presented on a management basis, although they have been prepared in accordance with Bank of Spain Circular 4/2017, of 6 December, which adapts the International Financial Reporting Standards (hereinafter IFRS) adopted by the European Union to the Spanish credit institution sector, and

subsequent amendments thereto. While the information referring to the CaixaBank Group has been drawn up in accordance with the IFRS adopted by the European Union through Community Regulations, in accordance with Regulation 1606/2002 of the European Parliament and of the Council, of 19 July 2002, and its subsequent modifications.

This document features data supplied by third parties generally considered to be reliable information sources. However, the accuracy of the data has not been verified. With regard to the data provided by third parties, neither CaixaBank nor any of its administrators, directors or employees, guarantees or vouches, either explicitly or implicitly, that these contents are exact, precise or complete, nor is it obliged to keep them duly updated, or to correct them in the event of detecting any deficiency, error or omission. Likewise, in the reproduction of this content by any means, CaixaBank may introduce the modifications it deems appropriate, may partially or totally omit any of the elements of this presentation, and, in the event of discrepancy with this version, assumes no liability. This statement should be taken into account by all persons or entities that may have to take decisions or prepare or disseminate opinions regarding securities issued by CaixaBank and, in particular, by analysts and investors who handle this presentation. All of them are invited to consult the documentation and public information communicated or registered by CaixaBank with the Spanish National Securities Market Commission (CNMV). In particular, please note that this document contains unaudited financial information.

In accordance with the Alternative Performance Measures ("APMs") defined 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"), this report uses certain unaudited APMs to contribute to a better understanding of the company's financial performance. 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 refer to the 'Glossary' section of the document for details of the APMs used, as well as for the reconciliation of certain management indicators to the indicators presented in the consolidated financial statements prepared under the IFRS.

Notwithstanding the legal requirements or any limitation imposed by CaixaBank that may be applicable, any form of use or exploitation of the contents of this document, as well as the use of the signs, trademarks and logos contained herein, is expressly prohibited. This prohibition extends to any type of reproduction, distribution, transfer to third parties, public communication and transformation, by means of any type of support or medium, for commercial purposes, without the prior and express authorisation of CaixaBank and/or other respective owners of the presentation. Failure to comply with this restriction may constitute an offence punishable by law.

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

The information contained in this document refers to CaixaBank, S.A. (hereinafter, CaixaBank or the Institution). Wherever the information does not refer to the Group (CaixaBank and its subsidiaries), this will be explicitly stated (CaixaBank Group or Group).

CaixaBank 2021



Index

- 1. Our identity
 - 1.1 Share structure1.2 Corporate governance
 - 1.3 Business model
- 2. Risk management
- 3. Context and perspectives
- 4. Strategy
- 5. Financial reporting and results
- 6. Non-financial information

Glossary

This Management Report has been prepared in accordance with the Code of Commerce and Legislative Royal Decree 1/2012, of 2 July, on Capital Companies. The non-financial information corresponding to CaixaBank, S.A. is included in the CaixaBank Group's Consolidated Management Report, which is available together with the CaixaBank Group's Consolidated Annual Accounts for the year ending 31 December 2021 and which will be filed with the Commercial Register of Valencia.

The CNMV Listed Company Guide to Drawing up the Management Report was used to create this document.

From 1 January 2022 to the date of preparation of this report, there have been no significant events in the development of the Entity that are not mentioned in this document or in the accompanying financial statements.



1. Our identity

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

CaixaBank, S.A. is the parent company of a group of financial services, whose stock is traded on the stock exchanges of Barcelona, Madrid, Valencia and Bilbao and on the continuous market. It has been part of the IBEX-35 since 2011, as well as the Euro Stoxx Bank Price EUR, the MSCI Europe and the MSCI Pan-Euro.



Our mission: Contribute to our customers' financial well-being and the progress of society on the whole

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 enable them, for example, to appropriately plan to address recurring expenses, cover unforeseen events, maintain purchasing power during retirement or to make their dreams and projects come true.

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,
- and, 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 and, for this reason, we feel a part of 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 programmes; and promoting corporate voluntary work,
- and, of course, through our collaboration with the Obra Social (social work) of the "la Caixa" Banking Foundation, whose budget is partly nourished through the dividends that CriteriaCaixa earns from its stake in CaixaBank. A major part of this budget is funnelled into identified local needs through the CaixaBank branch network in Spain and BPI in Portugal.



Our Values



Quality



Social Commitment



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.



1.1 **Share** structure

The share structure of the entity is set out in section 01: Our Identity – Relevant and significant events of the financial year, of the CaixaBank Group Consolidated Management Report.

The purchase and sale of own shares by CaixaBank shall comply with the provisions of current regulations and the corresponding agreements of the Annual General Meeting.

Information on the acquisition and disposal of shares held in treasury during the period is included in Note 22 'Net Equity' of the attached Financial Statements.

Performance of the share in 2021

CaixaBank's share price closed at 31 December 2021 at EUR 2.414 per share, representing an annual revaluation of +14.9%, compared to +36.2% for the European selective Eurostoxx Banks and +23.1% for the lbex 35 banks. The general indices registered lower gains than the selective bank benchmarks in 2021: The Eurostoxx 50 +21.0% and the lbex 35 +7.9%, whose cumulative gain for the year lagged behind the rest of the main European markets.

Despite certain volatility, 2021 was a year of widespread recovery in the stock markets and of a gradual reactivation of the global economic activity, mainly thanks to the progress in the vaccination and its effectiveness, as well as to the monetary and fiscal support measures put in place to mitigate the pandemic's economic impacts. In this context, banking securities have benefitted the most, with European banking securities additionally driven by the withdrawal of the ECB's limitation on dividend distribution. However, at the end of the year, the emergence of a new Covid-19 variant (Omicron) and the restrictions to certain activities spurred renewed risk aversion in the stock markets, whereas investors remained attentive to the decisions of monetary authorities and the persistence of the inflationary pressures on both sides of the Atlantic. Not surprisingly, both the Fed and the ECB veered towards a more hawkish tone as the Bank of England took the lead among the major central banks with a rate hike before the end of the year.

Evolution of the stock in 2021





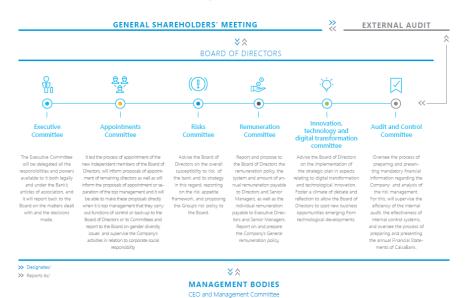
1.2 Corporate governance

A solid Corporate Governance framework enables companies to maintain an efficient and methodical decision-making process as it provides clarity in the allocation of functions and responsibilities, while also promoting appropriate risk management and effective internal controls, which promotes transparency and mitigates potential conflicts of interest. All this promotes excellence in management, which translates into greater added value for the company and its stakeholders.

In accordance with the commitment to our mission and vision, there is a need to integrate the practices of Good Corporate Governance into our activity. This is a strategic priority for having a well-governed and managed company, and for being recognised for this.

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.



The information related to corporate governance at CaixaBank is detailed in the CaixaBank Annual Corporate Governance Report, which is available on the CaixaBank website (www.caixabank.com) and annexed to this document.

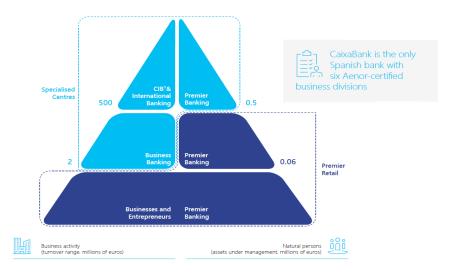




1.3 Business model

CaixaBank has a universal banking model, through which it offers a wide range of products and services tailored to the needs of customers via a commercial platform that combines branches and digital channels.

SEGMENTATION IS KEY TO BETTER MEETING OUR CUSTOMERS' NEEDS



Retail Banking

Retail Banking's value proposition is based on a multi-channel, innovative and personalised offer aimed at individual, premier, business and entrepreneurial customers.

In 2021, the consolidation of *The 4 Vital Experiences*, the transformation of the distribution network and the promotion of new customer relationship models continued.

Private Banking

Private Banking has specialised teams and more than 885 accredited professionals with an average of 15 years' experience who work together with the branch network to offer the best service.

Private Banking has exclusive centres that allow it to ensure that customers receive a close professional service. Different service models are offered to customers, 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).

Business Banking

CaixaBank Business has an exclusive model for attending to companies, consolidating its position as a leading provider of services for companies. CaixaBank Business offers innovative and tailor-made solutions with specialised attention, through more than 145 centres distributed throughout Spain, providing advanced advice via videoconference or the Business Wall. Thanks to a team of more than 1,700 experts, we respond to the needs of each company.

The Entity wants to continue increasing its relationship with its customers by boosting lending and financing so that the NextGeneration EU Funds reach the entire business fabric with the aim of reactivating the economy, as well as broadening the corporate customer base.

CIB & International Banking

CIB & International Banking integrates three business areas; Corporate Banking, Institutional Banking and International Banking, and various product areas that provide services to clients, such as Capital Markets, Treasury, Project Finance, Asset Finance and M&A.

Corporate Banking develops and manages relationships with national and international corporate clients with the aim of becoming their benchmark financial institution.

Institutional banking provides service to institutions in the public and private sector, through a value proposition that combines high specialisation, proximity with customers and an all-inclusive group of financial services and solutions adapted to their needs.

International Banking offers support to customers of the branch network, CIB and Corporate Banking operating abroad as well as to large local corporates, through its 27 international points of presence and 183 professionals.

The information related to the evolution of the different business areas of CaixaBank, S.A. is included in point 01: Our Identity - Business model from the CaixaBank Group Consolidated Management Report.



2. Risk management

The Board of Directors, Senior Management and the Group as a whole are firmly committed to risk management.

CaixaBank aims to maintain a medium-low risk profile, a comfortable level of capital, and ample liquidity measures in line with its business model and the risk appetite established by the Board of Directors.

As part of the internal control framework and in accordance with the Corporate Global Risk Management Policy, the Group has a risk management framework that enables it to make informed risk-taking decisions consistent with the target risk profile and appetite level approved by the Board of Directors. This framework comprises the elements described below:



Governance and organisation

Undertaken through policies, standards and internal procedures that ensure appropriate risk control is exercised by the governing bodies and management committees, and the specialisation of employees.

Strategic risk management processes

- 1. Identifying and assessing risks (Risk Assessment).
- 2. Risk definition and taxonomy. Corporate Risk Catalogue.
- 3. Risk Appetite Framework (RAF).

Risk culture

The Risk culture is based, among other things, on general risk management principles, employee training and evaluation of variable remuneration for employee performance.

Corporate Risk Catalogue

The Corporate Risk Catalogue is the list of the Group's material risks. It covers both the definition of the material risks to which the institution is exposed and the definition of emerging risks and strategic events. It facilitates the internal and external monitoring and reporting of risks and is reviewed periodically (at least once a year). The update process involves evaluating the materiality of the emerging risks identified in the Risk Assessment process.

As a result of the review of the Corporate Risk Catalogue in 2021, the following changes have been made:

- Integration of the risk of impairment of other assets (such as equity holdings, deferred tax assets, intangible assets, and real estate) as part of credit risk, in line with regulatory treatment, even taking into account the specific management of some of them.
- With respect to ESG (sustainability) risk: it remains an emerging candidate in the Corporate Catalogue during 2022, given its increasing relevance. It is already included in the Catalogue as a cross-cutting factor in several of its risks (credit, reputational, other operational risks). Furthermore, it is worth mentioning that CaixaBank includes the integration of ESG aspects into risk management in its Socially Responsible Banking Plan approved by the Board of Directors in 2017. In that regard, particularly noteworthy is the environmental strategy approved by the Management Committee, which results in active management of environmental risks and climate change risks.

Additional information on the Entity's risk management and internal control model is detailed in Note 3 of the non-consolidated financial statements for 2021.



3. Context and perspectives

Economic context

Global and eurozone evolution



After the historic recession in 2020 (3.1% fall in global GDP), as a result of COVID-19 and the severe restrictions on activity imposed to contain it, the global economy recorded a strong recovery in 2021, with GDP estimated to increase by around 6%. The rapid and forceful economic policies initiated in 2020 and continued through 2021, together with the gradual lifting of many of the restrictions, supported recovery in the year.

However, the recovery has been uneven across countries, just as the shock also had a heterogeneous impact. Thus, when the pandemic broke out in 2020, and multiple waves continued to emerge, even though it was a global shock, it took on different local intensities depending on the sectoral characteristics of the economy; of the containment strategy of varying degrees of aggressiveness: and, lastly, the degree of economic stimuli adopted.



Global GDP rebound in 2021:

+6% (estimated)



Recovery Eurozone 2022:

+4.1% (forecast)

And if the shock was global, but the impact was local, the recovery is occurring in a similar manner. In that regard, the key factors that have defined 2021 have been the degree of vaccination of the population; the fiscal and monetary capacity to continue supporting the economy; the emergence of new variants of the virus, which have spread in very different vaccination contexts; and the disruption of global supply chains. Thus, while China did not contract in 2020 (+2.3%), it would have grown by around 8% in 2021; and the United States already reached pre-pandemic levels of GDP in 2Q21 (-3.4% in 2020 and an estimated 5.4% in 2021); the eurozone will not reach these pre-COVID levels until mid-2022 (-6.5% in 2020 and around 5% estimated in 2021).

Looking ahead to the coming quarters, the global economic recovery will continue, albeit at a slower pace. Moreover, the risks of a further weakening in the pace of progress are not negligible. In particular, at the global level, the impact of new variants and global supply chain disruptions stand out, which in turn are further fuelling inflation concerns in many countries (e.g. in the US). In this regard, the pressure on the Fed to raise interest rates has intensified and we estimate that it could do so up to 3 times by 2022. At a more regional level, the crisis of the Chinese real estate company Evergrande is concerning. While international financial contagion is limited, the main risk comes from contagion in the domestic real estate sector, which would negatively affect the Asian giant's growth rate.

In the Eurozone, after a remarkable recovery of activity in the second and third quarters of 2021, the latest indicators show a weaker performance in the fourth quarter. Specifically, economic activity has been negatively impacted by the shortage of supplies, which is affecting significantly countries like Germany, given their high exposure to the industrial sector (especially the automotive industry, highly integrated in the global value chains). In addition, the increase of COVID-19 cases in central and northern Europe has also led to new mobility restrictions, with clear effects on the economy. Even so, we estimate that eurozone GDP will have grown by around 5% in 2021. By 2022, annual growth will slip to around 4.1%, with clear differences between countries: contracting in Italy and France; and growing in Germany and Spain. The major euro area countries will recover lost GDP levels by mid-



Spain and Portugal Evolution

Spain

In 2021, the Spanish economy recorded a strong recovery in activity and, above all, in employment, which returned to pre-pandemic levels. However, the growth experienced fluctuations throughout the year. After a hesitant start of the year due to the effects of the third wave of infections and the adverse weather conditions, the economic activity was back on the path of recovery thanks to the rapid deployment of vaccinations and the resulting containment of infections and ease of the pressure on the health system. This, in turn, facilitated the reactivation of tourist flows and household spending, especially in those activities that require more social interaction and that were most affected by the previous restrictive measures, such as catering, leisure and tourism, which are highly important to our economy.

In the last stretch of the year, activity continued to expand, albeit at a more moderate pace, in a context of a strong upturn in inflation due to higher energy prices and difficulties in some supplies due to supply chain bottlenecks. In 2021 as a whole, GDP grew by 5.0%, so that, at year-end, it would still be 4.0% below pre-crisis levels (fourth quarter of 2019).

In 2022, the economic recovery is expected to consolidate and GDP growth is projected to accelerate to 5.5%, such that GDP would reach the pre-crisis level of the fourth quarter of 2019 in the last quarter of 2022. The pandemic may yet generate new waves, but its impact on the health system will hopefully be limited thanks to advances in vaccines, and there will be no need to reintroduce severe activity restriction measures. Growth in 2022 will be largely supported by three drivers: the recovery of the tourism sector, the impact of European funds and the pent-up demand. However, the year will be subject to uncertainties. On the one hand, the current energy crisis in Europe has led to sharp increases in energy prices which reduce households' purchasing power and put pressure on business margins. The impact of this crisis, although acute, should be transitory and its effects should moderate once the winter is over. On the other hand, disruptions in global supply chains will continue to weigh on the resilience of the industrial sector, especially during the first half of 2022.

Growth in 2022 will be based mainly of son three leverage factors: the recovery of the tourism sector, the impact of European funds and pent-up demand

The energy crisis and logistical problems are expected to have a relatively contained impact compared to the magnitude of growth drivers

However, the energy crisis and logistical problems are expected to have a relatively contained impact compared to the magnitude of the growth drivers. Although new waves and/or new variants of the virus cannot be ruled out, we estimate that the impact on the economy will be limited, thanks to the effectiveness of vaccines to prevent the most severe cases of the disease, so it would not be necessary to implement measures to restrict activity.

Portugal

In 2021, the Portuguese economy recorded a remarkable recovery, although performance was uneven throughout the year. After a weak start to the year marked by a new wave of the pandemic, from March onwards, with the gradual withdrawal of measures restricting activity and mobility, the economy recorded a significant drive, with GDP growing by 4.4% quarter-on-quarter in the second quarter and by 2.9% in the third quarter. This recovery was supported by the success of the vaccination plan; with about 88% of the population fully vaccinated, Portugal topped the vaccination ranking worldwide, which contributed to the positive performance of tourism in the summer months. In the last quarter of the year, the pace of GDP growth is expected to decelerate, reflecting, on the one hand, the fact that activity entered into a period of greater normality, and on the other hand, due to some uncertainty factors, such as the increase in COVID-19 infections, the early elections scheduled for the end of January 2022, bottlenecks in production chains and higher energy prices. In 2021 as a whole, GDP grew by 4.9%, reducing its distance from the 2019 level to 1.4%.

For 2022, taking into account the implementation of possible pandemic control restrictions, potentially more pronounced in the first months of the year, GDP growth is projected at 4.9%. The recovery of tourism, the receipt of European funds and accumulated savings will be the growth drivers in 2022, and will be stronger than the factors that can hamper growth (energy crisis and bottlenecks). However, the scenario remains subject to some uncertainty that could turn out to be unfavourable if negative factors persist longer than expected, or favourable if they dissipate more quickly.





Regulatory context

CaixaBank shares its opinions on regulatory processes with the public authorities, through position papers and impact analysis documents, either at their request or on its own initiative.

CaixaBank's public policy actions follow a broad approach aimed at promoting the development and economic growth of the territories in which it is present. In particular, we should emphasise the support to regulatory initiatives that strive to strengthen financial stability and support the proper performance of the European banking sector, with a special focus on those who help to complete the Banking Union, promoting the development of an effective resolution and the establishment of a common deposit guarantee fund. Likewise, as a socially responsible entity, CaixaBank works to promote the development of a regulatory framework for sustainable finance that enables it to meet the objectives of the 2030 Agenda and the Paris Agreements on climate change. In this area, it is considered important to ensure a just transition to a sustainable economy. Other activities developed are related to promoting digital transformation, improving transparency and consumer protection.

CaixaBank does not contract services related to direct lobbying or representation of interests to position itself with the authorities. Instead, it generally shares its opinions through different associations to reach a consensus on the industry's position, though in specific cases it does send direct messages to regulators and public authorities.

CaixaBank's **Regulatory Committee** is the body responsible for deciding on regulatory strategy and positioning with regard to regulatory and legislative initiatives. It is supported by internal analyses of regulatory proposals to identify potential unwanted effects or impacts that may be disproportionate to the regulatory goal. Once the proposals are analysed, the Committee decides on the regulatory strategy. This strategy will be channelled through the associations or transmitted directly by the institution itself.

The relationship with political parties and public authorities are subject to the CaixaBank Code of Ethics and Principles of Action, and its Anti-Corruption Policy, both serving as essential elements for setting up participation in regulatory processes.

CaixaBank's Code of Ethics and Anti-Corruption Policy aim to not only comply with applicable legislation, but also its firm commitment with its ethical principles as a signatory to the United Nations Global Compact. This reflects its strong determination in the fight against corruption.

Section 6 of the CaixaBank Anti-Corruption Policy strictly prohibits donations to political parties and associated foundations. CaixaBank has the necessary controls in place to ensure that donations are not made to political parties.





Social, technological and competitive context

Business profitability and capital adequacy

The improvement in the economic situation with respect to 2020 has allowed banks' profitability to return to levels similar to those observed before the outbreak of the pandemic. In particular, the return on equity (ROE) of the Spanish banking sector reached 10.94% in the third quarter of 2021¹, a year-on-year increase of 13.5 percentage points. The improvement was mainly due to the positive extraordinary results in the first half of 2021 (particularly the impact of the CaixaBank and Bankia merger) and lower charges to provisions. Excluding CaixaBank and Bankia and, therefore, this extraordinary positive adjustment, the sector's aggregate ROE reached 9.78%, a level similar to the returns achieved before 2020.

However, the sector's profitability levels remain relatively low compared to other sectors, and are still below the cost of capital. This is explained by a lower capacity to generate revenue, as a result of the prolonged low interest rate environment and the moderation of recurrent activity. In particular, the credit portfolio, after growing significantly at the beginning of the pandemic as a result of economic policy support measures (mainly ICO guarantee lines), remains stable in 2021. Up to November 2021, the credit portfolio to the resident private sector had increased by 0.6% in the year to date, although with marked differences in the evolution of the credit portfolio to households, non-financial corporations and the self-employed.

On the other hand, the economic recovery has led to a reduction in risks to financial stability, although the macroeconomic environment is still challenging and some vulnerabilities remain, notably the financial vulnerability of households and businesses most affected by the activity restrictions associated with the pandemic.

Until now, creditworthiness has remained stable thanks to the range of measures implemented by the government and the financial sector (e.g., moratoriums, temporary redundancy plans, and public guarantee schemes), which have significantly mitigated the effects of the pandemic on the income of households and business, and, in turn, have prevented a sudden and marked increase in non-performing loans. In fact, the NPL ratio of the sector in Spain has maintained its downward trend in 2021 (albeit at a slower pace than in the years prior to the pandemic) and in November 2021 reached 4.29%, 0.3 percentage points below the November 2020 figure. As a result, and after the significant effort in provisions made in 2020, the sector has reduced provisions to pre-pandemic levels in 2021, a fact that has been reflected in the recovery of banks' aggregate income.

However, the final impact of the pandemic on credit quality may still take a few quarters to materialise (which could have an impact on banks' income). Moreover, as noted by the Bank of Spain, despite the aggregate reduction in NPLs, there are certain signs of deterioration in credit quality and heterogeneous behaviour by sector of activity. In particular, there was a considerable increase (53% year-on-year) in loans under special surveillance², particularly in those sectors of activity most affected by the pandemic (hotels and catering, transport, and car manufacturing) and a year-on-year rise in refinancing or restructuring, indicative of a greater use of this resource by banks to facilitate the repayment of loans.

The context of revenue containment at institutions highlights the **need for** additional efforts to reduce operating costs and improve efficiency levels, thus ensuring the future sustainability of the sector.

Meanwhile, higher capital levels (relative to the previous 2008–2014 crisis) give the Spanish banking sector a greater capacity to absorb potential losses, even in more adverse scenarios. More specifically, in the third quarter of 2021, the CET1 capital ratio of the Spanish banking sector increased by 87 basis points from 2019 levels¹ to 13.66%, while the LCR ratio stood at 213%, up from 196% a year earlier. Moreover, the results of the Bank of Spain's stress tests show how, in an adverse scenario, despite the fact that banks would consume part of their capital to absorb further losses, their aggregate capital adequacy level would still be adequate.

Data from the Bank of Spain.

² A loan is classified to the watch-list when a significant increase in credit risk has been observed since the time of granting, even if no default has occurred. In this regard, loans on the watch-list anticipate a higher probability of impact than loans in a normal situation.

CaixaBank 2021





Digital transformation

The more digital habits and behaviours that have emerged in the wake of the COVID-19 pandemic have accelerated the process of digitalisation of the environment in which financial institutions operate.

For the banking industry, digital transformation is leading to a growing focus on the customer and greater demands to keep them satisfied (in terms of convenience, immediacy, customisation and cost). More specifically, customer satisfaction is becoming an increasingly relevant issue; customer loyalty is decreasing as it is easier to switch bank in a digital environment. The digitisation of the banking sector is also facilitating the emergence of new non-traditional competitors, such as Fintech and Bigtech digital platforms, with business models that leverage new technologies, raise service quality standards and increase pressure on the sector's margins.

Meanwhile, access to data and the ability to generate value from data has become an important source of competitive advantage. In particular, the use, processing and storage of data results in information that serves to create products that generate greater value for the customer and are more tailored to their risk profile. In addition, there is an increase in the use cases and development of new technologies (such as Cloud, Artificial Intelligence or blockchain) in the sector, albeit at different levels of maturity. In any case, the use of new technologies in the sector generates the need to adapt business processes and strategies to the new environment.

The digitisation of the sector brings with it numerous opportunities to generate more revenue. In particular, through the use of digital technology, institutions can expand their customer base and provide services more efficiently and at a lower cost by being able to reach a larger number of potential customers, without having to expand their branch network in the territory. At the same time, digitalisation also creates new business opportunities, for example by offering their digital platforms for third parties to market their products, or through new financial products that are better adapted to the needs of each customer.

Furthermore, payment patterns are changing. The reduction in the use of cash in favour of electronic payments has gained speed with COVID-19. In addition, the digital payments arena is also evolving from a model dominated almost exclusively by card systems (linked to bank accounts) to a more mixed model that involves fintech and bigtech companies (which are starting to offer alternative payment solutions) and is starting to introduce alternative types of money and private payment methods, such as stablecoins. In this context, central banks in major advanced economies are evaluating the issuance (in the medium term) of digital central bank money as a complement to cash. In Europe, last July the ECB announced the start of the research phase of the digital euro, in which basic elements of its design will be outlined and defined.

CaixaBank faces the challenge of digitalisation with a strategy focused on customer experience. In this regard, the digital transformation offers the Institution new opportunities to understand its customers and offer them a higher-value proposal, using a multi-channel assistance model. In particular, CaixaBank has a distribution platform that combines great physical capillarity with high digital capabilities — proof of this is that the bank has more than 10 million digital customers in Spain. Likewise, in response to the change in habits resulting from the health crisis, the bank is placing special emphasis on initiatives to improve interaction with customers through non-face-to-face channels. Meanwhile, digital transformation is also driving CaixaBank to focus more on the development of skills, such as advanced analytics and the provision of native digital services. Regarding this last point, it is worth highlighting the proposal of Imagin; a digital ecosystem and lifestyle platform focused on the younger segment, offering financial and non-financial products and services. In addition, the Entity is also promoting new ways of working (more cross-cutting and collaborative) and is actively seeking to collaborate with new entrants that offer services that can be incorporated into the group's value proposition. In the area of payments, CaixaBank is involved in several sector-wide initiatives aimed at promoting new solutions.



Cybersecurity

Although digital transformation is essential for the competitiveness and efficiency of banking, it also increases technological risks. In this regard, the increased digital operations of customers and employees make it necessary to increase the focus on cybersecurity and information protection. CaixaBank is aware of the current threat level, which is why it continually monitors the field of technology and applications, in order to ensure the integrity and privacy of information, the availability of IT systems and business continuity. This monitoring is carried out through planned reviews and a continued audit (which includes monitoring risk indicators). Furthermore, CaixaBank conducts the relevant analyses to align safety protocols with new challenges and implements a strategic information security plan, aiming to keep the bank at the cutting edge of information protection, in accordance with the highest market standards. Lastly, the bank develops and distributes extensive cybersecurity awareness content and programmes for all its employees, customers and society at large.

CaixaBank's strategy for meeting the challenge of digitisation focuses on improving the customer experience

Digital transformation is vital for the competitiveness and efficiency of banking, but it also brings increased technological risks





Sustainability

The medium-term goal of decarbonisation of the European economy is being accompanied by increased regulatory activity at all levels and growing pressure (from investors, regulators, and supervisors) for companies to adjust their strategies accordingly.

These include the publication of regulations and recommendations that aim to guide and equip companies, investors and supervisors with the appropriate tools for proper management and governance. In this regard, it is worth noting the entry into force of the EU Green Taxonomy, which establishes a classification system for sustainable activities, and the adoption of the European Commission's Delegated Act¹ that develops the information requirements on the degree of alignment with the taxonomy for companies subject to the NFRD (Non-Financial Reporting Directive). For credit institutions (subject to this directive), it is proposed to disclose (from 2022) the proportion of exposures that are within the perimeter of the taxonomy, and from 2024, the proportion of exposures aligned with the taxonomy (Green Asset Ratio).

Also in the area of banking supervision, it is worth noting the ECB's action plan (with deliverables in 2024) to explicitly incorporate climate change and energy transition into its framework of operations. The plan, which will be implemented in parallel with the introduction of European initiatives and policies in the field of sustainable reporting, aims to ensure broad disclosure of climate risks by companies and financial institutions and a better understanding of climate risks and their impact, so that they can be treated as a financial risk. In addition, a climate stress test will be launched in 2022 to assess banks' resilience to climate risks and their level of preparedness to deal with them — although this exercise will not have an impact on banks' capital requirements for the time being.

CaixaBank considers it essential to advance in the transition towards a low-carbon economy that promotes sustainable development and is socially inclusive.

Meanwhile, the EU has passed the European climate law (which sets the bloc's 2050 emissions neutrality target as a legal commitment) and has begun to deploy measures to reduce greenhouse gas (GHG) emissions and move towards a decarbonised economy. In this area, the Next Generation EU Recovery Plan (NGEU) can make a significant contribution to the decarbonisation of the European economy. In particular, measures and initiatives promoting climate objectives are one of the main elements of the recovery plan, which in the case of Spain account for nearly 40% of European non-refundable transfers (EUR 27.6 billion). This commitment offers a unique opportunity to support the construction of a more sustainable economy, through advising on and mobilising investments that accelerate the green transition and contribute to the mitigation of and adaptation to climate change.

In this environment, CaixaBank considers it essential to advance in the transition towards a carbon-neutral economy that promotes sustainable development and is socially inclusive.

On the other hand, social and governance issues also continue to receive increasing attention from investors and society at large. In this regard, CaixaBank is highly committed to improving financial culture and inclusion with a view to promoting access to financial services for all sectors, through social policies that go beyond financial activity and seek to address social issues.

On this last point, the Entity channels and promotes hundreds of social initiatives from its branches, thanks to the CaixaBank volunteer network and the strategic alliance with the "la Caixa" Banking Foundation. Likewise, through the issuance of social bonds (one for EUR 1,000 million was issued in 2021), the Entity contributes to the development of a sustainable society, fighting poverty and promoting job creation in the most disadvantaged areas.

1. Delegated Act on Article 8 of the Taxonomy Regulation





4. Strategy

The year 2021 marks the closing of the 2019-2021 Strategic Plan. A plan focused on people, which sought to promote technology at the service of customers and employees, generate attractive returns for shareholders and reinforce the Group's socially responsible banking model.

All in all, a plan that aimed to generate sustainable value for all CaixaBank's stakeholders (customers, shareholders, employees and society as a whole) and in line with the Group's mission to contribute to the financial well-being of our customers and the progress of society as a whole.

Nevertheless, the context of the COVID-19 pandemic and the deterioration of the economic environment disrupted the achievement of many of the Plan's financial targets (including value for money) in 2020 and 2021. The pandemic also called for some business priorities to be adjusted to reflect the worsening macroeconomic scenario in 2020. In addition, changes caused by the pandemic — such as the increased use of digital and remote tools by customers and employees — led to a reprioritisation of the 2019-2021 Strategic Plan to further accelerate the bank's digital transformation and enhance the capabilities of the digital channel, as well as to incorporate the reality of remote working for a substantial portion of the organisation.

Meanwhile, in March 2021, the bank completed the legal merger with Bankia. The operation, which was not contemplated in the 2019-2021 Strategic Plan, should be understood as the institution's strategic response to the major challenges facing the sector, which have been accentuated by the COVID-19 pandemic. The merger positions CaixaBank in a strong environment and lays the foundations for sustainable growth in the future. On the one hand, the merger has strengthened the CaixaBank Group's leading position in Spain, now with 21 million customers. On the other, it has enabled the bank to reach a critical size to improve efficiency and develop a greater capacity to invest in technology and innovation, with greater financial robustness and a greater capacity to generate sustainable profitability. However, with the merger, some of the objectives of the 2019-2021 Strategic Plan were no longer valid, as the perimeter on which they had been defined only included CaixaBank. In addition, a number of strategic initiatives had to be rethought in order to adapt to the new postmerger context.

All this calls for a strategic update to set out the roadmap for the new entity resulting from the merger for the coming years. In this regard, the preparation for the next Strategic Plan is currently underway. The new plan is expected to be presented during spring 2022.

The preparation of the next Strategic Plan is currently ongoing. The new plan is expected to be presented in spring 2022



5. Income statement and **financial information**

Main financial metrics of the CaixaBank Group

When managing the business and making decisions, the directors and management team at CaixaBank essentially rely on the CaixaBank Group or consolidated financial management information, the main financial figures of which are as follows:

€ millions / %	January - December			
_	2021	2020	Year-on-year	
PROFIT/(LOSS)				
Net interest income	5,975	4,900	21.9%	
Net fee and commission income	3,705	2,576	43.8%	
Core income	10,597	8,310	27.5%	
Gross income	10,274	8,409	22.2%	
Recurring administrative expenses, depreciation and amortisation	(5,930)	(4,579)	29.5%	
Pre-impairment income	2,225	3,830	(41.9%)	
Pre-impairment income stripping out extraordinary expenses	4,344	3,830	13.4%	
Profit/(loss) attributable to the Group	5,226	1,381		
Profit/(loss) attributable to the Group ex M&A impacts	2,359	1,381	70.8%	
INDICATORS OF PROFITABILITY (Last 12 months)				
Cost-to-income ratio	78.3%	54.5%	23.8	
Cost-to-income ratio stripping out extraordinary expenses	57.7%	54.5%	3.2	
ROE ¹	6.4%	5.0%	1.4	
ROTE 1	7.6%	6.1%	1.5	
ROA ¹	0.3%	0.3%	0.0	
RORWA ¹	1.1%	0.8%	0.3	

€ millions / %	January - December		Voor on voor
	2021	2020	Year-on-year
BALANCE SHEET			
Total Assets	680,036	451,520	50.6%
Equity	35,425	25,278	40.1%
Customer funds	619,971	415,408	49.2%
Loans and advances to customers, gross	352,951	243,924	44.7%
RISK MANAGEMENT			
NPL	13,634	8,601	5,033
Non-performing loan ratio	3.6%	3.3%	0.3
Cost of risk (last 12 months)	0.24%	0.75%	(0.51)
Provisions for insolvency risk	8,625	5,755	2,870
NPL coverage ratio	63%	67%	(4)
Net foreclosed assets held for sale	2,279	930	1,349
Foreclosed available for sale real estate assets coverage ratio	48%	42%	6
LIQUIDITY			
Total Liquid Assets	168,349	114,451	53,898
Liquidity Coverage Ratio (last 12 months)	320%	248%	72
Net Stable Funding Ratio (NSFR)	154%	145%	g
Loan to deposits	89%	97%	(8)
SOLVENCIA			
Common Equity Tier 1 (CET1)	13.1%	13.6%	(0.5)
Tier 1	15.5%	15.7%	(0.2)
Total capital	17.9%	18.1%	(0.2)
MREL	26.2%	26.3%	(0.1)
Risk-Weighted Assets (RWAs)	215,500	144,073	71,427
Leverage Ratio	5.3%	5.6%	(0.3)
SHARE INFORMATION			
Share price (€/share)	2.414	2.101	0.313
Market capitalisation	19,441	12,558	6,883

The following section (Results) shows the business performance of CaixaBank, S.A., unless otherwise indicated.

¹These ratios do not include in the numerator the results generated by Bankla before 31 March 2021, which is the recognition date of the merger for accounting purposes or, for consistency purposes, the contribution of the incorporated RWAs or balance items in the denominator. They neither consider the extraordinary impacts associated with the merger.

Exposure in Spain.

^{3.} At 31 March 2021, €66,165 million have been integrated from Bankia.



Income

The statement of profit or loss of CaixaBank, S.A. for 2021 is shown below, together with a comparison with the previous year.

	2021	2020
€ millions		
Net interest income	4,432	3,304
Dividend income and share of profit/(loss) of entities accounted for using the equity method	716	1,467
Net fees and commission income	3,030	2,099
Gains/losses due to financial assets and liabilities and others	118	260
Other operating income and expense	(850)	(465)
Gross income	7,446	6,665
Recurring administrative expenses, depreciation and amortisation	(5,141)	(3,885)
Extraordinary expenses	(2,118)	-
Operating income/loss	187	2,780
Allowances for insolvency risk	(609)	(1,469)
Other charges to provisions	(344)	(156)
Gains/(losses) on disposal of assets and others	333	(561)
Negative goodwill recognised in profit or loss	4,300	-
Profit/loss before tax	3,867	594
Income tax	348	94
Profit for the period	4,215	688

Profit/(loss) after tax is EUR 4,215 million. The result includes extraordinary merger-related aspects: negative goodwill of EUR 4,300 million, extraordinary expenses of EUR -2,118 million, provisions of EUR -93 million, income from the sale of businesses of EUR 440 million and write-downs and others of EUR -91 million

Gross income amounted to EUR 7,446 million. Core revenues¹ was EUR 7,462 million in 2021 (+38.1%) after the integration of Bankia, which will have an impact from the second quarter of 2021. The development of the gross margin (+11.7%) was mainly influenced by: the integration of Bankia, although this is offset by higher charges recorded in Other operating income and expenses, mainly corresponding to contributions to the DGF and the SRF.

Recurring administrative expenses, depreciation and amortisation (+32.3%) reflect the incorporation of the balances from the merger with Bankia.

Extraordinary expenses for 2021 amount to EUR 2,118 million and include EUR 1,884 million associated with the cost of the labour agreement and EUR 234 million of other expenses incurred in the merger process.

The evolution of the heading **Allowances for insolvency risk** (-58.5%) is impacted by the reinforcement of provisions for credit risk to anticipate future impacts of Covid-19 that was carried out in the financial year 2020.

The heading **Other charges to provisions**, in addition to coverage for contingencies and impairment of other assets, include a provision of EUR 93 million to cover write-downs arising from the planned restructuring plan of the commercial network.

The heading **Negative goodwill** includes the EUR 4,300 million negative goodwill arising from the merger with Bankia.

The heading **Gains/(losses)** on **disposal of assets and others** includes the income generated by the sale of certain businesses that Bankia had been developing to investees, +EUR 440 million, as well as the capital gain generated by the sale of the stake in Erste Group Bank, +EUR 318 million. In addition, EUR -91 million of asset write-downs related to the restructuring of the commercial network were recorded.

Net interest income

Net interest income amounted to EUR 4,432 million (+34.1% compared to 2020). The increase in net interest income is due to the incorporation of Bankia. However, if we consider the comparison for 2020 as the aggregate of CaixaBank and Bankia, a decrease is observed, due to the negative interest rate environment. This decrease is due to: (i) a decline in credit revenue due to a decrease in interest rates, impacted by the change in structure of the credit portfolio (increase in ICO loans and credit to the public sector), by the decline in the yield curve and by the reduction in revenues from consumer credit; (ii) a smaller contribution from the fixed income portfolio, due to both a decrease in volume and a decrease in the average rate as a result of the revaluation of assets to market value in the context of the merger.

These effects have been partially compensated by: (iii) a reduction in the cost of lending due to the increase in financing taken out with the ECB on better terms; (iv) savings in institutional funding costs, largely from the revaluation of liabilities to market value in the context of the merger and also impacted by the lowering of the curve; (v) slight decrease in the cost of retail financing due to lower interest rates.



Dividend income

Dividend income amounted to EUR 716 million, down (-51%) on the previous year, and included dividends paid out by Group companies, mainly VidaCaixa and CaixaBank Payments&Consumer. They also include Telefónica's dividend of EUR 90 million. The decrease in the dividend income is due to the current economic situation, which has forced many companies eliminate or reduce dividends.

Fees and commissions

Fee and commission income amounted to EUR 3,030 million (+44.3% over the previous year) after the merger with Bankia.

Banking services, securities and other fees include income on securities transactions, transactions, deposit management, payment methods, and investment banking. In their evolution (adding Bankia's balances in the comparison), it is worth noting that there was a slight growth in recurring fees and a decline in fees from wholesale banking, after a 2020 marked by strong activity in investment banking.

Fees from the sale of insurance products increased compared to 2020, due to the integration of Bankia and greater activity and achievement of commercial objectives.

Fee and commission income from mutual funds, portfolios and SICAVs amount to EUR 470 million.

Fee and commission income from pension plans amount to EUR 146 million.

€ millions	2021	2020
Banking services, securities and other fees	1,809	1,230
Insurance sales	605	447
Investment funds, portfolios and SICAVs	470	317
Pension plans	146	105
Net fees and commission income	3,030	2,099

Gains/losses due to financial assets and liabilities and others __

Gains/(losses) on financial assets and liabilities and others amounted to EUR 118 million (-54.6%). The development is explained by the materialisation of unrealised gains on financial assets at amortised cost in 2020.

Other operating income and expenses _

Other operating income and expenses amount to EUR 850 million (+82.8%) and include, inter alia, contributions to the Single Resolution Fund (SRF) and the Deposit Guarantee Fund (DGF) as well as income from rentals and contributions, fees and taxes (such as real estate tax (IBI)).

€ millions	2021	2020
Contribution to the Single Resolution Fund / Deposit Guarantee Fund	(558)	(334)
Other	(292)	(131)
Other operating income and expense	(850)	(465)

Administration expenses, depreciation and amortisation _____

The evolution of **Recurring administrative expenses, depreciation and amortisation** (+32.3%) was impacted by the integration of Bankia. Excluding the impact of Bankia, personnel, depreciation and amortisation expenses increased and general expenses decreased. The increase in depreciation and amortisation is due to investment in the Entity's transformation projects.

In 2021, EUR 1,884 million was recognised in connection with the merger, arising from the agreement reached with the workers' representatives to implement the restructuring process of the resulting entity, which affects 6,452 employees. In addition to these restructuring agreements, EUR 234 million of integration expenses were recorded. No extraordinary expenses were recorded in 2020.

€ millions	2021	2020
Gross income	7,446	6,665
Staff expenses	(3,222)	(2,369)
General expenses	(1,244)	(963)
Depreciation and amortisation	(675)	(553)
Recurring administrative expenses, depreciation and amortisation	(5,141)	(3,885)
Extraordinary expenses	2,118	-



Allowances for insolvency risk and other charges to provisions

Allowances for insolvency risk amounted to EUR -609 million (EUR -1,469 million in 2020).

Throughout 2020, within the framework of the pandemic, provisions were established to anticipate future losses associated with Covid-19 under the forward-looking approach required by IFRS 9. In this regard, EUR -1,012 million was recorded in 2020, which explains a large part of the year-on-year evolution of this income statement heading.

Other charges to provisions mainly includes coverage for contingencies and the impairment of other assets. In 2021, it includes the recording of provisions for legal contingencies with conservative criteria, inter alia, as well as EUR 93 million corresponding to a provision to cover asset write-downs essentially derived from the planned restructuring plan of the commercial network. In 2020, the main highlight was the recording of EUR 109 million associated with early retirements.

Gains/(losses) on disposal of assets and others _

Gains/(losses) on disposal of assets and others includes, essentially, the results of completed one-off transactions and proceeds on asset sales and write-downs. Its evolution is essentially influenced by extraordinary events in 2021 and 2020:

- In 2021, this heading mainly includes the results generated by the sale of certain businesses that Bankia had been developing to investees (EUR 440 million) as well as the capital gain generated by the sale of the stake in Erste Group Bank (EUR 318 million). In addition, EUR -91 million of asset write-downs related to the restructuring of the commercial network were recorded.
- In 2020, heading includes, primarily, the recording of a provision of EUR 192 million associated with Erste Group Bank due to the impact of COVID-19 in the economic environment, as well as the extension of the low interest rate scenario.



CaixaBank 2021



Balance sheet

When managing the business and making decisions, the directors and management team at CaixaBank rely on the Group or consolidated management information. Accordingly, the figures that appear in this section refer to information of the CaixaBank Group, unless otherwise indicated.

€ millions	Group		CaixaBank, S.A.	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Total assets	680,036	451,520	451,520	391,414
Total liabilities	644,611	426,242	426,242	366,263
Equity	35,425	25,278	25,278	25,151

Customer funds

Customer funds amounted to EUR 619,971 million at 31 December 2021 (+49.2% in the year, after the incorporation of Bankia (+10.5% organic change excluding the integration of Bankia's balances)).

At the end of December, 100% of Bankia Vida was fully consolidated at the end of the year, increasing insurance contract liabilities (on the balance sheet) by EUR 4,091 million.

On-balance sheet funds amounted to EUR 454,968 million (+8.6% in the year):

- Growth in **demand deposits** to EUR 350,449 million (+13.1%).
- Term deposits amounted to EUR 33,821 million (-35.4%). Their performance continues to be marked by the reduction of deposits on the renewal of maturities against a backdrop of historically low interest rates.
- The increase in insurance contract liabilities² (+6.6% in the organic year) reflects both positive net subscriptions and the impact of the market revaluation in Unit Links.

Assets under management amounted to EUR 158,020 million. Its annual performance (+16.5% in the calendar year) was driven by both positive net subscriptions and favourable market developments. Assets under management in mutual funds, portfolios and SICAVs amounted to EUR 110,089 million (+19.2% in the organic year). Pension plans amounted to EUR 47,930 million (11.0% in the calendar year).

Other accounts includes primarily temporary resources associated with transfers and collection.

€ millions	Group (CaixaBank
	31.12.2021	31.12.2020
Customer funds	384,270	242,234
Demand deposits	350,449	220,325
Time deposits ¹	33,821	21,909
Liabilities under insurance contracts ²	67,376	59,360
Repurchase agreement and others	3,322	2,057
On-balance sheet funds	454,968	303,650
Mutual funds, managed accounts and SICAV's	110,089	71,315
Pension plans	47,930	35,328
Assets under management	158,020	106,643
Other accounts	6,983	5,115
Total customer funds	619,971	415,408

¹ Includes retail borrowings of EUR 1,384 million at 31 December 2021 (EUR 1,436 million in 2020).

² Excluding the impact of the change in value of the associated financial assets, with the exception of Unit Link and Flexible Investment Life Annuity products (the part managed).



Loans and advances to customers

Gross lending to customers amounted to EUR 352,951 million (+44.7% in the year), after the merger with Bankia (-4.9% organic change, i.e. excluding the balances contributed by Bankia in the merger). The main highlight is the decline in lending for home purchases and public sector loans.

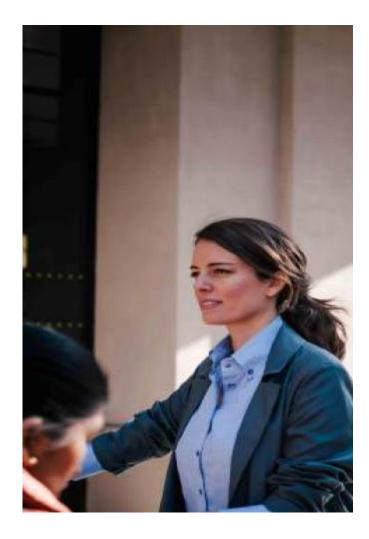
Lending for home purchases (-6.7% organic change in the year) continues to be marked by household deleveraging in line with the trend of previous quarters.

Loans to individuals - other purposes declined by (-6.1% in the organic year. Portfolio sales and the transfer to write-offs of EUR 140 million due to the homogenisation of criteria of Bankia's incorporated portfolio influenced its performance.

Financing to companies declined -1.9% organically in the year after the increase in the previous year, in a context in which companies anticipated their liquidity needs.

Lending to the public sector declined by -12.2% organically in the year, impacted by one-off operations.

€ millions	Group CaixaBank	
- Time of S	31.12.2021	31.12.2020
Loans to individuals	184,752	120,648
Home purchases	139,792	85,575
Other	44,959	35,074
Loans to businesses	147,419	106,425
Corporates and SME's	141,619	100,705
Real estate developers	5,800	5,720
Public sector	20,780	16,850
Loans and advances to customers, gross	352,951	243,924
Provisions for insolvency risk	(8,265)	(5,620)
Loans and advances to customers (net)	344,686	238,303
Contingent liabilities	27,209	16,871





Asset quality_

The non-performing loan ratio was 3.6% compared to 3.3% in December 2020 (mainly due to the integration of Bankia, which increased by 28 bp). Doubtful balances amount to EUR 13,634 million (EUR 8,601 million at 2020 year-end). The change would be EUR -394 million in the year, excluding the contribution of Bankia's NPLs.

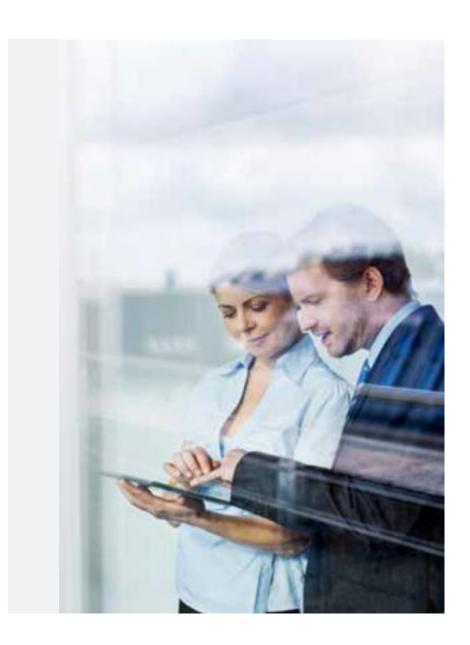
Provisions for insolvency risk stood at EUR 8,625 million (compared to EUR 5,755 million at 2020 year-end).

The coverage ratio stands at 63% (compared to 67% in December 2020).

%	Group CaixaBank
	31.12.2021 31.12.2020
Loans to individuals	4.2% 4.5
Home purchases	3.6% 3.5%
Other	6.4% 6.9
Loans to businesses	3.5% 2.7
Corporates and SME's	3.3% 2.4
Real estate developers	6.3% 6.7
Public sector	0.3% 0.1
NPL ratio (loans + guarantees)	3.6% 3.33
NPL coverage ratio	63% 679



Note: 'Calculations considering loans and contingent liabilities.





Liquidity

CaixaBank manages the liquidity risk 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, at all times within the risk appetite framework.

Note 3.3.3 "Liquidity risk" in the annual accounts report details CaixaBank's strategic principles, risk strategy, and liquidity and financing risk appetite.

The main figures related to CaixaBank's liquidity and financing structure are as follows:

€ millions	CaixaBa	CaixaBank, S.A.		
	31.12.2021	31.12.2020		
Total Liquid Assets ⁽¹⁾	155,616	103,640		
of which: HQLA	155,616	85,777		
of which: available balance in non-HQLA facilty	-	17,863		
Institutional financing	53,350	33,960		

The Entity's total liquid assets stood at EUR 155,616 million at 31 December 2021, up EUR 51,976 million in the year, mainly due to the integration of Bankia and the net contribution of liquidity from the commercial gap.

The drawn balance of the ECB's policy as at 31 December 2021 stands at EUR 75,890 million under TLTRO III. The drawn balance increased by EUR 30,585 million in the year, mainly due to the integration of Bankia's drawdowns and the additional appeal to TLTRO III.

Institutional financing amounts to 53,350 million euros, with the Entity successfully accessing the markets during 2021 through the issuance of various debt instruments.

The Entity's unused issuance capacity for mortgage and territorial covered bonds amounted to EUR 26,205 million at the end of December 2021.

Information on the issues made by CaixaBank, S.A. in 2021 can be found below:

Issue	Amount	Maturity	Cost ²	Demand
Senior non-preferred debt ³	1,000	8 years	0.571% (midswap + 0.90%)	3,700
Senior non-preferred debt ⁴	1,000	7 years	0.867% (midswap +1.00%)	2,100
Senior non preferred debt GBP 3,5	£500	5 years and 6 months	1.523% (UKT +1.32%)	£1,800
Senior non preferred debt CHF ⁶	CHF200	6 years	0.477% (CHF midswap + 0.87%)	CHF235
Tier 2 subordinated debt ³	1,000	10 years and 3 months	1.335% (midswap + 1.63%)	2,200
Additional Tier 1	750	Perpetual	3.675% (midswap + 3.857%)	3,500
Collected issuances in the table are callabe, being able to	practice the option of early amortisat	tion before the maturi	tv date.	

Subsequent to the end of 2021, CaixaBank issued EUR 1,000 million of Senior Preferred Social Debt with a 6-year maturity and a yield of 0.673%, equivalent to midswap +62 basis points.

There are regulatory liquidity requirements, which, for the case of the reporting perimeter and regulatory compliance of a 'Single liquidity subgroup' (CaixaBank consolidated without BPI or CaixaBank Wealth Management Luxembourg, S.A.), are as follows:

The Liquidity Coverage Ratio (LCR) at 31 December 2021 is 344%, showing a comfortable liquidity position (324% average LCR in the last 12 months), well above the regulatory minimum requirement of 100%

The Net Stable Funding Ratio (NSFR)⁵ stands at 153% at 31 December 2021, above the regulatory minimum requirement of 100%.

¹ Data corresponding to the reporting perimeter and regulatory compliance of a 'Single liquidity subgroup' (CaixaBank consolidated without BPI or CaixaBank Wealth Management Luxembourg, S.A.).



Capital management

When managing the business and making decisions, the directors and management team at CaixaBank rely on the Group or consolidated management information. Accordingly, the figures that appear in this section refer to information of the CaixaBank Group, unless otherwise indicated.

€ millions and %	Gro	up
	31.12.2021	31.12.2020
Common Equity Tier 1 (CET1)	13.1%	13.6%
Tier 1	15.5%	15.7%
Total capital	17.9%	18.1%
Risk-weighted Assets (RWA)	215,500	144,073

In this respect, the Group's Common Equity Tier 1 (CET1) ratio reached 13.1% at 31 December 2021. As extraordinary items, the year-on-year evolution includes -109 bp from the impact of Bankia's incorporation (+77 bp from the merger, -89 bp from the effect of the PPA and -97 bp from restructuring costs, the impact of the sale of Bankia's cards business and the buyback of Bankia Vida).

The organic evolution for the year was +106 bp and -24 bp due to market and other developments (including regulatory impacts in the second quarter and the sale of the stake in Erste Bank in the fourth quarter). The phased impact of IFRS 9 was -22 bp.

The internal target for the CET1 capital adequacy ratio approved by the Board of Directors is between 11% and 11.5% (ex IFRS9) and a distance of between 250 and 300 basis points from the SREP requirement.

The Tier 1 ratio was 15.5%. A new issue of EUR 750 million in additional Tier 1 instruments was made during 2021.

The total capital ratio stood at 17.9% after disregarding an issue of EUR 510 million of Tier2, which is scheduled to be amortised in February 2022. The leverage ratio was 5.3%.

In relation to the MREL requirement, the Recovery and Resolution Directive (BRRD2), which came into force in December 2020, establishes that the CaixaBank Group must reach a minimum volume of own funds and eligible liabilities³ (MREL Total) of 22.95% of RWAs as of 1 January 2024 (with an intermediate requirement of 22.09% as of 1 January 2022).

Also, from 1 January 2022, CaixaBank must comply with a Total MREL requirement of 6.09% of the leverage ratio exposure (LRE).

In December, CaixaBank's RWA ratio was 26.2% and its LRE ratio 9.0%, meeting the requirements. At the subordinated level, excluding senior preferred debt and other *pari passu* liabilities, the MREL ratio amounts to 22.8% of RWAs and 7.8% of LRE, comfortably above the regulatory requirements of 16.26% of RWA and 6.09% of LRE.

Similarly, CaixaBank is subject to minimum capital requirements on a non-consolidated basis. The CET 1 ratio in this perimeter was 13.9%.

The decisions of the European Central Bank (ECB) and the national supervisor, following the merger with Bankia, require the CaixaBank Group to maintain capital requirements of 8.19% for CET1, 9.99% for Tier 1 and 12.41% for Total Capital by 2021.

The Group's current level of capital adequacy confirms that the applicable requirements would not lead to any automatic restrictions according to the capital adequacy regulations, regarding the distribution of dividends, variable remuneration, and the interests of holders of Additional Tier 1 capital securities.

The information on the CaixaBank Group's capital adequacy and capital ratios required by the regulations in force in 2021 is detailed in Note 4 to the accompanying Financial Statements.

¹ In March, CaixaBank adopted the transitional provisions of IFRS9, which allows it to partially mitigate the pro-cyclicality associated to the provisions model under IFRS9 in its capital adequacy calculations, throughout the transitional period established.

^{2.} Correction of expected dividend percentage

³. Eligible liabilities include senior non-preferred debt and other pari-passu liabilities, at the criteria of the Single Resolution Board.

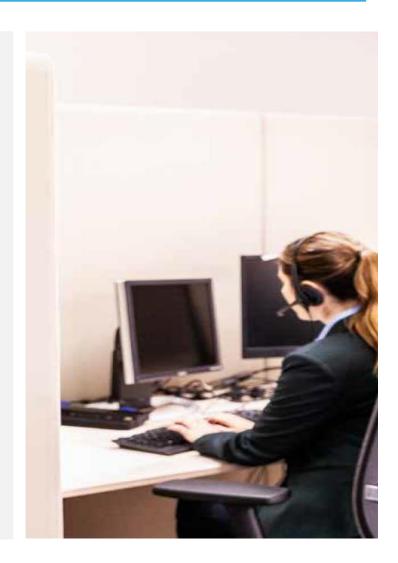
CaixaBank

Shareholder remuneration

As regards the dividend policy, and following the European Central Bank's announcement on 23 July 2021 of not extending its recommendation on dividend distributions beyond September 2021, the Board of Directors approved on 29 July 2021 the Dividend Policy for 2021, establishing the distribution of a cash dividend of 50% of the consolidated net profit adjusted by the extraordinary impacts from the merger with Bankia in a single payout in 2022.

The Board of Directors of 27 January 2022 has proposed the payment of a EUR 1,179 million dividend in 2021 to the Annual General Meeting. Furthermore, the Board of Directors approved the Dividend Policy for 2022, establishing the distribution of a cash dividend between 50% and 60% of the consolidated net profit in a single payout in April 2023, subject to final approval at the Annual General Meeting.

The Board also stated CaixaBank's intention, subject to the appropriate regulatory approval, to implement a share buy-back programme in the market during the 2022 financial year, in order to bring the CET1 ratio closer to the internal target.





6. Non-financial information

The non-financial information related to CaixaBank, S.A. is detailed in point 03: Statement of non-financial information, from the Consolidated Management Report of the CaixaBank Group.

The most significant events of 2021 at CaixaBank, S.A. in the following areas, including research and development activities, are set out below and expanded upon in point 03: Statement of non-financial information, from the Consolidated Management Report of the CaixaBank Group.

Customer experience _

- CaixaBank Best Bank in Spain 2021 and Best Bank in Western Europe 2021 by Global Finance magazine
- CaixaBank voted Best Bank in Spain 2021 by Euromoney.
- CaixaBank launches a plan to make it easier for its customers to access European Next Generation funds.
- CaixaBank, awarded Best Banking Transformation in the World by Euromoney.

Innovation and digitalisation

- CaixaBank completes the largest technological and commercial integration to date in Spain.
- CaixaBank, named Western Europe's Most Innovative Bank 2021 by Global Finance magazine.
- CaixaBank, Best Digital Bank in retail banking in Spain by Global Finance.
- CaixaBank, voted World's Most Innovative Bank 2021 by EFMA-Accenture.

People management _

- CaixaBank Best Company in the World in Gender Equality according to the Bloomberg international index.
- CaixaBank and employee representatives reach a labour agreement for the reorganisation of the Institution.

Sustainabilit

- CaixaBank becomes a founding member of the Net Zero Banking Alliance (NZBA), an initiative that promotes net zero emissions by 2050.
- CaixaBank issues its first Tier 2 subordinated green bond in the amount of EUR 1,000 million.
- CaixaBank, world silver medal in the Sustainability YearBook 2021 report.
- CaixaBank adheres to the new initiative within the framework of the United Nations Principles for Responsible Banking focused on measures for financial inclusion and financial health.
- CDP (Carbon Disclosure Project) recognises CaixaBank as a leading company in sustainability for its action against climate change.





Glossary – Financial information

In addition to financial information, drawn up in accordance with International Financial Reporting Standards (IFRS) and Circular 4/2017 of the Bank of Spain, this document includes certain Alternative Performance Measures (APM), according to the definition of Guidelines on Alternative Performance Measures published by the European Securities and Markets Authority on 30 June 2015 (ESMA/2015/1057). 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 cost-to-income

Customer spread: the difference between: (i) average rate of return on loans (obtained as a quotient between the income from loans and advances and the net average balance of loans and advances for the period, and; (ii) average rate for retail deposits (obtained as a quotient between the cost and net balance of the retail deposits, excluding subordinated liabilities).

Note: The average balances of the analysed period are calculated on the basis of the daily closing balances of said period, except in the case of some subsidiaries, for which the average balances are calculated as the arithmetic average of the closing balances of each month.

Balance sheet spread: the difference between: (i) average rate of return on assets (calculated from the interest income divided by the total average assets for the period) and; (ii) average cost of funds (calculated from the interest expenses divided by total average funds for the period).

Note: The average balances of the analysed period are calculated on the basis of the daily closing balances of said period, except in the case of some subsidiaries, for which the average balances are calculated as the arithmetic average of the closing balances of each month.

ROE: ratio of profit/(loss) attributable to the Group (adjusted by the amount of the *Additional Tier 1* coupon, recorded in shareholder equity) to shareholder equity plus average valuation adjustments over the last 12 months (calculated as the average value of average monthly balances). Allows the Group to monitor the return on its shareholder equity.

ROTE: quotient between; (i) profit/(loss) attributable to the Group (adjusted by the amount of the *Additional Tier 1* coupon reported in shareholder equity) and; (ii) shareholder equity plus 12-month average 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.

ROA: ratio of net income (adjusted for the amount of the Additional Tier 1 coupon, recorded in shareholder equity) to average total assets, for the last 12 months (calculated as the average value of the daily balances throughout the analysed period).

RORWA: net profit (adjusted by the amount of the Additional Tier 1 coupon reported in shareholder equity) divided by average total risk-weighted assets for the last 12 months (calculated as the average value of the quarterly average balances).

Core Revenue: total of 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.

Cost-to-income ratio: ratio of operating expenses (administrative expenses and depreciation and amortisation) to gross income (or core income for the core cost-to-income ratio), for the last 12 months.

Risk management

Cost of risk (CoR): ratio of total loan-loss provisions (12 months) to the average gross balance of loans and advances to customers and contingent liabilities, with management criteria (calculated as the average value of the closing balances for each month of the period). Metric used to monitor allowances for insolvency risk on the lending portfolio.

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 to customers and contingent liabilities, using management criteria.

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.



Real estate available for sale coverage ratio: quotient between the gross debt cancelled at the foreclosure or surrender of the real estate asset minus 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.

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

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).

Loan-to-deposits: quotient between net loans and advances to customers using management criteria excluding brokered loans (funded by public institutions), and customer deposits on the balance sheet. Metric showing the retail funding structure (allows us to value the proportion of retail lending being funded by customer funds).

Other relevant indicators

Market capitalisation: share price multiplied by the number of outstanding shares minus the number of treasury shares held at the end of the period.

Adaptation of the structure of the public statement of profit or loss to the management format___

Net fee and commission income. Includes the following line items:

- Fee and commission income.
- · Fee and 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 that must be designated 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.

Pre-impairment income.

- (+) Gross income.
- (-) Operating expenses.

Impairment losses on financial assets and other 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 gains/(losses) on adjustments.
- 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 derecognition 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.

Reconciliation of activity indicators with management criteria

Loans and advances to customers, gross

December 2021 (€ million)

· ·	
Financial assets at amortised cost - Customers (Public Balance Sheet)	344,524
Reverse repurchase agreements (public and private sector)	(863)
Clearing houses	(1,839)
Other, non-retail, financial assets	(315)
Financial assets not designated for trading compulsorily measured at fair value through profit or loss- Loans and advances (Public Balance Sheet)	67
Fixed-income bonds considered retail financing (Financial assets at amortised cost - Public debt securities, Balance Sheet)	2,980
Fixed income bonds considered retail financing (Assets under the insurance business - Balance Sheet)	133
Provisions for insolvency risk	8,265
Loans and advances to customers (gross) using management criteria	352,951

Customer funds

December 2021 (€ million)

Financial liabilities at amortised cost - Customers deposits (Public Balance Sheet)	392,479
Non-retail financial liabilities (registered under Financial liabilities at amortised cost - Customer deposits)	(6,272)
Multi-issuer covered bonds and subordinated deposits	(5,671)
Counterparties and others	(602)
Retail financial liabilities (registered under Financial liabilities at amortised cost - Debt securities)	1,384
Retail issues and other	1,384
Liabilities under insurance contracts under management criteria	67,376
Total on-balance sheet customer funds	454,968
Assets under management	158,020
Other accounts ¹	6,983
Total customer funds	619,971

^{1.} It includes, in addition to transitory resources associated with transfers and collections, the amount of savings insurance, mostly corresponding to the joint venture with Mapfre, marketed by Bankia.



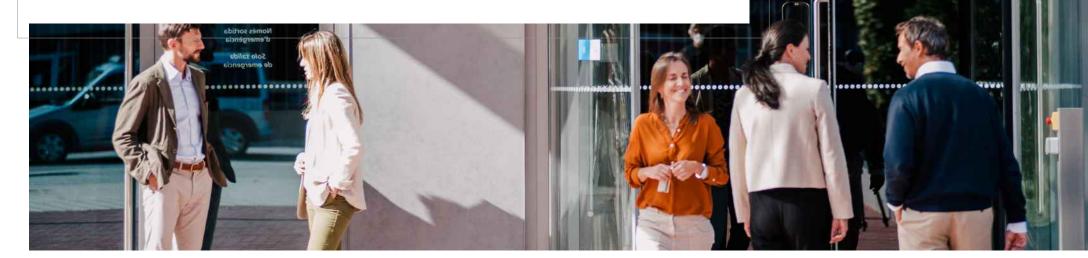




The following document is the free-format Annual Corporate Governance Report of Caixabank, S.A. (hereinafter, CaixaBank or the Company) for the 2021 financial year, and it comprises the chapter on "Corporate Governance" in the **Group Management Report**, alongside sections F (ICFR) and G (Extent of compliance with corporate governance recommendations), the Conciliation table and the "Statistical appendix to the ACGR" presented below

The ACGR, in its consolidated version, is available on the corporate website of CaixaBank (www.caixabank.com) and on the website of the CNMV. The information contained in the Annual Corporate Governance Report refers to the financial year ending on 31 December 2021.

Abbreviations are used throughout the document to refer to the company names of various entities: FBLC ("La Caixa" Banking Foundation), Criteria-Caixa (Criteria-Caixa, S.A.U.); Fund for Orderly Bank Restructuring (FROB); BFA Tenedora de Acciones, S.A. (BFA); as well as CaixaBank governing bodies: the Board (Board of Directors) or the AGM (Annual General Meeting).







Corporate Governance

Robust Corporate Governance enables companies to maintain an efficient and methodical decision-making process, as it incorporates clarity in the allocation of roles and responsibilities and, in turn, fosters proper management of risks and efficient internal control, which promotes transparency and limits the occurrence of potential conflicts of interest. All of this drives excellence in management that results in greater value for the company and therefore for its stakeholders.

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

The information regarding the corporate governance of the Company is supplemented by the Annual Directors Remuneration Report (ADRR), which is prepared and submitted to a non-binding vote at the Annual General Meeting.

Once approved by the Board of Directors and published on the CNMV website, the ADRR and this ACGR report are available on the CaixaBank corporate website (www.caixabank.com).

CaixaBank's Corporate Government Policy is

based on the Company's corporate values and also on good practices for governance, particularly recommendations in the Good Governance Code of Listed Companies approved by the CNMV in 2015. This policy establishes the action principles that will regulate the Company's corporate governance, and its text was reviewed in December 2021



Corporate governance principles and practices

- O1. Competencies and efficient self-organisation of the Board of Directors
- **02.** Diversity and balance in the composition of the Board of Directors
- 03. Professionalism for the proper performance of the duties of members of the Board of Directors

04. Balanced remuneration aimed at attracting

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

- 05. Commitment to ethical and sustainable action
- **06.** Protection and promotion of shareholders' rights

- 07. Compliance
 with current
 regulations as the
 guiding principle for
 all people who form
 part of CaixaBank
- **08.** Prevention, identification and appropriate treatment of conflicts of interest, in particular with regard to operations with related parties, considering intragroup relations
- O9. Achievement of corporate interest

under the acceptance and update of good governance practices 10. Information transparency

covering the financial and non-financial activity







Best Corporate Governance practices (G)

Of the 64 Recommendations in the Good Governance Code (excluding one non-applicable recommendation), CaixaBank is fully compliant with 57, partially compliant with five and non-compliant with one. The following list contains the recommendations with which CaixaBank is non-compliant or partially compliant, and the reason:

>> CAIXABANK IS PARTIALLY COMPLIANT WITH THE FOLLOWING RECOMMENDATIONS:

RECOMMENDATION 5

Because the Annual General Meeting of 22 May 2020 and of 14 May 2021 approved each agreement included in 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 foregoing not withstanding that since 3 May 2021, the Law 5/2021 includes as a general obligation the 20% limitation for the exclusion of pre-emptive subscription rights in capital increases, as well as in the case of credit institutions, such as in the case of CaixaBank, the possibility of not applying this 20% limit to convertible bond issues made by credit institutions, provided that such issues comply with the requirements under Regulation (EU) 575/2013.

RECOMMENDATION 10

Because the regulations of CaixaBank's Annual General 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.

RECOMMENDATION 27

Because the proxies for voting at the headquarters of the Board, when applicable, in cases when attendance in not possible, may be carried out with or without specific instructions at the discretion of each director. The freedom to appoint proxies with or without specific instructions is considered a good Corporate Governance practice by the Company and, specifically, the absence of instructions is seen to facilitate the proxy's ability to adapt to the content of the debate.

RECOMMENDATION 36

Because with respect to the 2021 financial year, the Board of Directors has carried out the self-assessment of its operation internally after ruling out the benefit of the assistance of an external advisor, as given the partial renewal process the Board will undertake once the merger of CaixaBank with Bankia takes effect, and given the short period of time the current Board had been constituted after the merger, it was more advisable and reasonable to postpone the external collaboration to the next self-assessment exercise.

RECOMMENDATION 64

Payments for termination or expiry of the Chairman's and CEO's contracts, including severance pay in the event of termination or expiry of the relationship in certain cases and the post-contractual non-competition agreement, do not exceed the amount equivalent to two years of the total annual remuneration for each of them.

In addition, the Bank has recognised a social security supplement for the CEO to cover retirement, death and permanent total, absolute or severe disability, and for the Chairman to cover death and permanent total, absolute or severe disability.

In the case of the commitment to cover the retirement contingency, this is a system established under a defined contribution plan, for which the annual contributions to be made are fixed in advance.

By virtue of this commitment, the CEO is entitled to receive a retirement benefit when he/she reaches the legally established retirement age. This benefit will be the result of the sum of the contributions made by the Bank and their corresponding returns up to that date, provided that he/she is not terminated for just cause, and without prejudice to the applicable treatment of discretionary pension benefits in accordance with the remuneration regulations applicable to credit institutions.

With the termination of the CEO's contract, the contributions would be consolidated (except in the event of termination for just cause attributable to the CEO) but in no case is there any provision for the possibility of receiving an early retirement benefit, since its accrual and payment would occur only on the occasion and at the time of retirement (or the occurrence of the other contingencies covered) and not on the occasion of the termination of the contract.

The nature of these savings systems is not to indemnify or compensate for the loss of rights to the assumption of non-competition obligations, as they are configured as a savings system that is endowed over time with periodic contributions and which form part of the fixed components of the usual remuneration package of the Executive Directors; unlike indemnities or compensations for not competing, it grows over time and is not set in absolute terms.

Therefore, the institution would only be in breach of recommendation 64 if the mere consolidation of savings scheme entitlements, without actual accrual or payment at the time of termination, were to be included in the concept of termination payments or termination of contract payments as defined therein.

>> NON-COMPLIANT

RECOMMENDATION 62

Because the shares awarded to the executive directors as part of their annual bonus have a one-year retention period with no other requirements after this time. It is important to note that the Board of Directors is expected to submit to the next Ordinary General Shareholders' Meeting a proposal to amend its Remuneration Policy extending the limitation period for executive directors to transfer the shares received under their remuneration package to 3 years, according to the terms of this Recommendation.

Recommendation 2 is not deemed to be applicable as CaixaBank is not a company controlled by another entity, listed or otherwise, in the sense of Article 42 of the Commercial Code.





Changes in the composition of the Board and its committees in the 2021 financial year

On 26 March 2021, the resignation of the following members of On 30 March 2021, the CaixaBank's Board of Directors agreed to CaixaBank's Board of Directors became effective: Jordi Gual, Maria Teresa Bassons, Alejandro García-Bragado, Ignacio Garralda, and Fundación CajaCanarias, represented by Natalia Aznárez.

On this same date, the following became part of CaixaBank's Board of Directors: José Ignacio Goirigolzarri, Joaquín Ayuso, Francisco Javier Campo, Eva Castillo, Teresa Santero and Fernando María Ulrich, having verified their suitability as directors by the competent banking supervisor.

appoint José Ignacio Goirigolzarri as Executive Chairman of the Board of Directors.

The 2021 Ordinary General Shareholders' Meeting held on 14 May approved the re-election of José Serna as a non-executive proprietary board member at the proposal of the FBLC and CriteriaCaixa, and Koro Usarraga as an independent non-executive board member.

In addition to changes in the composition of members of the Board, the reorganisation of the composition of the Board committees was agreed in March 2021:





Appointment	Board Position and Committee	Replaces
	Chairman and member of the Executive Committee	Jordi Gual
José Ignacio Goirigolzarri	Chairman of the Innovation, Technology and Digital Transformation Committee	Jordi Gual
Ιοραμία Ανμικο	Member of the Remuneration Committee	Incorporation, an increase of one member on the Committee
Member of the RISK Committee		Incorporation, an increase of one member on the Committee
Francisco Javier Campo	Member of the Appointments and Sustainability Committee	Incorporation, an increase of one member on the Committee
Trancisco Javier Campo	Member of the Audit and Control Committee	Incorporation, the number of Committee members is increased by two on the Committee
Eva Castillo	Member of the Executive Committee	Incorporation, an increase of one member on the Committee
EVA CASUIIO	Member of the Innovation, Technology and Digital Transformation Committee	Incorporation, an increase of one member on the Committee
Teresa Santero	Member of the Audit and Control Committee	Incorporation, the number of Committee members is increased by two on the Committee
José Serna	Member of the Remuneration Committee	Alejandro García-Bragado
Fernando María Ulrich	Member of the Appointments and Sustainability Committee	María Teresa Bassons
Fernando Maria Ulrich	Member of the Risk Committee	Fundación CajaCanarias, represented by Natalia Aznárez





Corporate Governance Progress in 2021

Aside from what we have discussed previously, such as the compositional changes in the Board of Directors due to the merger with Bankia that will become effective with the registration of the merger and the subsequent acceptance of the new directors following the verification of their suitability by the European Central Bank—, it is worth noting that the Board had established some opportunities for improvement regarding its operation and that of its Committees in 2021, based on the results of the self-assessment process undertaken by the Board and its committees last year. In this regard, and in relation to the opportunities for improvement identified, during 2021, there has been clear and solid progress in this direction.

The efficiency and quality of the functioning of the Board and its Committees has been improved, notably including matters relating to the agenda, with proposals to optimise the allocation of time to focus discussion on strategic and business issues, as well as to establish the analysis of the group's main subsidiaries as a recurring, as far as possible. Along these lines, efforts have been made, to the extent possible and considering the circumstances of an extraordinary year marked by the materialisation of the takeover merger of Bankia by CaixaBank, to expand on the information and further discuss topics related to the subsidiaries and strategic matters.

In that regard, progress has been made in establishing the Meanwhile, and with regard to corporate matters, in May 2021, Board's annual planning, in monitoring the resolutions, mandates and requests of both the Board and the Committees, as well as the annual scheduling in each session. In addition, in 2021, continued improvements were made to the functionality of the IT tools used by the Board and its members, specifically guaranteeing the remote connection to meetings in the best conditions. Thus, and once again, the effectiveness thereof and of the Company's IT services was demonstrated by the fact that the Board was able to carry out its activities normally during the year in the exceptional context of the COVID-19 pandemic, which made it necessary to guarantee the operability of the Board meetings also through digital channels with the appropriate guarantees and legal security.

And, with regard to the committees, in terms of the annual plans, as well as reporting to the Board, in some cases, it is worth mentioning the following progress in the year: the Appointments and Sustainability Committee approved its annual planning (which has been adapted when required, especially to focus further on sustainability matters) and the Innovation, Technology and Digital Transformation Committee reporting its meetings to the Board of Directors

the CaixaBank General Shareholders' Meeting agreed to amend the By-laws and the corresponding additional provision of the AGM Regulations relating to exclusively holding the General Shareholders' Meetings telematically. With respect to the functioning of the Board, the following changes to the Regulations of the Board approved in December 2020 were reported in the General Shareholders' Meeting: the incorporation of the amendments to the Code of Good Governance of June 2020 (and some aspect about non-financial information and diversity) and those of March 2021 to incorporate a new article relating to the Innovation, Technology and Digital Transformation Committee, as well as changing the name of the Appointments Committee to "Appointments and Sustainability Committee" and reinforcing its competencies in sustainability matters. This shows evidence of the Company's commitment not only to good governance, but also to a global perspective of sustainability.

Lastly and in a bit to strengthen and develop the governing bodies' capacity to carry out their work with standards of excellence, training has been delivered both within the Board and its committees, which due to the new composition of the Board following the merger have been restructured. They now include a higher number of independent directors, which is in line with the Company's commitment to advancing in the standards of good corporate governance.







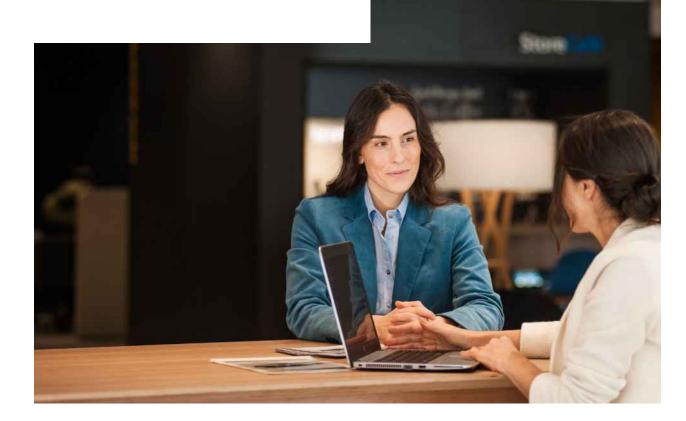
Challenges for 2022

In light of the results obtained from the self-assessment process of the management body, which considers that the Board of Directors and its committees in 2021 have shown an overall positive performance in the efficiency and quality of their operation and with the aim of continuing to progress and turning the challenges of an increasingly complex environment into opportunities, the Board of Directors has determined and established a series of development objectives for 2022.

Firstly, in terms of functioning, and considering the visible progress in recent years, relevance has been given to maintaining and consolidating the excellent standard achieved not only in the anticipation and quality of the information provided by the governing bodies, but also in the meeting's dynamics in terms of their duration and time distribution; all this without losing sight of the new strategic plan and its monitoring.

With regard to the composition of the governing bodies, the solid progress, not only resulting from the gradual increase of independent directors, but also due to the number of specialised committees, has been considered a valuable contribution that needs to be maintained and, in some cases, even improved, in terms of its composition's diversity, organisational matters in relation to schedule planning, or planning activities in order to include certain issues to be treated during the year. Moreover, and in line with the reinforcement in 2021 of aspects related to sustainability within the scope of corporate regulations, the aim is to continue progressing in the Board's training in Environmental, Social and Governance (ESG) themes, improving the suitability of the directors, both collectively and individually, in regard to knowledge, competencies, experience and diversity.

Lastly, also in line with the Corporate Governance advancements implemented by the Company in recent years with the further presence of independent directors on the Board and its committees and given the importance of the Independent Coordinating Director's role, particularly relevant is the establishment of a regular meeting between the latter and the non-executive directors, which comprise most of the Board, to address corporate governance matters and the functioning of the Board and its Committees. It is worth noting that we have external collaboration for the self-assessment of the governing bodies in 2022.







Ownership



Share capital (A.1 + A.11 + A.14)

At the close of the financial year, the share capital of CaixaBank was 8,060,647,033 euros, represented by 8,060,647,033 shares each with a face value of 1 euro, belonging to a single class and series, with identical political and economic rights, and represented through book entries. The shares into which the Company's share capital is divided are listed for trading on the Barcelona, Bilbao, Madrid and Valencia stock exchanges through the Automated Trading System (Continuous Market).

The Company's By-laws do not contain the provision of shares with double loyalty voting. On 26 March 2021 the deed documenting the takeover merger of Bankia, S.A. by CaixaBank, S.A. was registered in the Commercial Register of Valencia, which involved CaixaBank performing a capital increase to cover the share exchange arising from the merger by issuing 2,079,209,002 new ordinary shares with a par value of 1 euro each, of the same class and series as those that were in circulation, and represented by book entries, to deliver to Bankia shareholders. These shares began trading on the Stock Exchanges of Barcelona, Bilbao, Madrid and Valencia on 29 March 2021 at market opening.

As a result of the merger, CaixaBank's share capital was set at 8,060,647,033 shares with a par value of 1 euro each, of the same and only class and series.

As regards the issuance of securities not traded in a regulated EU market, thus, referring to non-participating or non-convertible securities, in 2021, CaixaBank performed a non-preference ordinary bond issue for 200 million Swiss francs (ISIN CH1112011593), which has been admitted to trading in the SIX Swiss market.

Furthermore, as a result of the takeover merger of Bankia, the issues of securities not traded on a regulated EU market have been incorporated into CaixaBank, specifically the following:

- Preference share issues made amounting to 500 million euros (ISIN XS1880365975): listed on the unregulated market of Ireland (Global Exchange Market or GEM).
- Preference share issues made amounting to 750 million euros (ISIN XS1645651909): listed on the unregulated market of Ireland (Global Exchange Market or GEM).
- Ordinary bonds issues amounting to 7.9 million euros (ISIN XS0147547177): listed on the unregulated market of Luxembourg.

Shareholder structure

Share tranches	Shareholders ¹	Shares	% of share capital
from 1 to 499	303,164	57,303,624	0.71
from 500 to 999	120,835	86,815,857	1.08
from 1,000 to 4,999	187,552	409,887,754	5.09
from 5,000 to 49,999	50,161	569,748,064	7.07
from 50,000 to 100,000	1,049	70,975,776	0.88
more than 100,000 ²	696	6,865,915,958	85.18
Total	663,457	8,060,647,033	100

¹ For shares held by investors trading through a custodian entity located outside of Spain, the custodian is considered to be the shareholder and appears as such in the corresponding book entry register.

² Includes treasury shares.



Significant shareholders (A.2)

In accordance with the CNMV definition, significant shareholders are those who hold voting rights representing at least 3% of the total voting rights of the issuer (or 1% if the shareholder is a resident of a tax haven). As at 31 December 2021, in accordance with the public information available on the CNMV website, the significant shareholders were as follows:

>> SIGNIFICANT SHAREHOLDERS

	% of voting rights attributed to the shares		% of voting rights attributed through financial instruments		
Name or corporate name of the	Direct	Indirect	Direct	Indirect	% total voting rights
Blackrock, Inc.	0.00	3.00	0.00	0.21	3.21
"la Caixa" Banking Foundation	0.00	30.01	0.00	0.00	30.01
Criteria Caixa, S.A.U.	30.01	0.00	0.00	0.00	30.01
FROB	0.00	16.11	0.00	0.00	16.11
BFA Tenedora de Acciones, S.A.	16.11	0.00	0.00	0.00	16.11





Details of indirect holding

Details of direct and indirect owners of significant holdings at the end of the financial year, excluding directors with a significant shareholding:

Name or corporate name of the indirect owner	Name or corporate name of the direct owner	% of voting rights attributed to shares	% of voting rights through financial	% total voting rights
Blackrock, Inc	Other controlled entities belonging to the Blackrock, Inc Group.	3.00	0.21	3.21
"la Caixa" Banking Foundation	CriteriaCaixa, S.A.U.	30.01	0.00	30.01
FROB	BFA Tenedora de Acciones, S.A.	16.11	0.00	16.11

The most relevant changes with regard to significant shareholdings in the last financial year are detailed below:

Status of	signif	icant s	harel	hol	din
Status O	Sigilli	icarit 3	i iai ei	101	uiii

Date	Shareholder name	% previous share	% subsequent share
08/02/2021	Blackrock, Inc.	3.23	3.32
29/03/2021	"la Caixa" Banking Foundation (through Criteria)	40.02	30.01
30/03/2021	FROB (through BFA)	0	16.11
30/03/2021	Blackrock, Inc.	3.32	3.13
06/05/2021	Blackrock, Inc.	3.13	3.57
10/05/2021	Blackrock, Inc.	3.57	3.58
27/05/2021	Blackrock, Inc.	3.58	3.59
04/08/2021	Blackrock, Inc.	3.59	3.62
25/08/2021	Blackrock, Inc.	3.62	3.63
01/09/2021	Blackrock, Inc.	3.63	3.63
07/09/2021	Blackrock, Inc.	3.63	3.61
09/09/2021	Blackrock, Inc.	3.61	3.61
15/09/2021	Blackrock, Inc.	3.61	3.61
09/12/2021	Blackrock, Inc.	3.61	3.21
10/12/2021	Blackrock, Inc.	3.21	3.21



Shareholders' agreements (A.7 + A.4)

The Company is not aware of any concerted actions among its shareholders or shareholders' agreements, now any other type of relationship, whether of a family, commercial, contractual or corporate nature, among the significant shareholders.









Treasury shares (A.9 + A.10)

As at 31 December 2021, the Board has the 5-year authorisation granted at the AGM of 22 May 2020 to proceed with the derivative acquisition of treasury shares, directly and indirectly through its subsidiaries, on the following terms:

- The acquisition may be in the form of a trade, swap, dation in payment or any other form allowed by law, in one or more instalments, provided that the nominal amount of the shares acquired does not amount to more than 10% of the subscribed share capital when added to those already owned by the Company.
- When the acquisition is for consideration, the price shall be the price of Company shares on the Continuous Market at the close of the day prior to the acquisition, +/-15%.

Furthermore, the shares acquired by virtue of this authorisation may be subsequently disposed of or redeemed, or else extended to employees and directors of the Company or its group as part of the remuneration systems. In accordance with the provisions of the Internal Code of Conduct in matters relating to the securities market, CaixaBank share transactions must always be for legitimate purposes, such as contributing to the liquidity and regularising the trading of CaixaBank shares. Under no circumstances may the transactions aim to hinder the free process of formation of market prices or favour certain shareholders of CaixaBank. In this regard, the Board of Directors set the criteria for intervention in treasury shares on the basis of a new alerts system to define the margin of discretion of the inside area when managing treasury shares.



6,797,987

>> NUMBER OF SHARES HELD DIRECTLY



428,039

>> NUMBER OF SHARES HELD INDIRECTLY*



0.09%

>> % OF TOTAL SHARE CAPITAL

Number of shares held indirectly (*) through:

VidaCaixa	9,194
Caixabank Asset Management	0
MicroBank	10,913
BPI	376,021
CaixaBank Payments & Consumer	14,598
CaixaBank Wealth Management, S.A.	17,313
Total	428,039

Treasury share transactions are carried out in isolation in an area separate from other activities and protected by the appropriate firewalls so that no inside information is made available.

Information on the acquisition and disposal of shares held in treasury during the period is included in Note 24 "Equity" to the Consolidated Financial Statements, although there were no significant movements during the year.





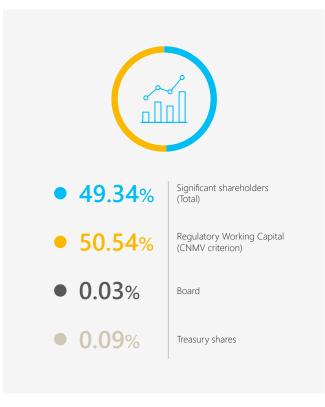


Regulatory floating capital (A.11)

The CNMV defines "estimated working capital" as the part of share capital that is not in the possession of significant shareholders (according to information in previous section) or members of the board of directors or that the company does not hold in treasury shares.

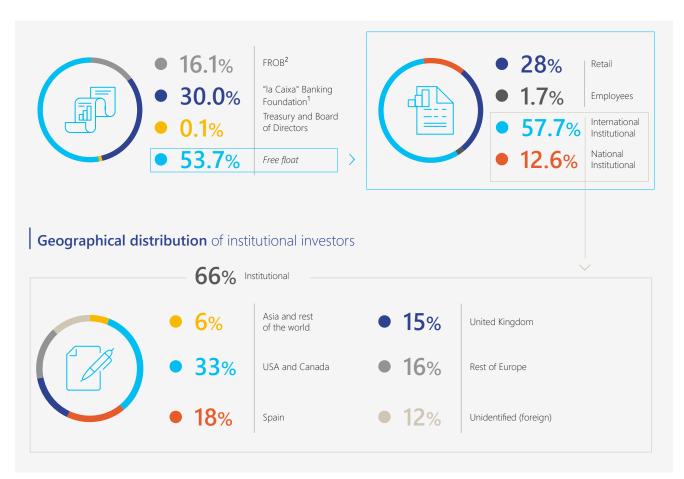
Available floating capital

In order to specify the number of shares available for the public, a definition of "available working capital" is used that takes into account the issued shares minus the shares held in the treasury, shares owned by members of the Board of Directors and shares held by "la Caixa" Bankia Foundation and the FROB, and it differs from the regulatory calculation.



¹Fundación Bancaria Caja de Ahorros y Pensiones de Barcelona, "la Caixa" ("la Caixa" Banking Foundation), In accordance with the last notification submitted to the Spanish securities market regulator (CNMV) on 29 March 2021, via Criteria Caixa, S.A.U.

² In accordance with the last notification submitted to the CNMV on 30 March 2021, via BFA Tenedora de Acciones, S.A.







Amount pending



Authorisation to increase capital (A.1)

As at 31 December 2021, the Board relies on the authorisation granted by the AGM until May 2025 to increase capital on one or more occasions up to the maximum nominal amount of 2,991 million euros (50% of the share capital at the date of the proposal on 22 May 2020), under such terms as it deems appropriate. This authorisation may be used for the issue of new shares, with or without premium and with or without voting rights, for cash payments.

The Board is authorised to waive, in full or in part, the pre-emptive rights, in which case the capital increases will be limited, in general, to a total maximum amount of 1,196 million euros (20% of the share capital at the date of the proposal on 16 April 2020). As an exception, this limit does not apply to capital increases for the conversion of convertible bonds, which will be subject to the general limit of 50% of share capital. As a result of the authorisation granted by the AGM in May 2021, the Board is authorised to waive the pre-emptive rights without being subject to the aforementioned limit of 1.196 million euros if it decides to issue convertible securities for the purpose of meeting certain regulatory requirements. Along these lines, as of 3 May 2021, the Corporate Enterprises Act includes as a general obligation the 20% limitation for the exclusion of pre-emptive subscription rights in capital increases, as well as in the case of credit institutions the possibility of not applying this 20% (and only the general limit of 50%) to convertible bond issues made by credit institutions, provided that such issues comply with the requirements under Regulation (EU) 575/2013.

CaixaBank holds the following bonds, as preference shares (Additional Tier 1) that may be convertible into new issue shares under certain terms and conditions without pre-emptive rights:

>> BREAKDOWN OF PREFERENCE SHARE ISSUES1

(Millions of euros)

					redemption
Issue date	Maturities	Nominal amount	Nominal interest rate	31-12-2021	31-12-2020
June 2017	Perpetual	1,000	6.750%	1,000	1,000
July 2017 ²	Perpetual	750	6.000%	750	
March 2018	Perpetual	1,250	5.250%	1,250	1,250
September 2018 ²	Perpetual	500	6.375%	500	
October 2020	Perpetual	750	5.875%	750	750
September 2021	Perpetual	750	3.675%	750	
PREFERENCE SHARES				5,000	3,000
Own securities purchased				0	0
Total				5,000	3,000

¹ The preference shares that may be convertible into shares are admitted to trading on the AIAF (Spanish Association of Financial Intermediaries).

² Perpetual issuance placed for institutional investors on organised markets, with a discretionary coupon, which may be redeemed under specific circumstances at the discretion of the Company.









The CaixaBank share closed 2021 at 2.414 euros per share, up 14.9% in the year (-10.1% in the fourth quarter) vs+36.2% of the EUROSTOXX Banks European selective and +23.1% of the IBEX 35 Banks (+0.1% and -8.3% in the quarter, respectively). The general indices, on the other hand, recorded lower gains in 2021 than the banking indices: EURO STOXX 50 rose 21.0% (+6.2% in the quarter) and IBEX 35 increased by 7.9% (-0.9% in the quarter), the cumulative rise in the year slowed down when compared to the main European markets.

The year 2021 was a year of widespread recovery in the stock markets and of a gradual reactivation of the global economic activity, mainly thanks to the progress in the vaccination and its effectiveness, as well as to the monetary and fiscal support measures put in place to mitigate the pandemic's economic impacts. In this context, especia-Ily in the first half of the year, banking securities have benefited the most, with European banking additionally driven by the withdrawal of the ECB's limitation on dividend distribution. However, at the end of the year, the emergence of a new COVID-19 variant (Omicron) and the restrictions to certain activities spurred renewed risk aversion in the stock markets, whereas investors remained attentive to the decisions of monetary authorities and the persistence of the inflationary pressures on both sides of the Atlantic. Not surprisingly, both the Fed and the ECB turned towards a more hawkish stance, while the Bank of England took the lead among the main central banks with a rate increase before the end of the year.

>> PERFORMANCE OF THE MAIN INDICES IN 2021 (YEAR-END 2020 BASE 100 AND ANNUAL VARIATIONS IN %)



Stock market ratios	December 2021	December 2020	December 2019	Change 2021-2022	Change 2020-2019
Share price at end of period	2.414	2.101	2.798	0.313	(0.70)
Average daily trading volume	16,315	23,637	23,583	(7,322)	54
Net earnings per share (EPS) (€/share) (12 months) ¹	0.28	0.21	0.26	0.07	(0.05)
Book value per share (€/share)	4.39	4.22	4.20	0.17	0.02
Tangible book value per share (€/share)	3.73	3.49	3.49	0.24	0.00
PER (Price/Earnings, times) ¹	8.65	10.14	10.64	(1.49)	(0.50)
Price/ Tangible BV (share price / tangible book value)	0.65	0.60	0.80	0.05	(0.20)
Dividend yield ¹	1.11%	3.33%	6.08%	(2.22)	(2.75)

¹ Excluding impacts of merger in 2021. Calculated by dividing the remuneration for the financial year 2020 (0.0268 euros/share) by the closing price at the end of the period (2.414 euros/share).





Shareholder rights

There are no legal or statutory restrictions on the exercise of shareholders' voting rights, which may be exercised by attending the AGM either in person or telematically, or, if certain conditions are met', through remote communication methods. Furthermore, in the context of the healthcare crisis caused by COVID-19, in the 2021 financial year the By-laws and AGM Regulations were amended to provide for the possibility of the General Shareholders' Meeting being held telematically and, therefore, without the shareholders, their representatives and, where applicable, the members of the Board of Directors being present. (A.12 and B.6)

The Company's By-laws do not contain the provision of shares with double loyalty voting. In addition, there are no statutory restrictions on the transfer of shares, other than those established by law. (A.1 and A.12)

CaixaBank has not adopted any neutralisation measures (according to the definitions in the Securities Market Law) in the event of a takeover bid. (A.13)

On the other hand, there are legal provisions² that regulate the acquisition of significant shareholdings in credit institutions as banking is a regulated sector (the acquisition of shareholdings or significant influence is subject to regulatory approval or non-objection) without prejudice to those related to the obligation to formulate a public takeover bid for the shares to acquire control and for other similar operations.

Regarding the rules applicable to amendments to the By-laws, as well as the rules for shareholders' rights to amend them, Caixa-Bank's rules and regulations largely include the provisions of the

Corporate Enterprises Act. In addition, as a credit institution, amendments to the By-laws are governed by the authorisation and registration procedure set forth in Royal Decree 84/2015, of 13 February. Notwithstanding the above, it should be mentioned that certain changes (including the change of registered office in Spain, the increase in share capital or the textual incorporation of legal or regulatory provisions that are imperative or prohibitive, or to comply with judicial or administrative resolutions) are not subject to the authorisation procedure, although they must always be reported to the Bank of Spain to be recorded in the Registry of Credit Institutions. (B.3)

In relation to the right to information, the Company acts under the general principles of transparency and non-discrimination contained in current legislation and set out in internal regulations, especially in the Policy on communication and contact with shareholders, institutional investors and proxy shareholders, which is available on the corporate website. With regard to inside information, in general, this is made public immediately through the CNMV and the corporate website, as well as any other channel deemed appropriate. Notwithstanding the foregoing, the Company's Investor Relations area carries out information and liaison activities with different stakeholders, always in accordance with the principles of the aforementioned Policy.

Regulation (EU) 1024/2013 of the Council, of 15 October 2013, conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions; Securities Market Law; and Act 10/2014, of 26 June, on the organisation, supervision and solvency of credit institutions (art. 16 to 23) and Royal Decree 84/2015, of 13 February, which implements it.



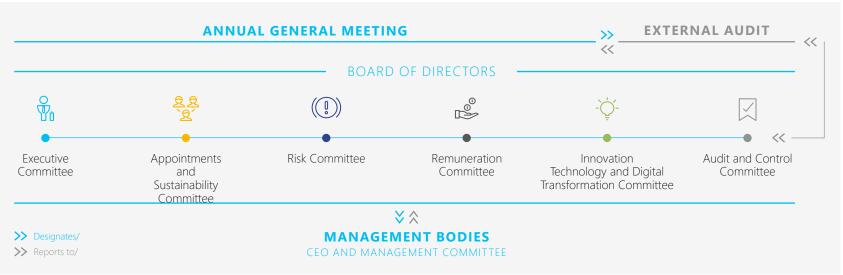
¹ Registration of ownership of shares in the relevant book-entry ledger, at least 5 days in advance of the date on which the General Meeting is to be held and ownership of at least 1,000 shares, individually or in a group with other





The Administration

At CaixaBank, the management and control functions in the Company are distributed among the Annual General Meeting, the Board of Directors, and its committees:





Annual General Meeting

The Annual General Meeting 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 Shareholders' Meeting and the exercise of their rights, the Board will adopt such measures as appropriate so that the AGM may effectively perform its duties.



² The General Shareholders' Meeting of May 2020 was held exclusively via electronic means (in application of the extraordinary measures in relation to COVID-19) and therefore the figure for physical attendance corresponds to remote participation by shareholders.



>> ATTENDANCE AT GENERAL MEETINGS (B.4)

Date of general meeting	Physically present	Present by proxy	Distance voting			
			Electronic means	Other	Total	
06/04/2018 Of which: Free float ¹	41.48% 3.78%	23.27% 19.57%	0.03% 0.03%	0.23% 0.23%	65.01% 23.61%	
05/04/2019 Of which: Free float ¹	43.67% 3.02%	20.00% 15.96%	0.09% 0.09%	1.86% 1.86%	65.62% 20.93%	
22/05/2020 ² Of which: Free float ¹	40.94% 0.28%	24.92% 16.90%	0.11% 0.11%	0.30% 0.30%	66.27% 17.59%	
03/12/2020 ³ Of which: Free float ¹	43.05% 2.36%	25.85% 15.90%	1.17% 1.17%	0.27% 0.27%	70.34% 19.70%	
14/05/2021 ⁴ Of which: Free float ¹	46.18% 0.01%	26.94% 23.96%	1.24% 1.24%	1.07% 1.07%	75.43% 26.28%	

³ The General Meeting of December 2020 was held in hybrid format (in person and electronically) and therefore figure for physical attendance corresponds to both in-person and remote participation by shareholders.

 $^{^4}$ The General Shareholders' Meeting of May 2021 was held in hybrid format (in person and remotely) and therefore figure for physical attendance corresponds to both in-person and remote participation by shareholders.





All points on the agenda were approved at the General Meeting in May 2021 (B.5):



>> GENERAL SHAREHOLDERS' MEETING OF 14 MAY 2021





Resolutions of the General Shareholders' Meeting 14/05/2021	% of votes issued in favour	% votes in favour out of
1 Individual and consolidated annual financial statements and the respective Management Reports for 2020	98.57%	74.35%
2 2020 consolidated non-financial information statement	98.96%	74.65%
3 Management of the Board of Directors in 2020	98.40%	74.22%
4 Allocation to legal reserve	99.07%	74.73%
5 Approval for the application of the 2020 financial results	98.95%	74.64%
6 Reclassification of the goodwill reserve to voluntary reserves	99.07%	74.73%
7 Re-election of CaixaBank and consolidated group auditors for 2022	98.90%	74.60%
8.1 Re-election of Mr José Serna Masiá	94.63%	71.38%
8.2 Re-election of Ms Koro Usarraga Unsain	98.62%	74.39%
9.1 Introduction of a new article 22 bis in the By-laws (exclusively telematic meeting)	96.51%	72.80%
9.2 Amendment of article 24 of the By-laws (Granting of representation and voting by means of remote communication)	99.03%	74.70%
9.3 Amendment of articles 31 (functions of the Board), 35 (appointment of Board positions) and 37 (development of Board meetings) of the By-laws	98.84%	74.56%
9.4 Amendment of article 40 of the By-laws (Audit and Control Committee, Risk Committee, Appointments Committee and Remuneration Committee)	99.01%	74.69%
9.5 Amendment of article 46 of the By-laws (Approval of the financial statements)	99.02%	74.69%
10 Amendment of additional provision of the Regulation of the Annual General Meeting (remote assistance to the Annual General Meeting)	96.62%	72.88%
Delegation to the Board of Directors of the power to issue contingent convertible securities or securities that may convertible into Company shares or similar instruments that allow or are intended to meet the regulatory requirements for eligibility as additional Tier 1 regulatory capital instruments; the power to increase the share capital; and to exclude pre-emptive subscription rights if the corporate interest so justifies.	97.96%	73.90%
12 Amendment of the Directors' Remuneration Policy	75.76%	57.13%
13 Setting of the Directors' remuneration	77.08%	58.13%
14 Maximum number of shares to be provided and extension of the number of beneficiaries in the third cycle of the annual conditioned incentive plan linked to the 2019-2021 Strategic Plan	75.73%	57.11%
15 Issue of shares to Executive Directors as part of the variable remuneration programme	76.78%	57.90%
16 Maximum level of variable remuneration for employees whose professional activities have a significant impact on the risk profile	77.07%	58.10%
17 Authorisation and delegation of powers to interpret, rectify, supplement, execute, implement, convert to public documents and register the resolutions	99.06%	74.72%
18 Advisory vote on the Annual Report on Remuneration of the members of the Board for the 2020 financial year	72.31%	54.53%

Data AGM 14 May 2021. For further information about the results of the votes, go to:





There are no differences between the quorum and the manner of adopting corporate resolutions established by the Corporate Enterprises Act for General Shareholders' Meetings and those set by CaixaBank. (B.1, B.2).

It has not been established that the decisions that entail an acquisition, disposal or contribution to another company of essential assets or other similar corporate transactions (other than those established by law) must be subject to the approval of the AGM. However, the Regulations of the General Meeting establishes that the AGM shall have the remit prescribed by applicable law and regulations at the Company. (B.7).

The corporate governance information is available on the corporate website of CaixaBank (www.caixabank.com) under "Shareholders and Investors — Corporate governance and remuneration policy"1, including specific information on the general shareholders' meetings"2. Also, when an AGM is announced, a banner appears on the CaixaBank homepage with a direct link to the information regarding the meeting (B.8).



¹ https://www.caixabank.com/es/accionistas-inversores/gobierno-corporativo/conseio-administracion.htm

² https://www.caixabank.com/es/accionistas-inversores/gobierno-corporativo/junta-general-accionistas.htm







The Board of Directors is the Company'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 AGM. 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.

The maximum and minimum number of directors established in the By-laws is 22 and 12, respectively. (C.1.1)

The General Shareholders' Meeting of 22 May 2020 adopted the agreement to set the number of Board members at 15.

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 Company's senior representative, performs the functions assigned by the By-laws and current regulations, and coordinates together with the Board of Directors, the functioning of the Committees for a better performance of the supervisory function. Furthermore, since 2021, the Chairman carries out these functions together with certain executive functions within the scope of the Board's Secretariat, External Communications, Institutional Relations and Internal Audit (notwithstanding this area reporting to the Audit and Control Committee). The Board has appointed a CEO, the main executive director of the Company 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 an Independent Coordinating Director appointed from among the independent directors who, in addition to leading the periodic assessment of the Chairman, also chairs the Board in the absence of the Chairman and the Deputy Chairman, in addition to other assigned duties.

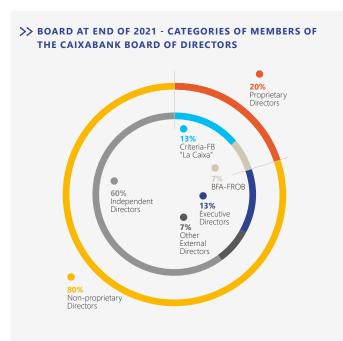
The directors meet the requirements of honourability, experience and good governance in accordance with the applicable law at all times, considering, furthermore, recommendations and proposals for the composition of administrative bodies and profile of directors issued by authorities and national or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

As at 31 December 2021, the Board of Directors was composed of 15 members, with 2 executive directors and 13 external directors (nine independent, three proprietary and one other external).

In terms of independent directors, these make up 60% of the CaixaBank Board of Directors, which is well in line with the current provisions of Recommendation 17 of the Code of Good Governance for Listed Companies in companies that have one shareholder who controls more than 30% of the share capital.

The Board also has two executive directors (the Chairman of the Board and the CEO), an external director, as well as three proprietary directors, two of which are proposed by the FBLC and CriteriaCaixa and one by the FROB Executive Resolution Authority and BFA Tenedora de Acciones, S.A.U.

For illustrative purposes, the following chart shows the distribution of directors in the different categories and the significant shareholder they represent, if proprietary directors.









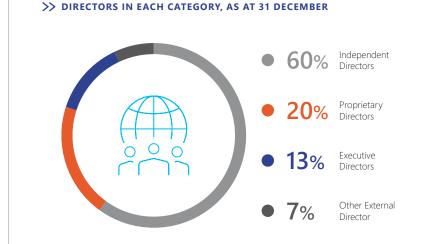


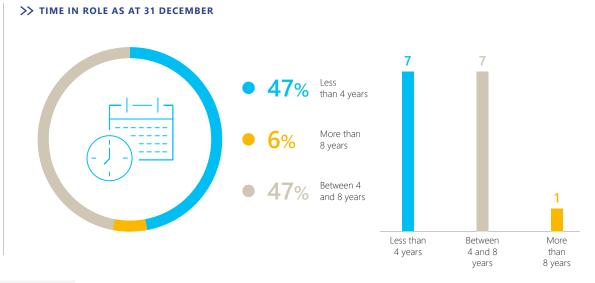




















As a consequence of the gradual reduction in the size of the Board in recent years and the appointments made as a result of the takeover merger of Bankia registered in March 2021, practically half of the Board members have been in their roles for less than 4 years and the other half between 4 and 8 years (only one Director has been more than 8 years on the Board). The average number of years for which a member has been on the Board is 4 years.

Executives

independent

Proprietary

Other external









Details of the Company's Directors at year-end 2021 are set out below: (C.1.2)

	José Ignacio Goirigolzarri	Tomás Muniesa	Gonzalo Gortázar ¹	John S. Reed	Joaquín Ayuso	Francisco Javier Campo	Eva Castillo	Fernando María Ulrich	Verónica Fisas	Cristina Garmendia ²	M. Amparo Moraleda	Eduardo Javier Sanchiz	Teresa Santero	José Serna	Koro Usarraga
Director category	Executive	Proprietary	Executive	Independent	Independent	Independent	Independent	Other External ³	Independent	Independent	Independent	Independent	Proprietary	Proprietary	Independent
Position on the Board	Chairman	Deputy Chairman	CEO	Director											
Date of first appointment	03/12/2020	01/01/2018	30/06/2014	03/11/2011	03/12/2020	03/12/2020	03/12/2020	03/12/2020	25/02/2016	05/04/2019	24/04/2014	21/09/2017	03/12/2020	30/06/2016	30/06/2016
Date of last appointment	03/12/2020	06/04/2018	05/04/2019	05/04/2019	03/12/2020	03/12/2020	03/12/2020	03/12/2020	22/05/2020	05/04/2019	05/04/2019	06/04/2018	03/12/2020	14/05/2021	14/05/2021
Election procedure	Resolution Annual General Meeting														
Year of birth	1954	1952	1965	1939	1955	1955	1962	1952	1964	1962	1964	1956	1959	1942	1957
Mandate end date	03/12/2024	06/04/2022	05/04/2023	05/04/2023	03/12/2024	03/12/2024	03/12/2024	03/12/2024	22/05/2024	05/04/2023	05/04/2023	06/04/2022	03/12/2024	14/05/2025	14/05/2025
Nationality	Spanish	Spanish	Spanish	American	Spanish	Spanish	Spanish	Portuguese	Spanish						

 $^{^{1}}$ It has been delegated all powers delegable by law and the By-laws, without prejudice to the limitations established in the Regulations of the Board, which apply at all times for internal purposes. (C.1.9)

The Company has not appointed any Proprietary Directors upon the request of shareholders who hold less than 3% of the share capital. (C.1.8)

The General Secretary and Secretary to the Board of Directors, Óscar Calderón, is not a director. (C.1.29)

The details of the directors who left the Board of Directors during the year is as follows: (C.1.2)

	Director category at the time of termination	Date of last appointment	Date director left	Specialised committees of which he/she was a member	State whether the director left before end of term
Jordi Gual	Proprietary	06/04/2017	26/03/2021	Executive Committee, Innovation, Technology and Digital Transformation Committee	Resignation (*)
Teresa Bassons	Proprietary	05/04/2019	26/03/2021	Appointments Committee	Resignation (*)
Alejandro García-Bragado	Proprietary	06/04/2017	26/03/2021	Remuneration Committee	Resignation (*)
Ignacio Garralda	Proprietary	06/04/2017	26/03/2021	-	Resignation (*)
CajaCanarias Foundation represented by Natalia Aznárez Gómez	Proprietary	06/04/2017	26/03/2021	Risk Committee	Resignation (*)

^(*) Resignation within the framework of the takeover merger of Bankia, S.A., communicated by ORI No 8193 dated 26/03/2021

² Cristina Garmendia is a member of the CaixaBank Private Banking Advisory Board. Remuneration received for membership of Advisory Board in 2021 amounts to 15 thousand euros, not considered significant. (C.1.3)

³ Fernando Maria Ulrich was classified as another external director, neither proprietary nor independent, in accordance with the provisions of section 2 of article 529 duodecies of the Corporate Enterprises Act and article 19.5 of the Regulations of the Board of Directors. He has been the Non-Executive Chairman of Banco BPI, S.A. since 2017.







>>> SHARES HELD BY	Number of vattributed to		% of voting to the share	rights attributed		voting rights ancial instruments	% of voting financial ins	rights through truments	Total number of voting rights	% total voting rights	rights attril specify, wh the additio	ling to the shares
	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect			Direct	Indirect
José Ignacio Goirigolzarri	196,596	0	0.002%	0.000%	108,536	0	0.001%	0.000%	305,132	0.004%	0	0
Tomás Muniesa	286,271	0	0.004%	0.000%	27,855	0	0.000%	0.000%	314,126	0.004%	0	0
Gonzalo Gortázar	1,164,261	0	0.014%	0.000%	219,952	0	0.003%	0.000%	1,384,213	0.017%	0	0
John S. Reed	12,564	0	0.000%	0.000%	0	0	0.000%	0.000%	12,564	0.000%	0	0
Joaquín Ayuso	37,657	0	0.000%	0.000%	0	0	0.000%	0.000%	37,657	0.000%	0	0
Francisco Javier Campo	34,440	0	0.000%	0.000%	0	0	0.000%	0.000%	34,440	0.000%	0	0
Eva Castillo	19,673	0	0.000%	0.000%	0	0	0.000%	0.000%	19,673	0.000%	0	0
Fernando María Ullrich	0	0	0.000%	0.000%	0	0	0.000%	0.000%	0	0.000%	0	0
Veronica Fisas	0	0	0.000%	0.000%	0	0	0.000%	0.000%	0	0.000%	0	0
Cristina Garmendia	0	0	0.000%	0.000%	0	0	0.000%	0.000%	0	0.000%	0	0
Maria Amparo Moraleda	0	0	0.000%	0.000%	0	0	0.000%	0.000%	0	0.000%	0	0
Eduardo Javier Sanchiz	8,700	0	0.000%	0.000%	0	0	0.000%	0.000%	8,700	0.000%	0	0
Teresa Santero	0	0	0.000%	0.000%	0	0	0.000%	0.000%	0	0.000%	0	0
José Serna	6,592	10,463	0.000%	0.000%	0	0	0.000%	0.000%	17,055	0.000%	0	0
Koro Usarraga	7,175	0	0.000%	0.000%	0	0	0.000%	0.000%	7,175	0.000%	0	0
TOTAL	1,773,929	10,463	0.022%	0.000%	356,343	0	0.004%	0.000%	2,140,735	0.027%	0	0

0.027

>> % OF TOTAL VOTING RIGHTS **HELD BY THE BOARD**

46.129

>> % OF TOTAL VOTING RIGHTS OF THE SIGNIFICANT SHAREHOLDERS **REPRESENTED ON THE BOARD**

SIGNIFICANT SHAREHOLDERS REPRESENTED ON THE BOARD:

- "LA CAIXA" BANKING FOUNDATION (CRITERIA CAIXA) 30.012%
- FROB (BFA TENEDORA DE ACCIONES) **16.117%**

46.156

>> % OF TOTAL VOTING RIGHTS REPRESENTED ON THE BOARD

(DIRECTORS + SIGNIFICANT SHAREHOLDERS REPRESENTED ON THE BOARD)

Actual calculated % without adding previous %







>> CV OF THE DIRECTORS (C.1.3)

JOSÉ IGNACIO GOIRIGOLZARRI

Chairman



He holds a degree in Economics and Business Science from the University of Deusto (Bilbao).

He holds a diploma in Finance and Strategic Planning from the University of Leeds (UK).



He is also currently the Vice-Chairman of the Spanish Confederation of Savings Banks (CECA).

Before assuming the Chairmanship, he was Executive Chairman of the Board of Directors of Bankia, Chairman of its Committee on Technology and Innovation and Chairman of the Board of Directors of BFA, Tenedora de Acciones. S.A.U.

He began his professional career at Banco de Bilbao. He was head of Banking.

He was also a Director of BBVA-Bancomer (Mexico), Citic Bank (China) and CIFH (Hong Kong). He was also the Vice Chairman of Telefónica and Repsol and the Spanish Chairman of the Fundación Consejo España-Estados Unidos.

>> Other positions currently held

Furthermore, he is a Trustee of CEDE, Fundación Pro Real Academia Española, Honorary Board Member of the Fundación Consejo España-Estados Unidos, Chairman of Deusto Business School, Chairman of the Advisory Board of the Benjamin Franklin American Institute of Research, and Chairman of the Garum Foundation. He is also Chairman of the CaixaBank Dualiza Foundation.

TOMÁS MUNIESA

Deputy Chairman



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



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 UNES-PA, 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 ESA-DE Foundation and Board Member of Allianz Portugal.

GONZALO Gortázar

CFO



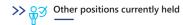
He holds a degree in Law and Business from Universidad Pontificia de Comillas (ICADE) and an MBA from the INSEAD Business School



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



Director of Banco BPI.

JOHN S. REED

Lead Independent Director



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



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

He was appointed Chairman of the Board of American Cash Exchange in February 2016 and President of the Boston Athenaeum and Trustee of NBER. He is a Fellow of the American Academy of Arts and Sciences and of the American Philosophical Society.





JOAQUÍN AYUSO

Independent Director



A graduate in Civil Engineering from the Polytechnic University of Madrid.



He is currently Chairman of Adriano Care Socimi, S.A.

He was previously a member of the Board of Directors of Bankia

He has pursued his professional career in Ferrovial, S.A., where he was CEO and Vice-Chairman of its Board of Directors. He has been a Director of National Express Group, PLC. and of Hispania Activos Inmobiliarios and Chairman of Autopista del Sol Concesionaria Española.

>> Other positions currently held

He is a member of the Advisory Board of the Benjamin Franklin Institute of the University of Alcalá de Henares and the Advisory Board of Kearney. He is also Chairman of the Board of Directors of the Real Sociedad Hípica Española Club de Campo.

FRANCISCO JAVIER CAMPO

Independent Director



He has a degree in Industrial Engineering from the Polytechnic University of Madrid.

>> Career

He is currently a member of the Board of Directors of Meliá Hotels International, S.A.

He was previously a member of the Board of Directors of Bankia. He began his career at Arthur Andersen and served as global chairman of the Dia Group, member of the Global Executive Committee of the Carrefour Group, and Chairman of the Zena Group and the Cortefiel Group.

>> Other positions currently held

He is Vice-Chairman of the Spanish Commercial Coding Association (AECOC), a member of the Advisory Board (senior advisor) of AT Kearney, the Palacios Food Group and IPA Capital, S.L. (Pastas Gallo).

He is a Director of the Spanish Association for the Advancement of Leadership (APD) and Trustee of the CaixaBank Dualiza Foundation, the F. Campo Foundation and the Iter Foundation.

He was awarded the National Order of Merit of the French Republic in 2007.

EVA CASTILLO

Independent Director



Se holds a degree in Law and Business from Comillas Pontifical University (ICADE) in Madrid.

>> Career

She is currently an Independent Director of Zardoya Otis, S.A. She is also an Independent Director of International Consolidated Airlines Group, S.A. (IAG).

She was previously a member of the Board of Directors of Bankia, S.A.

She formerly served as a Director of Telefónica, S.A and Chair of the Supervisory Board of Telefónica Deutschland, AG, as well as a member of the Board of Trustees of the Telefónica Foundation. Previously, she was an Independent Director of Visa Europe Limited and Director of old Mutual. PLC.

She has served as Chair and CEO of Telefónica Europe and has held various positions at Merrill Lynch.

>> Other positions currently held

She is also a member of the Board of Trustees of the Comillas-ICAI Foundation and the Board of Trustees of the Entreculturas Foundation. Recently, she has become a member of the Council for the Economy of the Holy See and a member of the A.I.E Advantere School of Management.

FERNANDO MARÍA ULRICH

Other External



He studied Economics and Business at the School of Economics and Management of the University of Lisbon.



He has been the Non-Executive Chairman of Banco BPI, S.A. since 2017.

He has also been the Non-Executive Chairman of BFA (Angola) (2005-2017); a Member of the APB (Portuguese Association of Banks) Board of Directors (2004-2019); Chairman of the General and Supervisory Board of the University of Algarve, Faro (Portugal) (2009-2013); Non-Executive Director of SEMAPA. (2006-2008); Non-Executive Director of Portugal Telecom (1998-2005); Non-Executive Director of Allianz Portugal (1999-2004); Non-Executive Director of PT Multimedia (2002-2004); a Member of the Advisory Board of CIP, Portuguese industrial confederation (2002-2004); Non-Executive Director of IMPRESA, and of SIC, a Portuguese media conglomerate (2000-2003); Vice-Chairman of the Board of Directors of BPI SGPS, S.A. (1995-1999); Vice-Chairman of Banco de Fomento & Exterior, S.A. and Banco Borges & Irmão (1996-1998); a Member of the Advisory Board for the Treasury Reform (1990/1992); a Member of the National Board of the Portuguese Securities Market Committee (1992-1995); Executive Director of Banco Fonsecas & Burnay (1991-1996); Vice-Chairman of the Banco Portugués de Investimento (1989-2007); Executive Director of the Banco Portugués de Investimento (1985-1989); Assistant Manager of the Sociedade Portuguesa de Investimentos (SPI) (1983-1985); Chief of Cabinet of the Ministry of Finance of the Government of Portugal (1981-1983); a Member of the Secretariat for Economic Cooperation of the Portuguese Ministry of Foreign Affairs (1979-1980), and Member of the Portuguese delegation to the OECD (1975-1979). Responsible for the financial markets section of the newspaper Expresso (1973-1974).





MARÍA VERÓNICA FISAS

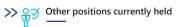
Independent Director



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



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



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

CRISTINA GARMENDIA

Independent Director



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.



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 (ASEBIO) 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, Chair of Satlantis Microsats and CEO of Genetrix

>> Other positions currently held

She is a member of the board of Compañía de Distribución Integral Logista Holdings, Mediaset and Ysios Capital Partners. She is also the Chair of the COTEC Foundation, a member of the España Constitucional Foundation, SEPI and member of the Advisory Council of the Women for Africa Foundation.

MARÍA AMPARO MORALEDA

Independent Director



Industrial Engineering from the ICAI and MBA from the IESE Business School.



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 formerly worked for the IBM Group. She was General Manager of IBM for 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 Airbus Group, Vodafone and A.P. Møller-Mærsk A/S A.P.

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, 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, the Vodafone Foundation and the Airbus Foundation.

EDUARDO JAVIER SANCHIZ

Independent Director



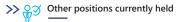
He holds a degree in Economics and Business Science from the University of Deusto and a master's in Business Administration from the IE.



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.



Currently a member of the Board of Directors of French Laboratory Pierre Fabre and its Strategic Committee.





TERESA SANTERO

Proprietary Director

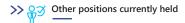


She holds a degree in Business Administration from the University of Zaragoza and a doctorate in Economics from the University of Illinois Chicago (USA).



Previously, she held positions of responsibility in both the central government administration and the autonomous government. She previously worked for 10 years as an economist at the Economics Department of the OECD in Paris. She has been a visiting lecturer at the Economics Department of the Complutense University in Madrid and associate professor and research aide at the University of Illinois Chicago (USA).

She has been on various Boards of Directors, was an independent member of the General Board of the Spanish Official Credit Institute, ICO (2018-2020), a director of the Spanish Industrial Holding Company, SEPI (2008-2011) and Navantia (2010-2011).



She is a lecturer at the IE Business School in Madrid.

JOSÉ SERNA

Proprietary Director



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



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 MEFF (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



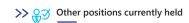
She holds a degree and a master's in Business Administration from ESADE Business School.

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



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).



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







The positions held by directors in group companies and other (listed or unlisted) companies are as follows:

>> POSITIONS OF DIRECTORS IN OTHER COMPANIES IN THE GROUP (C.1.10)

Name of Director	Corporate name of the company	Position
Tomás Muniesa	VidaCaixa	Deputy Chairman
Gonzalo Gortázar	Banco BPI	Director
Fernando Maria Ulrich	Banco BPI	Chairman





The information on Directors and positions at other companies refers to year-end.

The Company is not aware of any relationships between significant shareholders (or shareholders represented on the Board) and Board members that are relevant to either party. (A.6)

The Company has imposed rules on the maximum number of company boards on which its own directors may sit. In accordance with article 32.4 of the Regulations of the Board of Directors, CaixaBank directors must observe the limitations on membership of boards of directors set out in the current regulations on the organisation, supervision and solvency of credit institutions. (C.1.12)



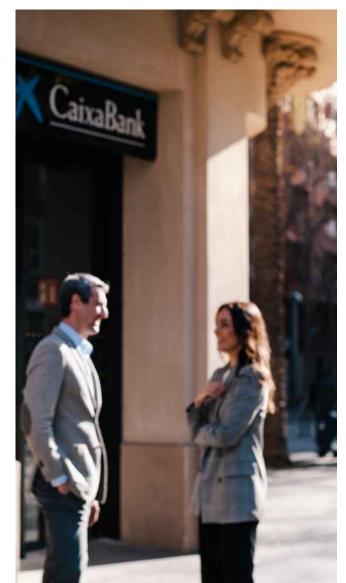


Name of Director	Corporate name of the company	Position	Paid or not
Jose Ignacio Goirigolzarri	Asociación Madrid Futuro	Member	No
Jose Ignacio Goirigolzarri	Asociación Valenciana de Empresarios	Member (CaixaBank Representative)	No
Jose Ignacio Goirigolzarri	Spanish Chamber of Commerce	Member (CaixaBank Representative)	No
Jose Ignacio Goirigolzarri	Spanish Businessmen's Association	Member (CaixaBank Representative)	No
Jose Ignacio Goirigolzarri	Basque Businessmen's Association	Member	No
Jose Ignacio Goirigolzarri	Confederación Española de Cajas de Ahorro (CECA)	Deputy Chairman	Yes
Jose Ignacio Goirigolzarri	Confederación Española de Directivos y Ejecutivos (CEDE)	Trustee (CaixaBank Representative)	No
Jose Ignacio Goirigolzarri	Confederación Española de Organizaciones Empresariales (CEOE)	Member of the Advisory Board (CaixaBank Representative)	No
Jose Ignacio Goirigolzarri	Advisory Board of the Benjamin Franklin American Institute of Research	Chairman	No
Jose Ignacio Goirigolzarri	Advisory Board of Fundación Instituto Hermes	Member	No
Jose Ignacio Goirigolzarri	Consejo Empresarial Español para el Desarrollo Sostenible	Director (CaixaBank Representative)	No
Jose Ignacio Goirigolzarri	Deusto Business School	Chairman	No
Jose Ignacio Goirigolzarri	Foment del Treball Nacional	Member (CaixaBank Representative)	No
Jose Ignacio Goirigolzarri	Fundación Aspen Institute	Trustee (CaixaBank Representative)	No
Jose Ignacio Goirigolzarri	Fundación CaixaBank Dualiza	Chairman (CaixaBank Representative)	No
Jose Ignacio Goirigolzarri	Fundación COTEC	Vice-Chairman (CaixaBank Representative)	No
Jose Ignacio Goirigolzarri	Fundación de Ayuda contra la Drogadicción (FAD)	Trustee	No
Jose Ignacio Goirigolzarri	Fundación de Estudios de Economía Aplicada (FEDEA)	Chairman (CaixaBank Representative)	No
Jose Ignacio Goirigolzarri	Fundación LAB Mediterráneo	Trustee (CaixaBank Representative)	No
Jose Ignacio Goirigolzarri	Fundación Mobile Wold Capital Barcelona	Trustee (CaixaBank Representative)	No
Jose Ignacio Goirigolzarri	Fundación Privada Consejo España-EEUU	Honorary Trustee (CaixaBank Representative)	No
Jose Ignacio Goirigolzarri	Fundación Pro Real Academia Española	Trustee	No
Jose Ignacio Goirigolzarri	Fundación Real Instituto Elcano	Trustee (CaixaBank Representative)	No
Jose Ignacio Goirigolzarri	Garum Fundatio Fundazioa	Chairman	No
Jose Ignacio Goirigolzarri	Institute of International Finance	Member (CaixaBank Representative)	No





Name of Director	Corporate name of the company	Position	Paid or not
Tomás Muniesa	SegurCaixa Adeslas	Deputy Chairman	Yes
Tomás Muniesa	Allianz Portugal	Director	No
Tomás Muniesa	ESADE Fundación	Member of Board of Trustees	No
Gonzalo Gortázar	Spanish Businessmen's Association	Member (CaixaBank Representative)	No
Gonzalo Gortázar	Eurofi	Member (CaixaBank Representative)	No
Gonzalo Gortázar	Foro Puente Aéreo	Member (CaixaBank Representative)	No
Gonzalo Gortázar	Fundación Privada España-China	Trustee (CaixaBank Representative)	No
Gonzalo Gortázar	Institut International D'Etudes Bancaires	Member (CaixaBank Representative)	No
Gonzalo Gortázar	Institute of International Finance	Member (CaixaBank Representative)	No
John S. Reed	American Cash Exchange Inc.	Director	No
John S. Reed	Boston Athenaeum	Chairman	No
John S. Reed	National Bureau of Economic Research	Trust beneficiary	No
John S. Reed	American Academy of Arts and Sciences	Board Member	No
John S. Reed	American Philosophical Society	Member	No
Joaquin Ayuso	Adriano Care Socimi	Chairman	Yes
Joaquin Ayuso	Instituto Universitario de Investigación en Estudios Norteamericanos Benjamin Franklin de la Universidad de Alcalá de Henares (Madrid)	Member of the Advisory Board	No
Joaquin Ayuso	Real Sociedad Hípica Española Club de Campo	Chairman of the Board of Directors	No
Francisco Javier Campo	Asociación Española del Gran Consumo (AECOC)	Vice-chair and member of the Board of Directors	No
Francisco Javier Campo	Asociación para el Progreso de la Dirección	Director	No
Francisco Javier Campo	Fundación CaixaBank Dualiza	Trustee (CaixaBank Representative)	No
Francisco Javier Campo	Meliá Hotels International, S.A.	Director	Yes









Name of Director	Corporate name of the company	Position	Paid or not
Francisco Javier Campo	Fundación lter	Trustee	No
Francisco Javier Campo	Fundación F. Campo	Trustee	No
Eva Castillo	Zardoya Otis, S.A.	Director	Yes
Eva Castillo	International Airlines Group (IAG)	Director	Yes
Eva Castillo	Fundación Comillas- ICAI.	Trustee	No
Eva Castillo	Fundación Entreculturas	Trustee	No
Eva Castillo	Consejo para la Economía de la Santa Sede	Member of the Board	No
Eva Castillo	A.I.E de Advantere School of Management	Member	No
María Verónica Fisas	Natura Bissé International S.A.	CEO	Yes
María Verónica Fisas	Natura Bissé International FZE (Dubai Airport Free Zone)	Director	Yes
María Verónica Fisas	Natura Bissé Int. LTD (UK)	Director	Yes
María Verónica Fisas	Natura Bissé Int. S.A. de CV (México)	Chairwoman	Yes
María Verónica Fisas	Natura Bissé Inc. Dallas (USA)	Chairwoman	Yes
María Verónica Fisas	NB Selective Distribution S.L.	Joint administrator	Yes
María Verónica Fisas	Fundación Ricardo Fisas Natura Bissé	Trustee	No
María Verónica Fisas	Asociación Nacional de Perfumería y Cosmética (STANPA)	Chair of the Board of Directors	No
Cristina Garmendia	Mediaset España Comunicación, S.A.	Director	Yes
Cristina Garmendia	Compañía de Distribución Integral Logista Holdings	Director	Yes
Cristina Garmendia	Ysios Capital Partners	Director	Yes
Cristina Garmendia	Ysios Capital Partners CIV I	Director	No
Cristina Garmendia	Ysios Capital Partners CIV II	Director	No
Cristina Garmendia	Ysios Capital Partners CIV III	Director	No
Cristina Garmendia	Ysios Asset Management	Director	No
Cristina Garmendia	Jaizkibel 2007, S.L. (holding company)	Sole administrator	Yes
Cristina Garmendia	Fundación COTEC para la Innovación	Chairwoman	No
Cristina Garmendia	Círculo de Economia	Member of the Board of Directors	No





Name of Director	Corporate name of the company	Position	Paid or not
Cristina Garmendia	Fundación España Constitucional	Member	No
Cristina Garmendia	Fundación SEPI	Member	No
Cristina Garmendia	Fundación Pelayo	Member	No
Cristina Garmendia	UNICEF, Comité español	Member	No
María Amparo Moraleda	Vodafone Group PLC	Director	Yes
María Amparo Moraleda	Airbus Group, S.E.	Director	Yes
María Amparo Moraleda	A.P. Møller-Mærsk A/S A.P.	Director	Yes
María Amparo Moraleda	Consejo Superior de Investigaciones Científicas-CSIC	Member of the Advisory Council	No
María Amparo Moraleda	MD Anderson Cancer Center de Madrid	Member of Board of Trustees	No
María Amparo Moraleda	Fundación Vodafone	Member of Board of Trustees	No
María Amparo Moraleda	IESE	Board Member	No
María Amparo Moraleda	Fundación Airbus	Trustee	No
María Amparo Moraleda	Academia de Ciencias Sociales y el Medio Ambiente de Andalucía	Academic	No
María Amparo Moraleda	Real Academia de Ciencias Económicas y Financieras	Full Member of the General Assembly	No
Eduardo Javier Sanchiz	Laboratorio Farmacéutico Pierre Fabre, S.A.	Director	Yes
Koro Usarraga	Vocento, S.A.	Director	Yes
Koro Usarraga	2005 KP Inversiones, S.L.	Administrator	No
Koro Usarraga	Vehicle Testing Equipments, S.L.	Administrator	No







>> OTHER PAID ACTIVITIES OTHER THAN THOSE LISTED ABOVE (C.1.11)

Name of Director	Corporate name of the company	Position
Joaquin Ayuso	A.T. Kearney S.A.	Member of the Advisory Board for Spain
Francisco Javier Campo	Grupo Palacios	Member of the Advisory Board
Francisco Javier Campo	Grupo IPA Capital SL (Pastas Gallo)	Member of the Advisory Board
Francisco Javier Campo	Consultora Kearney	Member of the Advisory Board
Cristina Garmendía	CaixaBank S.A.	Member of the Private Banking Advisory Board
María Amparo Moraleda	SAP Ibérica	Member of the Advisory Board
María Amparo Moraleda	Spencer Stuart	Member of the Advisory Board
María Amparo Moraleda	ISS España	Member of the Advisory Board
Eduardo Javier Sanchiz	Sabadell -Asabys Health Innovation Investments S.C.R., S.A.	Member of the Investment Committee
Teresa Santero	Instituto de Empresa Madrid	Teacher









Diversity of Board of Directors (C.1.5 + C.1.6 + C.1.7)

CaixaBank has a Selection, Diversity and Suitability Assessment Policy in place for directors (as well as members of Senior Management and other people in key roles). This Policy is regularly reviewed and was updated in 2020, based on the amendments to the recommendations in the Code of Good Governance, particularly with regard to the increase in senior management. The aim of this Policy is to ensure a suitable balance at all times in the composition of the Board, promoting diversity of gender, age and background, as well as in relation to training, knowledge and professional experience to foster diverse and independent opinions and a robust and mature decision-making process.

As provided for in article 15 of the Regulations of the Board of Directors, the Appointments and Sustainability Committee is responsible for supervising compliance with this Policy. This Committee must, among other duties, analyse and propose the profiles of candidates to fill Board positions, considering diversity as an essential factor in the selection process and suitability, with a particular focus on gender diversity.

Within the framework of the Policy, and with a view to diversity, the following measures are established:

- Consideration, during the director selection and re-election procedures, of the goal of ensuring a governing body composition that is suitable and diverse, particularly in terms of diversity of gender, knowledge, training and professional experience, age and geographical origin in the composition of the Board, ensuring a suitable balance and facilitating the selection of candidates from the gender with the least representation. For this purpose, the candidate's suitability assessment reports shall include an assessment of how the candidate contributes to ensuring a diverse and appropriate composition of the Board of Directors.
- Annual assessment of the composition and competencies of the Board, considering the diversity aspects discussed previously and, in particular, the percentage of Board members of the less represented gender, taking action when there is a discrepancy.

 Preparation and update of a competency matrix, the results of which may serve to detect future needs relating to training or areas to improve in future appointments.

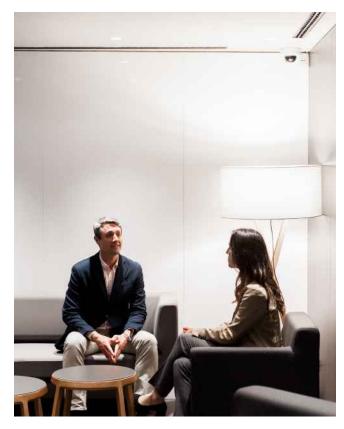
The CaixaBank Selection Policy and, in particular, section 6.1 of the policy regarding the fundamental elements of the diversity policy in the Board of Directors and the Protocol on Procedures for assessing suitability and appointing directors and senior management, along with other key positions in CaixaBank and its group establish the obligation of the Appointments Committee to assess the collective suitability of the Board of Directors each year.

Adequate diversity in the composition of the Board is taken into account throughout the entire process of selection and suitability assessment at CaixaBank, considering, in particular, diversity of gender, training, professional experience, age, and geographic origin.

Recommendation 15 currently establishes that the percentage of female directors should never be less than 30% of the total number of members of the Board of Directors and that by the end of 2022, the number of female directors should be at least 40% of the members of the Board of Directors. The percentage of women on the Board of Directors after the Ordinary General Shareholders' Meeting in May 2020, was 40%, above the target of 30% set by the Appointments Committee in 2019 to achieve in 2020. Following the extraordinary General Shareholders' Meeting of December 2020 and following the 2021 Ordinary General Shareholders' Meeting, the presence of female directors in CaixaBank's management body accounted for and continues to account for 40% of its members. This show's the Company's concern and firm commitment to meeting the target of 40% female representation on the Board of Directors.

In the annual compliance assessment of the aforementioned Policy, the Board concluded that, during the 2021 financial year, it had a suitable structure, size and composition and a satisfactory, balanced and complementary composition of skills and diversity as well as knowledge and experience among its members, both in the financial sector and in other relevant areas to ensure the

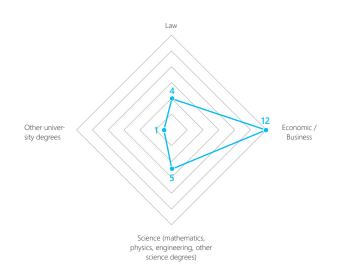
good governance of a credit institution. The determination of suitability in terms of the composition of the Board, which includes the individual re-evaluation of the suitability of each director by the Appointments and Sustainability Committee, also extends to diversity of gender, age and background.

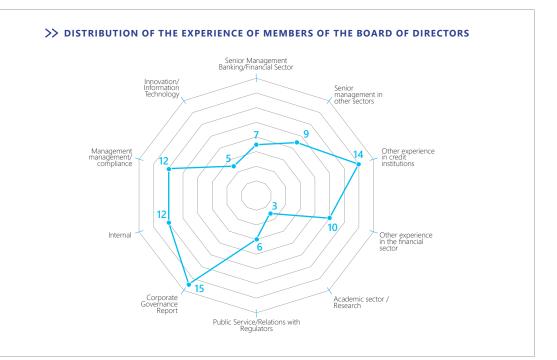






>> DISTRIBUTION OF THE EDUCATION OF MEMBERS OF THE BOARD OF DIRECTORS





Training of Board of Directors (C.1.5 + C.1.6 + C.1.7)

In terms of **training carried out for Company Directors**, in 2021, a training plan was designed with 8 sessions that analysed different subjects, such as the various businesses, sustainability and cybersecurity. An off-site work session devoted to analysing the variety of strategic areas for the Company was also held. In addition, members of the Board of Directors receive up-to-date information on economic and financial developments on a recurring basis.

Furthermore, the Risk Committee included 11 single-topic presentations into the agenda at its ordinary meetings. These pre-

sentations looked in detail at relevant risks, such as reputational risk, environmental risk, business return risk, market risk, legal and regulatory risk, structural interest rate risk, operational risk, equity risk, risk management in outsourcing and cybersecurity, among others.

The Audit and Control Committee also included a total of 4 single-topic presentations in the agenda of its meetings, covering matters relating to audit, supervision and control of the integration with Bankia and cybersecurity. Moreover, members of the Audit and Control Committee received 6 training sessions on di-

fferent topics, such as the actions related to COVID carried out by internal audit, the role of the internal audit in cybersecurity risks, accounting standards IFRS17 and DTAs, among others.

The Risk and Audit and Control Committees also held two joint sessions to discuss important aspects of liquidity, capital and solvency.





>> MATRIX OF THE CAIXABANK BOARD OF DIRECTORS 2021

(Order of names according to corporate website page)

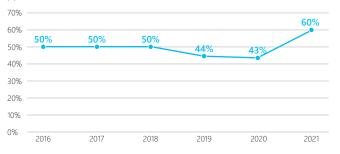
		Chairman José Ignacio Goirigolzarri	Deputy Chairman Tomás Muniesa	CEO Gonzalo Gortázar	Coordinating director John S. Reed	Joaquín Ayuso	Francisco Javier Campo	Eva Castillo	Fernando Maria Ulrich	María Verónica Fisas	Cristina Garmendia	Eduardo Javier Sanchiz	Teresa Santero	M ^a Amparo Moraleda	José Serna	Koro Usarraga
Category		Е	D	E	T	T	T	T	OE	T	T	T	D	T	D	T
	Law			•				•		•					•	
	Economic, business	•	•	•				•	•	•	•	•	•	•	•	•
Training	Mathematics, physics, engineering, other science degrees				•	•	•				•			•		
	Other university degrees				•											
Senior management	In Banking/Financial Sector	•	•	•	•			•	•						•	
experience (Senior management board or senior management)	Other sectors					•	•	•	•	•	•	•		•		•
Experience in the	Credit institutions	•	•	•	•	•	•	•	•	•		•	•	•	•	•
financial sector	Financial markets (other)	•	•	•	•	•	•	•	•		•				•	
	Academic sector - Research	•									•		•			
	Public Service/ Relations with Regulators		•		•				•		•		•		•	
Other experience	Corporate governance (including membership of governing bodies)		•	•	•	•	•	•	•	•	•	•	•	•	•	•
	Internal	•	•	•	•	•	•	•	•		•	•			•	•
	Risk management/ compliance	•	•	•	•	•	•	•	•	•		•		•		•
	Information Technology	•		•				•			•			•		
	Spain	•	•	•	•	•	•	•		•	•	•	•	•	•	•
	Portugal	•	•	•		•	•	•	•			•		•		
International experience	Rest of Europe (including European institutions)	•		•		•	•	•	•		•	•	•	•		
	Other (USA, Latin America)	•		•	•	•	•	•	•	•	•	•	•	•		
Diversity of sector	Gender diversity							•		•	•		•	•		•
Diversity of gender, geographical	Nationality	ES	ES	ES	USA	ES	ES	ES	PT	ES	ES	ES	ES	ES	ES	ES
origin, age	Age	67	69	56	82	66	66	59	69	57	59	65	62	57	79	64





In recent years, the presence of independent directors and gender diversity on the Board has progressively increased, reaching and even exceeding the target set by the Appointments and Sustainability Committee to have at least 30% female directors (C.1.4):

>> EVOLUTION OF INDEPENDENCE





	Nun	iber of female di	rectors	% of total Directors of each category					
(C.1.4)	Financial year 2021	Financial year 2020	Financial year 2019	Financial year 2018	Financial year 2021	Financial year 2020	Financial year 2019	Financial year 2018	
Executive	-	=	=	=	0	0	0	0	
Proprietary	1	2	2	2	33.33	28.57	25	25	
Independent	5	4	4	3	55.55	66.67	57.14	33.33	
Other external	-	-	-	-	0	0	0	0	
Total	6	6	6	5	40	42.86	37.5	27.78	



40%

>> WOMEN ON THE BOARD
OBJECTIVE: >30%



57%

>> WOMEN ON THE EXECUTIVE COMMITTEE



33%

>> WOMEN ON THE RISK COMMITTEE



50%

>> WOMEN ON THE REMUNERATION COMMITTEE



60%

> WOMEN ON THE INNOVATION, TECHNOLOGY AND DIGITAL TRANSFORMATION COMMITTEE



50%

>> WOMEN ON THE AUDIT
AND CONTROL COMMITTEE

As a result, the CaixaBank Board can be said to be within the upper band of lbex 35 companies in terms of the presence of women, according to the public information available on the composition of Boards of Directors of lbex 35 companies at year-end 2021 (the average of which is 32.65%)¹.



¹ Average number of women sitting on the Board of Ibex 35 companies, calculated according to the public information available on the websites of the companies.

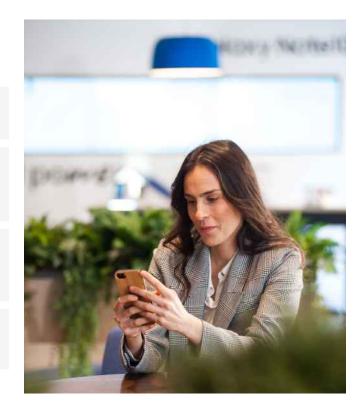




Selection, appointment, re-election and removal of members of the board



- **01.** External (non-executive) directors should constitute a majority over executive directors, and the number of the latter should be the minimum necessary.
- **O2.** The external directors will include holders of stable significant shareholdings in the company (or their representatives) or those shareholders that have been proposed as directors even though their holding is not significant (proprietary directors), and persons of recognised experience who can perform their functions without being influenced by the Company or its Group, its executive team or significant shareholders (independent directors).
- **03.** Among the external directors, the ratio of proprietary and independent directors should reflect the existing proportion of the Company's share capital represented by proprietary directors and the remainder of its capital. At least one third of the Company's directors will be independent directors (provided that there is one shareholder, or several acting in concert, controlling more than 30% of the share capital).
- 04. No shareholder may be represented on the Board by a number of proprietary directors representing more than 40% of the total number of Board members, without affecting the right to proportional representation provided for by law.





Selection and appointment (C.1.16)

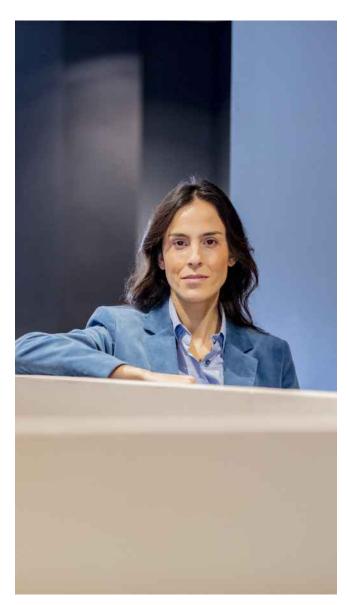
The Selection, Diversity and Suitability Assessment Policy for directors and members of Senior Management and other people in key roles includes the main aspects and undertakings of the Company in relation to the appointment and selection of directors. The purpose is to provide candidates that ensure the effective capability of the Board to take decisions independently in the interest of the Company.

In this context, director appointment proposals put forward by the Board for the consideration of the General Shareholders' Meeting, and the appointment agreements adopted by the Board by virtue of the powers legally attributed to it, must be preceded by the corresponding proposal of the Appointments and Sustainability Committee, when dealing with independent directors, and by a report, in the case of all other directors. Proposals for the appointment and re-election of directors are accompanied by a report from the Board setting out the competencies, experience and merits of the candidate.

In accordance with the legal provisions, the candidates must meet the suitability requirements for the position and, in particular, they must have recognised business and professional repute, suitable knowledge and experience to understand the Company's activities and main risks, and be in a position to exercise good governance. Furthermore, the conditions established by regulations in force will be taken into account, regarding the overall composition of the Board of Directors. In particular, the overall composition of the Board of Directors must incorporate sufficient knowledge, abilities and experience regarding the governance of credit institutions, to sufficiently understand the Company's activities, including the primary risks, and to ensure the effective capacity of the Board of Directors to take independent and autonomous decisions in the Company's interests.







The Appointments and Sustainability Committee, with the assistance of the General Secretary and the Secretary of the Board, taking into account the balance of knowledge, experience, capacity and diversity required and in place on the Board of Directors, elaborates and constantly updates a competency matrix, which is approved by the Board of Directors.

Where applicable, the results of applying the matrix may be used to identify future training needs or areas to strengthen in future appointments.

The Selection Policy is complemented by a Suitability Assessment Procedure Protocol (hereinafter, Suitability Protocol) that establishes the procedure for making the selection and the continuous assessment of the suitability of Board members, among other groups, including any unforeseeable circumstances which may affect their suitability for the position.

The Protocol establishes the Company's units and internal procedures involved in the selection and ongoing assessment of members of the Board of Directors, general managers and other senior executives, the heads of the internal control function and other key posts in CaixaBank, as defined under applicable legislation. Under the "Protocol", the Board of Directors, in plenary session, assesses the suitability of proposed candidates, based on a report from the Appointments and Sustainability Committee.

This entire process is subject to the provisions of the internal regulations on the appointment of directors and the applicable regulations of corporate enterprises and credit institutions, which is subject to the suitability assessment of the European Central Bank and culminates in the acceptance of the position after the approval by the banking authority of the proposed appointment, which will be approved by the General Shareholders' Meeting.



Re-election and duration of the post (C.1.16 + C 1.2.23)

Directors shall hold their posts for the term stipulated in the By-Laws (4 years) —for as long as the General Meeting does not resolve to remove them and they do not stand down from office— and may be re-elected one or more times for periods of equal length. However, independent directors will not remain as such for a continuous period of more than 12 years.

Directors designated by co-option shall hold their post until the date of the next AGM or until the legal deadline for holding the AGM that is to decide whether to approve the financial statements for the previous financial year has passed. If the vacancy arises after the AGM is called but before it is held, the appointment of the director by co-option to cover the vacancy will take effect until the next AGM is held.







Removal or resignation from post (C.1.19+ C.1.36)

Directors shall step down when the period for which they were appointed has elapsed, when so decided by the AGM and when they resign. When a director leaves office prior to the end of their term, they must explain the reasons in a letter sent to all members of the Board of Directors.

In the following circumstances, if the Board of Directors deems it appropriate, directors must tender their resignation from the Board, formalising their intention to resign (article 21.2 of the Regulations of the Board of Directors):

- When they leave the positions, posts or functions with which their appointment as director was associated;
- When they are subject to any of the cases of incompatibility or prohibition provided by law or no longer meet the suitability requirements;
- When they are indicted for an allegedly criminal act or are subject to a disciplinary proceeding for serious or very serious fault instructed by the supervisory authorities;
- When their remaining on the Board, they may place at risk the Company's interest, or when the reasons for which they were appointed cease to exist.¹
- When significant changes occur in their professional situation or in the conditions in which they were appointed Director.
- When due to facts attributable to the Director, his remaining on the Board causes serious damage to the corporate net worth or reputation in the judgement of the Board.

If an individual representing a legal entity director becomes involved in any of the situations described above, that representative must relinquish their position to the legal entity that appointed them. If the latter decides that the representative should remain in their post as a director, the legal entity director must tender its resignation from the Board.

All of the above, notwithstanding the provisions of Royal Decree 84/2015, of 13 February, which implements Act 10/2014, of 26 June on the organisation, supervision and solvency of credit institutions, on the requirements of repute that must be met by directors and the consequences of losses derived therefrom, along with other regulations or guides applicable to the nature of the company.

With regard to Preliminary Proceedings 67/2018 of the Central Court of the Investigating Judge no. 5, investigating a swap operation agreed with CriteriaCaixa on 3 December 2015, the takeover bid of BPI and certain accounting issues, which was still being conducted against CaixaBank and certain directors, the Court agreed to the provisional dismissal of the case by Order dated 22 November 2021, which was confirmed by Order dated 13 December 2021, and which has been confirmed by Order dated 13 January 2022 of the Criminal Division of the National High Court; therefore, becoming final, the cause is closed.

Prior to this date, by resolution of 23 April 2021, the Central Court of the Investigating Judge decreed the dismissal and closing in relation to Alejandro García-Bragado, and this resolution was confirmed by the National High Court on 21 May 2021.

The Board of Directors has been informed of this procedure from the outset and of all significant aspects of its development until the Order dated 13 of January 2022 of the Criminal Division of the National High Court confirming the ruling of the Central Court of the Investigating Judge no. 5, ordering the provisional dismissal, without any impact on the suitability of the director under investigation. (C.1.37)

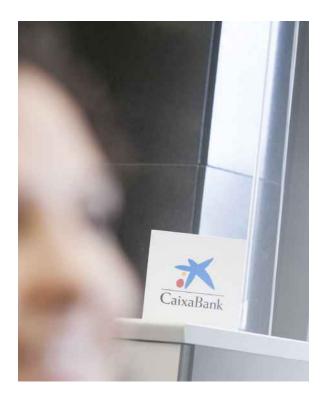


Other limitations on the position of director

There are no specific requirements, other than those relating to the directors, to be appointed as Chairman of the Board. (C.1.21)

Neither the By-laws nor the Regulations of the Board of Directors establish any age limit for serving as a director. (C.1.22)

Neither the By-laws nor the Regulations of the Board of Directors establish any limited mandate or additional stricter requirements for independent directors beyond those required by law. (C.1.23)



¹ In the case of proprietary directors, when the shareholder they represent transfers its stake in its entirety or lowers it to a level that requires a reduction in the number of proprietary directors.







>> OPERATION AND WORKINGS OF THE BOARD (C.1.25 AND C.1.26)



14

>> NUMBER OF MEETINGS
OF THE BOARD



10

>> NUMBER OF MEETINGS
OF THE REMUNERATION COMMITTEE



0

>> NUMBER OF BOARD MEETINGS HELD
WITHOUT THE CHAIRMAN'S ATTENDANCE



14

NUMBER OF MEETINGS OF THE RISKS COMMITTEE



NUMBER OF BOARD MEETINGS HELD WITHOUT THE ATTENDANCE OF THE EXECUTIVE DIRECTORS

N.B.: During the year, there were no collective meetings of the Coordinating Director with the other Directors. However, there were individual working meetings.



15

>> NUMBER OF MEETINGS OF THE AUDIT AND CONTROL COMMITTEE



5

>> NUMBER OF MEETINGS OF THE INNOVATION, TECHNOLOGY AND DIGITAL TRANSFORMATION COMMITTEE

N.B.: In addition, the Committee adopted resolutions in March in writing without a meeti



> NUMBER OF MEETINGS
OF THE APPOINTMENTS AND
SUSTAINABILITY COMMITTEE



20

>> NUMBER OF MEETINGS
OF THE EXECUTIVE COMMITTEE



14

NUMBER OF MEETINGS ATTENDED IN PERSON BY AT LEAST 80% OF DIRECTORS



98.08%

>> % OF IN SITU ATTENDANCE IN TERMS OF THE TOTAL VOTES DURING THE YEAR



10

>> NUMBER OF MEETINGS ATTENDED IN PERSON OR BY REPRESENTATIONS MADE WITH SPECIFIC INSTRUCTIONS OF ALL DIRECTORS



98.08%

% OF VOTES ISSUED AT IN SITU MEETINGS OR WITH REPRESENTATIONS MADE WITH SPECIFIC INSTRUCTIONS OUT OF ALL VOTES CAST DURING THE YEAR

Individual attendance of directors at Board meetings during 2021 (*)

2021 ()		Proxy (without voting	
	Attendance / No. of meetings	instructions in all cases in 2021)	Attendance by remote means
José Ignacio Goirigolzarri	12/14**	-	=
Tomás Muniesa	14/14	-	2
Gonzalo Gortázar	14/14	-	2
John S. Reed	13/14	1	13
Joaquín Ayuso	12/14**	-	1
Francisco Javier Campo	12/14**	-	1
Eva Castillo	11/14**	1	=
Fernando Maria Ulrich	12/14**	-	1
María Verónica Fisas	14/14	-	5
Cristina Garmendia	14/14	=	2
María Amparo Moraleda	13/14	1	3
Eduardo Javier Sanchiz	13/14	1	2
Teresa Santero	12/14**	=	1
José Serna	14/14	-	3
Koro Usarraga	14/14	-	2

(*) The off-site session held during the period is not counted. Proxies during 2021 have been made without voting instructions.

(**) The merger by absorption of Bankia took effect on 26 March 2021, when the appointments of the new directors approved by the General Shareholders' Meeting of 3 December 2020 came into effect. Therefore, they were not yet directors at the first two Board meetings in 2021.

N.B.: Following the registration of the merger in the Trade Registry on 26 March 2021, the resignations of Jordi Gual, the CajaCanarias Foundation, represented by Natalia Aznárez, Alejandro Garcia-Bragado and Ignacio Garralda from their positions as members of the Board were made effective. These directors attended all the meetings until their resignation in March 2021.





Board Regulations (C.1.15)

At the General Shareholders' Meeting in May 2021, the amendment of articles 35, 37 and 40 of the By-laws was approved, which affected certain provisions of the Board Regulations. Therefore, in order to coordinate the two corporate texts, the Board of Directors resolved on 30 March 2021 to amend its Regulations on those aspects that would be affected by the approval of the aforementioned amendments to the By-laws. The main amendments incorporated into the Regulations of the Company Board of Directors by resolution of the Board on 30 March 2021 are listed below:

- Amendment to article 15 of the Regulations of the Board and, consequently, to articles 7, 8, 9, 10, 11, 12, 16, 18, 19 and 32 of the Regulations. Corporate social responsibility has taken on a broader scope that is reflected under the term "sustainability", with an increasing relevance in the management of companies under ESG criteria (environmental, social and governance factors of companies), as well as being a decisive factor for investors. In addition, and in line with the amendment to article 40 of the By-laws, article 15 of the Regulations of the Board was amended to change the name of the Appointments Committee to the "Appointments and Sustainability Committee".
- In line with the above, the competencies in sustainability matters provided for in article 15.2 were reinforced, complementing those provided for in section (xvi) with the function of "submitting the sustainability/corporate responsibility policy for approval", and incorporating the new sections (xvii), according to which the Committee must provide, prior to submission to the Board of Directors, the reports to be published by the company on sustainability matters, and (xviii), which establishes that the Committee shall receive and evaluate the periodic sustainability reports submitted to it by the relevant departments, keeping itself informed of the main developments and progress in this area.

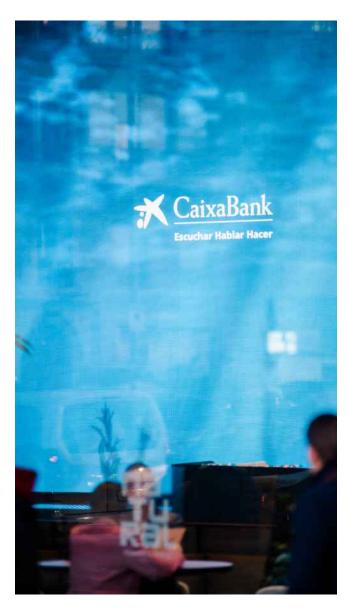
- A new article, 15 bis, was added to the Regulations to include the necessary constitution of the Innovation, Technology and Digital Transformation Committee, created by resolution of the Board of Directors on 23 May 2019, as well as the basic rules for governing its powers, operation and functions.
- In accordance with the above, and in coordination with the proposal to amend article 37.4 of the By-laws, article 17.4 Regulations of the Board ("Development of Board Meetings") was amended, eliminating the following provision: "In any case, when a shareholder is represented on the Board by more than one Proprietary Director, its Proprietary Directors shall refrain from participating in the deliberation and voting on resolutions to appoint Independent Directors by co-option and to propose the appointment of Independent Directors to the AGM".
- In addition, cybersecurity-related risks were included in the management of non-financial risks in article 14.2.b) (ii)(a) and the provision on the appointment of members of the Appointments and Sustainability Committee at the proposal of the Audit and Control Committee was eliminated, in accordance with the amendments made to the By-laws.
- Furthermore, on 28 October 2021, the Board resolved to adapt the text of the Regulations to the new legal framework of the related-party transactions established by Act 5/2021 of 12 April.

The amendments to the Regulations of the Board of Directors are reported to the CNMV and executed in a public document and filed at the Companies' Register, after which the revised text is published on the CNMV website.











Information (C.1.35)

There is a procedure in place whereby directors may obtain the information needed to prepare for the meetings with the governing bodies with sufficient time. In general, documents for approval by the Board, especially those which cannot be fully analysed and discussed during the meeting due to their length, are sent to Board members prior to the meetings.

Furthermore, pursuant to article 22 of the Regulations of the Board, the board may request information on any aspect of the Company and its Group and examine its books, records, documents and further documentation. Requests must be sent to the executive Chairman who will forward the matters to the appropriate parties and must notify the director, when applicable, of their duty of confidentiality.



Proxy voting (C.1.24)

The Regulations of the Board establish that directors must attend Board meetings in person. However, when they are unable to do so in person, they shall endeavour to grant their proxy in writing, on a special basis for each meeting, to another Board member, including the appropriate instructions therein.

Non-executive directors may only delegate a proxy to a fellow non-executive director. Independent directors may only delegate a proxy to a fellow independent director.

Notwithstanding the above, and so that the proxyholder can vote accordingly based on the outcome of the debate by the Board, proxies are not granted with specific instructions and must always be given in strict accordance with legal requirements. This is in keeping with the law on the powers of the Chairman of Board, who is given, among others, power to stimulate debate and the active involvement of all directors, safeguarding their rights to adopt positions.



Decision-making

No qualified majorities other than those prescribed by law are required for any type of decision. (C.1.20)

The Board Regulations provide for the Chairman's casting vote in cases of a deadlock in the Board's decision. However, this casting vote was not used during 2021.

There is broad participation and debate at Board meetings, and the main agreements are adopted with the favourable vote of a large majority of directors, the Chairman's casting vote being an exceptional resource intended to avoid situations that may impede or obstruct the governance of the organisation. In addition, the Company has agreed to propose to the 2022 Annual General Meeting the amendment of the By-laws to eliminate the Chairman's casting vote, among other matters. This amendment is included in the Regulations of the Board of Directors.

The Company has not entered into any material agreements that come into force, are modified or are terminated in the event of a change in control of the company following a public takeover bid, and their effects. (C.1.38)

The figure of the Coordinating Director, appointed from among the independent directors, was introduced in 2017. The current Coordinating Director was appointed by the Board on 20 February 2020, with effect from 22 May 2020. During 2021, there were no collective meetings of the Coordinating Director with the other directors. However, individual working meetings were held. (C.1.25)







Relations with the market (C.1.30)

With regard to its relationship with market agents, the Company acts on the principles of transparency and non-discrimination and according to the provisions of the Regulations of the Board of Directors which stipulate that the Board, through communications of material facts to the CNMV and the corporate website, shall inform the public immediately with regard to any relevant information. With regard to the Company's relationship with market agents, the Investor Relations department shall coordinate the Company's relationship with analysts, shareholders and institutional investors, among others, and manage their requests for information in order to ensure they are treated fairly and objectively.

In this regard, and pursuant to Recommendation 4 of the Good Governance Code of Listed Companies, the Board of Directors, resolved to approve the Policy on Communication and Contact with Shareholders, Institutional Investors and Proxy Shareholders which is available on the Company's website.

As part of this Policy, and pursuant to the authority vested in the Coordinating Director, he/she is required to stay in contact, as appropriate, with investors and shareholders to hear their views and develop a balanced understanding of their concerns, especially those to do with the Company's corporate governance.

Also, the powers legally delegated to the Board of Directors specifically include the duty of supervising the dissemination of information and communications relating to the Company. Therefore, the Board of Directors is responsible for managing and supervising at the highest level the information distributed to shareholders, institutional investors and the markets in general. Consequently, the Board of Directors, through the corresponding bodies and departments, works to ensure, protect and facilitate the

exercising of the rights of the shareholders, institutional investors and the markets in general in the defence of the corporate interest, in compliance with the following principles:



These principles are applicable to all information disclosed and the Company's communications with shareholders, institutional investors and relations with markets and other stakeholders such as, inter alia, intermediary financial institutions, management companies and depositories of the Company's shares, financial analysts, regulatory and supervisory bodies, proxy advisors, information agencies, credit rating agencies, etc.

The Company pays particular heed to the rules governing the processing of inside information and other potentially relevant information contained in the applicable legislation and the Company's regulations on shareholder relations and communications with securities markets, as contained in CaixaBank's Code of Business Conduct and Ethics, and the Internal Code of Conduct on Matters Relating to the Stock Market of CaixaBank, S.A. and the Regulations of the Board of Directors (also available on the Company's website).







Assessment of the Board (C.1.17 + C.1.18)

The Board evaluates its performance and that of its Committees annually, pursuant to article 16 of the Regulations of the Board of Directors.

The functioning of the Board during 2021 was marked by the continuation of the international health crisis caused by COVID-19 and, specifically in CaixaBank, also by the takeover merger of Bankia, which materialised in March 2021.

In 2021, the Board of Directors carried out the self-assessment of its operation internally, after concluding it would be appropriate to rule out assistance from an external advisor in 2021, since given the partial renewal process the Board undertook following the materialisation of the merger of CaixaBank with Bankia, and the short period of time the current Board had been constituted after the merger, it was more advisable and reasonable to postpone the external collaboration to the next self-assessment.

As a result, the self-assessment process was carried out along the same lines as the previous year with the assistance of the General Secretary and Secretary of the Board. For this purpose, the self-assessment questionnaires for 2020 were used as the basis for the exercise, introducing some specific changes.

These questionnaires address:

- The operation of the Board (preparation, dynamic and culture; evaluation of working tools; and evaluation of the Board's self-assessment process);
- The composition and functioning of the committees;
- The performance of the Chairman, CEO, Independent Coordinating Director and the Secretary; and
- The individual assessment of each director.

Members of each committee were also sent a detailed self-assessment form on the functioning and operation of their respective committee.

The results and conclusions reached, including the recommendations, are contained in the document analysing the performance assessment of the CaixaBank Board and its committees for 2021, which was approved by the Board. Broadly speaking, and in light of the responses received from the directors in the self-assessment process and the activity reports drawn up by each commission, the Board holds a positive view of the quality and efficiency of its operation and that of its committees for 2021, as well as of the performance of the functions of the Chairman, Independent Coordinating Director and Secretary of the Board in the year.

In 2021, the Appointments and Sustainability Committee followed up on the improvement actions identified in the previous year, mainly related to organisational development to make the Board's operations more efficient and of higher quality. In addition, improvements to the functionality of the IT systems and tools used by the Board and its members have continued, ensuring better conditions of the remote connection in meetings so as to guarantee the operability of the Board meetings through digital channels with the appropriate guarantees and legal security. This has allowed the Board to carry out its activities normally during the year in a still exceptional context of the COVID-19 pandemic. Furthermore, improvements were also made with regard to various organisational aspects, such as the restructuring of several

Committees as a result of the merger (increasing the number of members in some cases and the presence of independent directors in all of them) and the optimisation of the agenda, ensuring the analysis of the Group's main subsidiaries and the quality and scope of the information received by the directors. With regard to the recommendation that the Board gain further insight and knowledge, training activities have been increased with respect to the previous year.









Within the scope of its powers of self-organisation, the Board has a number of specialised committees, with supervisory and advisory powers, as well as an Executive Committee. There are no specific regulations for Board committees, and they are governed in accordance with the law, the By-laws and the Regulations of the Board, amendments to which during the year are noted in the section "The Administration – The Board of Directors – Operation of the Board of Directors – Regulations of the Board". In aspects not specifically laid out for the Executive Committee, the operational rules governing the Board itself will be applied, by virtue of the Regulation of the Board.

The Board committees, in accordance with the provisions of the Regulations of the Board and applicable legislation, draw up an annual report on its activities, which includes the assessment of its performance during the year. The annual reports on the activity of the Appointments and Sustainability Committee, the Remuneration Committee and the Audit and Control Committee are available on the Company's corporate website. (C.2.3)





>> NUMBER OF FEMALE DIRECTORS WHO WERE MEMBERS OF BOARD COMMITTEES AT THE CLOSE OF THE LAST FOUR YEARS (C.2.2)

	Financial year 2021		Financial year 2020		Financial year 2019		Financial year 2018	
	Number	%	Number	%	Number	%	Number	%
Audit and Control Committee	3	50	2	50	1	33.33	1	25
Innovation, Technology and Digital Transformation Committee	3	60	2	50	2	40	0	0
Appointments and Sustainability Committee	0	0	1	33.33	1	33.33	1	33.33
Remuneration Committee	2	50	2	66.67	2	66.67	1	33.33
Risk Committee	2	33.33	3	60	2	66.67	2	40
Executive Committee	4	57.14	3	50	2	33.33	2	25



>> PRESENCE OF BOARD MEMBERS IN THE DIFFERENT COMMITTEES

Member	Executive Committee	Appointments and Sustainability Committee	Audit and Control Committee	C. Remuneration	Risk Committee	Innovation, Technology and Digital Transformation Committee
Jose Ignacio Goirigolzarri	Chairman					Chairman
Tomás Muniesa	Member				Member	
Gonzalo Gortázar	Member					Member
John S. Reed		Chairman				
Joaquín Ayuso				Member	Member	
Francisco Javier Campo		Member	Member			
Eva Castillo	Member					Member
Fernando Maria Ulrich		Member			Member	
María Verónica Fisas	Member				Member	
Cristina Garmendia			Member	Member		Member
María Amparo Moraleda	Member			Chairwoman		Member
Eduardo Javier Sanchiz		Member	Member		Chairman	
Teresa Santero			Member			
José Serna			Member	Member		
Koro Usarraga	Member		Chairwoman		Member	







>> EXECUTIVE COMMITTEE

Article 39 of the By-laws and article 13 of the Regulations of the Board describe the organisation and operation of the Executive Committee.

NUMBER OF MEMBERS

The Committee comprises six members: two executive directors (José Ignacio Goirigolzarri and Gonzalo Gortázar), one proprietary director (Tomás Muniesa) and four independent directors (Eva Castillo, María Verónica Fisas, María Amparo Moraleda and Koro Usarraga). In accordance with article 13 of the Regulations of the Board, the Chairman and Secretary of the Executive Committee will also be the Chairman and Secretary of the Board of Directors.

Composition

Member	Position	Category
José Ignacio Goirigolzarri	Chairman	Executive
Tomás Muniesa	Member	Proprietary
Gonzalo Gortázar	Member	Executive
Eva Castillo	Member	Independent
María Verónica Fisas	Member	Independent
María Amparo Moraleda	Member	Independent
Koro Usarraga	Member	Independent

The composition of this committee, which is made up of the Chairman and CEO, must have at least two non-executive directors, at least one of whom is independent.

The appointments of its members requires a vote in favour from at least two-thirds of the Board members.

DISTRIBUTION OF THE COMMITTEE MEMBERS BY CATEGORY

(% OF TOTAL COMMITTEE MEMBERS)

% of executive Directors	28.57
% of proprietary Directors	14.29
% of independent Directors	57.14
% of other external Directors	00.00

NUMBER OF MEETINGS (C.1.25)

In 2021, the Committee held twenty meetings, of which four were held exclusively by digital means, through audiovisual connections that ensured the recognition of attendees and the real-time interaction and intercommunication between them and, therefore, the unity of the event. This was in accordance with the provisions of article 36.4 of the By-laws and article 16.4 of the Regulations of the Board of Directors. It was also in view of the health risks relating to COVID-19 and the measures and recommendations adopted by the various healthcare authorities, which affected the holding of the Committee's meetings with the physical presence of its members.

AVERAGE ATTENDANCE AT MEETINGS

The attendance of members, in person or by proxy, at the Committee's meetings during 2021 was as follows:

No. of meetings in 2021	20
José Ignacio Goirigolzarri	16/20 ²
Tomás Muniesa	20/20
Gonzalo Gortázar	20/20
Eva Castillo	16/20 ²
María Verónica Fisas	20/20
María Amparo Moraleda	20/20
Koro Usarraga	20/20

¹ The first figure refers to the number of meetings attended by the director and the second to the number of meetings held in 2021.

N.B.: Data at 31 December 2021. Jordi Gual attended all the meetings held by this Committee until his resignation in March 2021.



² Appointed on 30 March 2021.







The Executive Committee has been delegated all of the responsibilities and powers available to it both legally and under the Company's articles of association. For internal purposes, the Executive Committee is subject to the limitations set out in article 4 of the Regulations of the Board of Directors. The Board's permanent delegation of powers to this Committee will require a vote in favour from at least two-thirds of the Board members. (C.1.9)

The Committee will meet as often as it is convened by its Chairman or the person who is to replace him in his absence, and it is validly constituted when the majority of its members are in attendance. Its resolutions are carried by the majority of the members attending the meeting, and they are valid and binding with no need for subsequent ratification by the Board sitting in plenary, without prejudice to article 4.5 of the Regulations of the Board.

The Executive Committee reports to the Board on the main matters it addresses and the decisions it makes.

There is no express mention in the Company's By-laws that the Committee must prepare an activities report. However, the Executive Committee approved its annual activity report and the assessment of its operation for the year in December 2021.

Activities during the year

In 2021, the Committee addressed a number of recurring matters and other one-off matters, either with a view to adopting relevant decisions or hearing and taking note of the information received. Below is a summary of the main matters addressed:

- **01.** Monitoring of earnings and other financial aspects
- 02. Monitoring of the takeover merger of Bankia by CaixaBank and the main aspects of the integration
- 03. Monitoring of aspects related to products and services and other business matters

- **04.** Monitoring of foreclosed assets and non-performing loans
- 05. Credit and surety activity
- 06. Monitoring of quality and customer experience and other aspects related to reputation

- O7. Activity related to subsidiaries, investees and branches
- 08. Miscellaneous matters, including Equity, Issues, Investments and Divestments and Treasury Shares









>> APPOINTMENTS AND SUSTAINABILITY COMMITTEE

Article 40 of the By-laws and article 15 of the Regulations of the Board of Directors and applicable legislation describe the organisation and operation of the Appointments and Sustainability Committee.

NUMBER OF MEMBERS

The Committee is made up of four non-executive directors. Three of its members (John S. Reed, Francisco Javier Campo and Eduardo Javier Sanchiz) are considered independent directors and one (Fernando María Ulrich) is considered an other external director. In the meeting held on 17 December 2020, the Board of Directors agreed to amend the Regulations of the Board for the purpose of, among others, completing the functions of the Company's Appointments Committee in terms of sustainability with those set forth in Recommendation 54 of the Code of Good Governance.

In this regard, the General Shareholders' Meeting of 14 May 2021 resolved to update article 40, section 5.d) (xvi), by replacing the reference to "corporate social responsibility" with the most current expression of "sustainability". In addition, it proposed to increase the competences in sustainability previously provided for in section 5.d) (xvi), dividing it into two different sections. The aforementioned section now includes the function of "submitting the sustainability/corporate responsibility policy to the Board for approval", and the new section, 5.d) (xvii), includes the following functions: "overseeing and reviewing the non-financial information contained in the annual management report; the Sustainability, socio-economic impact and contribution to the SDGs publication and the master plan for socially responsible banking, ensuring the integrity of its content and compliance with applicable legislation and international benchmarks".

In addition, the Board of Directors considered appropriate to change the name of the Appointments Committee to "Appointments and Sustainability Committee" for the purpose of including therein the two essential areas of competence of this Committee. To that end, the General Shareholders' Meeting agreed to amend article 40 and article 35 (sections 1, 5, 6 and 8) of the By-laws and include the name of said Committee.

Composition

The Appointments and Sustainability Committee comprises a number of non-executive directors determined by the Board, with a minimum of 3 and a maximum of 5 members. A majority of its members must be independent directors. Members of the Appointments and Sustainability Committee are appointed by the Board at the proposal of the same, and the chair of the Committee will be appointed from among the independent directors who sit on the Committee.

Member	Position	Category
John S. Reed	Chairman	Independent
Francisco Javier Campo	Member	Independent
Eduardo Javier Sanchiz	Member	Independent
Fernando María Ulrich	Member	Other external

DISTRIBUTION OF THE COMMITTEE MEMBERS BY CATEGORY

(% OF TOTAL COMMITTEE MEMBERS)

% of executive Directors	0.00
% of proprietary Directors	0.00
% of independent Directors	75.00
% of other external Directors	25.00

NUMBER OF MEETINGS (C.1.25)

In 2021, the Committee held 7 meetings.

AVERAGE ATTENDANCE AT MEETINGS

The attendance of members, in person or by proxy, at the Committee's meetings during 2021 was as follows:

No. of meetings in 2021 ¹	7
John S. Reed	7/7
Francisco Javier Campo ²	5/7
Fernando María Ulrich²	5/7
Eduardo Javier Sanchiz	7/7

¹ The first figure refers to the number of meetings attended by the director and the second to the number of meetings held in 2021.

Operation

The Appointments and Sustainability Committee is self-governing and it may appoint a Chair and a Secretary. If no Secretary is appointed, the Secretary of the Board or any of the Deputy Secretaries of the Board shall act as Committee Secretary.

It meets as often as considered appropriate for the sound performance of its duties and the meetings are convened by the Chair of the Committee, either on his/her own initiative, or when requested by 2 members of the Committee. The Committee must also meet when the Board or its Chair requests that a report be issued or a resolution carried.

The Committee is validly constituted when a majority of its members are in attendance, and its resolutions are carried by the majority of attending members.

² Appointed on 30 March 2021.

N.B.: Data at 31 December 2021. Teresa Bassons attended the meeting held by this Committee until her resignation in March 2021





Its duties include:

- Evaluating and proposing to the Board the assessment of skills, knowledge and experience required of Board members and key personnel.
- Submitting to the Board the proposals for the nomination of the independent directors to be appointed by co-option or for submission to the decision of the AGM, as well as the proposals for the reappointment or removal of such directors.
- Reporting on the appointment and, as the case may be, dismissal of the Coordinating Director, the Secretary and the Deputy Secretaries for approval by the Board.
- Reporting 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 the basic terms of the contracts of senior executives other than their pay and remuneration, and reporting those terms once they have been established.
- Examining and organising, under the supervision of the coordinating director and with the support of the Chairman of the Board, the succession of the latter and of the Company's chief executive and, as the case may be, sending proposals to the Board so that the succession process is suitably planned and takes place in an orderly fashion.
- Reporting 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, while establishing a representation target
 for the less represented sex on the Board, as well as preparing
 quidelines on how this should be achieved.
- Periodically evaluate, at least once a year, the structure, size, composition and actions of the Board and of its committees, its Chairman, CEO and Secretary, making recommendations

regarding possible changes to these. Here, the committee shall act under the direction of the coordinating director when assessing the performance of the Chairman. Evaluating the composition of the Management Committee, as well as its replacement lists, to ensure coverage as members come and go.

- Periodically reviewing the Board selection and appointment policy in relation to senior executives and making recommendations.
- Overseeing the compliance with the Company's rules and policies in environmental and social matters, regularly evaluating and reviewing them, with the aim of confirming that it is fulfilling its mission to promote the corporate interest and catering, where appropriate, to the legitimate interests of remaining stakeholders, as well as submitting the proposals it considers appropriate on this matter to the Board and, particularly, submitting the sustainability/corporate responsibility policy for approval. In addition, the Committee will ensure the Company's environmental and social practices are in accordance with the established strategy and policy.
- Reporting on the sustainability reports made public by the Company, prior to being submitted to the Board of Directors, including the review of the non-financial information contained in the annual management report and the master plan for socially responsible banking, ensuring the integrity of its content and compliance with applicable legislation and international benchmarks.
- Supervising the Company's activities with regards to responsibility, and submit to the Board the corporate responsibility/sustainability policy for approval.

The Committee draws up an annual report on its operation, highlighting the main incidents occurring, if any, in relation to its duties. This report will serve as a basis, among others, and if applicable, for the evaluation of the Board. In addition, when the relevant Committee deems it appropriate, it will include in that report suggestions for improvement.

Activities during the year

As part of its ordinary remit, the Committee discussed, scrutinised and took decisions or issued reports on the following matters: assessment of suitability, appointments of Board and committee members and key personnel in the Company, verification of the character of directors, gender diversity, the policy for selecting directors, senior management and other key posts, diversity and sustainability matters and corporate governance documentation to be submitted for 2021.

In 2021, the Committee supervised and controlled the sound operation of the Company's corporate governance system. To round off its activities for the year, the Committee focused its attention on the (individual and collective) self-assessment of the Board; the evaluation of the Board's structure, size and composition; the evaluation of the functioning of the Board and its Committees; the evaluation of the issue of gender diversity, as well as on analysing the monitoring of the recommendations in the Good Governance Code of Listed Companies and analysing a director training plan proposal.

In addition, the Committee extended its functions by incorporating sustainability content under ESG criteria.









Articles 40 of the By-laws and article 14 of the Regulations of the Board of Directors describe the organisation and operation of the Risk Committee.

NUMBER OF MEMBERS

The Committee is made up of six (6) directors, all of whom are non-executive directors; Eduardo Javier Sanchiz, Joaquin Ayuso, María Verónica Fisas and Koro Usarraga are independent directors, Tomás Muniesa is a proprietary director and Fernando María Ulrich is other external director.

Composition

Member	Position	Category
Eduardo Javier Sanchiz	Chairman	Independent
Joaquin Ayuso	Member	Independent
Fernando María Ulrich	Member	Other external
María Verónica Fisas	Member	Independent
Tomás Muniesa	Member	Proprietary
Koro Usarraga	Member	Independent

The Risk Committee comprises exclusively non-executive directors, all possessing the relevant knowledge, expertise and experience to fully understand and control the Company's risk strategy and appetite, in the number determined by the Board, between a minimum of 3 and a maximum of 6 members and with a majority of independent directors.

DISTRIBUTION OF THE COMMITTEE MEMBERS BY CATEGORY

(% OF TOTAL COMMITTEE MEMBERS)

% of executive Directors	00.00	
% of proprietary Directors	16.67	
% of independent Directors	66.67	
% of other external Directors	16.67	

NUMBER OF MEETINGS (C.1.25)

In 2021, the Committee held 14 meetings, two of which were held jointly with the Audit and Control Committee and one was an extraordinary meeting.

AVERAGE ATTENDANCE AT MEETINGS

The attendance of members, in person or by proxy, at the Committee's meetings during 2021 was as follows:

No. of meetings in 2021 ¹	14
Eduardo Javier Sanchiz	14/14
Joaquin Ayuso ²	10/14
María Verónica Fisas	14/14
Koro Usarraga	14/14
Tomás Muniesa	14/14
Fernando María Ulrich ²	10/14

Operation

It meets as often as considered appropriate for the sound performance of its duties and the meetings are convened by the Chair of the Committee, either on his/her own initiative, or when requested by 2 members of the Committee. The Committee must also meet when the Board or its Chair requests that a report be issued or a resolution carried.

The Committee is validly constituted when a majority of its members are in attendance, and its resolutions are carried by the majority of attending members.

The Company shall ensure that the Risk Committee is able to fully discharge its functions by having unhindered access to the information concerning the Company's risk position and, if necessary, specialist outside expertise, including external auditors and regulators. The Risk Committee may request the attendance of persons from within the organisation whose work is related to its functions, and it may obtain all necessary advice for it to form an opinion on the matters that fall within its remit.

The committee's Chairman reports to the Board on the activities and work performed by the committee, doing so at meetings specifically arranged for that purpose or at the immediately following meeting when the Chairman deems this necessary.

¹ The first figure refers to the number of meetings attended by the director and the second to the number of meetings held in 2021.

² A breakdown of the attendance of the directors who departed in 2021 is not included.

N.B.: Data at 31 December 2021. Fundación CajaCanarias (represented by Natalia Aznárez) attended all the meetings held by this Committee until its resignation in March 2021.





Its duties include:

- Advising the Board of Directors on the overall susceptibility to risk, current and future, of the Company and its strategy in this area, reporting on the risk appetite framework, assisting in the monitoring of the implementation of this strategy, ensuring that the Group's actions are consistent with the level of risk tolerance previously decided and implementing the monitoring of the appropriateness of the risks assumed and the profile established.
- Propose the Group's risk policy to the Board.
- Ensuring that the pricing policy of the assets and liabilities offered to the clients fully consider the Company's business model and risk strategy.
- Working with the Board of Directors to determine the nature, quantity, format and frequency of the information concerning risks that the Board should receive and establishing the information that the Committee should receive.
- Regularly review exposures with its main customers and business sectors, as well as broken down by geographic area and type of risk.
- Examining risk reporting and control processes, as well as its information systems and indicators.
- Appraising and making decisions in relation to regulatory compliance risk within the scope of
 its remit, broadly meaning the risk management of legal or regulatory sanctions, financial loss,
 material or reputational damage that the Company could sustain as a result of non-compliance
 with laws, rules, regulations, standards and codes of conduct, detecting and monitoring any risk
 of non-compliance and examining possible deficiencies.
- Report on new products and services or significant changes to existing ones.
- Cooperating with the Remuneration Committee to establish sound remuneration policies and practices. Examining if the incentives policy anticipated in the remuneration systems take into account the risk, capital, liquidity and the probability and timing of the benefits, among other things.
- Assisting the Board of Directors in setting up effective reporting channels, ensuring the allocation of suitable resources the risk management and for the approval and periodic review of the strategies and policies with regard to risk assumption, management, supervision and reduction.
- Any others attributed to it by the law, the By-laws, the Regulations of the Board and other regulations applicable to the Company.

There is no express mention in the Company's By-laws that the Committee must prepare an activities report. However, the Committee approved its annual activity report and the assessment of its operation for the year in December 2021.

Activities during the year

Because of the exceptional nature of the 2021 financial year, which was marked by the global pandemic caused by COVID-19, the Committee was regularly informed of the monitoring carried out and the extraordinary actions taken in relation to the virus.

Following the completion of the merger's legal procedures and technological integration, operations are being carried out as a single bank. In this process of integrating Bankia, the Committee has been informed of the Master Plan for Bankia's process of integration in the Risk area, which contextualises the admission and management of non-performing loans after the complete integration and the Admission and Non-performing Loans Model following this integration.

Furthermore, during the 2021 financial year, the Committee discussed, scrutinised and took decisions or issued reports on the matters within its remit in relation to the Strategic Risk Processes (Risk Assessment and Risk Catalogue), as well as the Risk Appetite Framework (RAF), the Recovery Plan, the Group's Risk Policy, the Risk Scorecard, the Internal Capital and Liquidity Adequacy Assessment Processes (ICAAP – ILAAP), Environmental and Climate Risks, Monitoring of Regulatory Compliance and the Global Risk Committee, among others.









>> REMUNERATION COMMITTEE

Articles 40 of the By-laws and article 15 of the Regulations of the Board and applicable legislation describe the organisation and operation of the Remuneration Committee.

NUMBER OF MEMBERS

The Committee comprises four members, of which three (María Amparo Moraleda, Joaquín Ayuso and Cristina Garmendia) are independent directors and one (José Serna) is a proprietary director.

Composition

Member	Position	Category
María Amparo Moraleda	Chairwoman	Independent
Joaquin Ayuso	Member	Independent
Cristina Garmendia	Member	Independent
José Serna	Member	Proprietary

The Remuneration Committee comprises a number of non-executive directors determined by the Board, with a minimum of 3 and a maximum of 5 members. A majority of its members must be independent directors. The Chair of the Committee is appointed from among the independent directors who sit on the Committee.

DISTRIBUTION OF THE COMMITTEE MEMBERS BY CATEGORY

(% OF TOTAL COMMITTEE MEMBERS)

% of executive Directors	00.00
% of proprietary Directors	25.00
% of independent Directors	75.00
% of other external Directors	00.00

 $^{^{1}}$ The first figure refers to the number of meetings attended by the director and the second to the number of meetings held in 2021.

N.B.: Data at 31 December 2021. Alejandro García-Bragado attended all the meetings held by this Committee until his resignation in March 2021.

NUMBER OF MEETINGS (C.1.25)

In 2021, the Committee held 10 meetings.

AVERAGE ATTENDANCE AT MEETINGS

The attendance of members during 2021 was as follows:

No. of meetings in 2021	10
María Amparo Moraleda	10/10
Joaquin Ayuso ²	7/10
Cristina Garmendia	10/10
José Serna ²	7/10

Operation

The Remuneration Committee is self-governing and it may appoint a Chair and a Secretary. If no Secretary is appointed, the Secretary of the Board or any of the Deputy Secretaries of the Board shall act as Committee Secretary.

It meets as often as considered appropriate for the sound performance of its duties and the meetings are convened by the Chair of the Committee, either on his/her own initiative, or when requested by 2 members of the Committee. The Committee must also meet when the Board or its Chair requests that a report be issued or a resolution carried.

The Committee is validly constituted when a majority of its members are in attendance, and its resolutions are carried by the majority of attending members.



² Appointed on 30 March 2021.





Its duties include:

- Drafting the resolutions related to remuneration and, particularly, reporting and proposing to the Board the remuneration policy for the directors and senior management, the system and amount of annual remuneration for directors and senior managers, as well as the individual remuneration of the executive directors and senior managers, and the conditions of their contracts, without prejudice to the competences of the Appointments and Sustainability Committee in relation to any conditions not related to remuneration.
- Ensuring compliance with the remuneration policy for directors and senior managers, and reporting on the basic terms set out in the contracts of those individuals and the compliance thereof.
- Reporting and preparing the general remuneration policy of the Company and in particular the policies relating to the

- categories of staff whose professional activities have a significant impact on the risk profile of the Company and those that are intended to prevent or manage conflicts of interest with the customers.
- Analysing, formulating and periodically reviewing remuneration programmes, weighing their adequacy and performance and ensuring compliance.
- Proposing to the Board the approval of the remuneration reports or policies that it is required to submit to the Annual General Meeting, as well as reporting to the Board on any remuneration-related proposals the Board may intend to lay before the General Shareholders' Meeting.
- Considering the suggestions it receives from the Company's Chairman, Board members, executives, and shareholders.

 Ensuring that any conflicts of interest do not impair the independence of the external advice given to the Committee related to the exercise of its functions.

The Committee draws up an annual report on its operation, highlighting the main incidents occurring, if any, in relation to its duties. This report will serve as a basis, among others, and if applicable, for the evaluation of the Board. In addition, when the relevant Committee deems it appropriate, it will include in that report suggestions for improvement.

Activities during the year

The Committee analyses recurring issues such as annual remuneration, salary policy and remuneration systems and corporate governance. The Committee also discussed, scrutinised and took decisions or issued reports on the following matters, which fall within its core remit:



O1. The remuneration policy, the system and amount of annual remuneration for directors and senior management, and the individual remuneration of the Chairman, the Chief Executive Officer and the members of the Management Committee

02. Reporting and recommending basic contract terms for senior managers and directors

O3. General
Remuneration
Policy and the
Remunerations Policy
for the Identified
Staff

04. Analysing, drawing up and reviewing the remuneration programmes

O5. Advising the Board on remuneration reports and policies to be submitted to the AGM. Reporting to the Board on proposals to the AGM







>> INNOVATION, TECHNOLOGY AND DIGITAL TRANSFORMATION COMMITTEE

Article 15 bis of the Regulations of the Board and the applicable regulations describe the organisation and operation of the Innovation, Technology and Digital Transformation Committee.

NUMBER OF MEMBERS

The Committee comprises five members, of which three (Cristina Garmendia, María Amparo Moraleda and Eva Castillo) are independent directors and two (José Ignacio Goirigolzarri and Gonzalo Gortázar) are executive directors.

Composition

Member	Position	Category
José Ignacio Goirigolzarri	Chairman	Executive
Gonzalo Gortázar	Member	Executive
Cristina Garmendia	Member	Independent
María Amparo Moraleda	Member	Independent
Eva Castillo	Member	Independent

The Innovation, Technology and Digital Transformation Committee will comprise a minimum of three (3) and a maximum of five (5) members. The Chairman of the Board and the CEO will always sit on the Committee. The other members are appointed by the Board, on the recommendation of the Appointments and Sustainability Committee, paying close attention to the knowledge and experience of candidates on the subjects that fall within the Committee's remit.

The Chairman of the Board also chairs the Innovation, Technology and Digital Transformation Committee.

DISTRIBUTION OF THE COMMITTEE MEMBERS BY CATEGORY

(% OF TOTAL COMMITTEE MEMBERS)

% of executive Directors	40.00
% of proprietary Directors	00.00
% of independent Directors	60.00
% of other external Directors	00.00

NUMBER OF MEETINGS (C.1.25)

In 2021, the Committee held a total of meetings. In addition, the Committee adopted resolutions in March in writing without a meeting.

AVERAGE ATTENDANCE AT MEETINGS

The attendance of members, in person or by proxy, at the Committee's meetings during the year was as follows:

No. of meetings in 2021 ¹	5
José Ignacio Goirigolzarri	5/5
Gonzalo Gortázar	5/5
Cristina Garmendia	5/5
María Amparo Moraleda	5/5
Eva Castillo	5/5

Operation

It meets as often as considered appropriate for the sound performance of its duties and the meetings are convened by the Chair of the Committee, either on his/her own initiative, or when requested by 2 members of the Committee. The Committee must also meet when the Board or its Chair requests that a report be issued or a resolution carried.

The Committee is validly constituted when a majority of its members are in attendance, and its resolutions are carried by the majority of attending members.



¹ The first figure refers to the number of meetings attended by the director and the second to the number of meetings held in 2021.

N.B.: Data at 31 December 2021. Jordi Gual attended the meeting held by this Committee until his resignation in





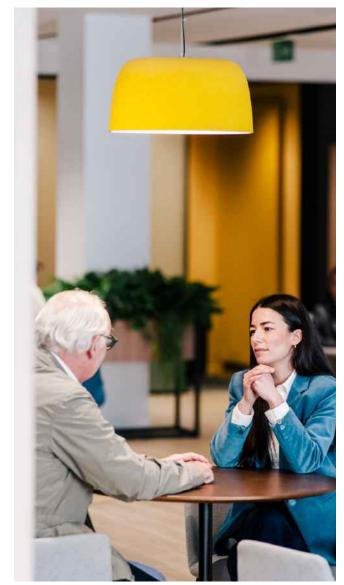
Its duties include:

- Assisting the Board in identifying, monitoring and analysing new competitors, new business models, technological advances and main trends and initiatives relating to technological innovation, while studying the factors that make certain in- - Monitoring and studying the evolution of the company's novations more likely to succeed and increase their transformation capacity.
- Advising the Board on the implementation of the strategic plan in aspects relating to digital transformation and technological innovation 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.
- Fostering a climate of debate and reflection to allow the Board to spot new business opportunities emerging from technological developments, as well as possible threats.
- Supporting the Board in analysing the impact of technological innovations on market structure, the provision of financial services and customer habits. Among other aspects, the Committee will 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.
- Stimulating discussion and debating on the ethical and social implications deriving from the use of new technologies in the banking and insurance businesses.
- Supporting the Risk Committee, when required, in monitoring technological risks and matters relating to cybersecurity.

Activities during the year

During 2021, the Committee has fulfilled its duties through the following activities, among others:

- technological strategy.
- Reviewing the impact of new technologies and new competitors in the financial sector.
- Reviewing the post-merger technological integration with Bankia. Analysing the degree of achievement of the objectives and priorities set for the technological integration process within the framework of the takeover merger of Bankia, S.A.
- Monitoring the degree of implementation of different project plans and studies.









>> AUDIT AND CONTROL COMMITTEE

Articles 40 of the By-laws and article 14 of the Regulations of the Board of Directors and applicable legislation describe the organisation and operation of the Audit and Control Committee.

NUMBER OF MEMBERS

The Committee comprises six members, elected and appointed with regard to their knowledge, aptitude and experience in finance, accounting and/or auditing and risk management.

Composition

Member	Position	Category
Koro Usarraga*	Chairwoman	Independent
Eduardo Javier Sanchiz	Member	Independent
José Serna	Member	Proprietary
Cristina Garmendia	Member	Independent
Francisco Javier Campo	Member	Independent
Teresa Santero	Member	Proprietary

^{*} Her appointment as Chairwoman will take place on 5 April 2019.

The Audit and Control Committee comprises exclusively non-executive directors, in the number determined by the Board, between a minimum of 3 and a maximum of 7 members. The majority of the members of the Audit and Control Committee are independent directors.

The Committee will appoint a Chairman from among the independent directors. The Chairman must be replaced every 4 years and may be re-elected once a period of 1 year from his/her departure has transpired. The Chairman of the Committee acts as a spokesperson at meetings of the Board, and, as the case may be, at the Company's AGM. It may also appoint a Secretary and may appoint a Deputy Secretary. If no such appointments are made, the Secretary to the Board will assume these roles.

The Board will ensure that members of the Committee, particularly its Chairperson, have sufficient knowledge and experience in accounting, auditing or risk management, and in any other areas required for the Committee to fulfil all its duties.

DISTRIBUTION OF THE COMMITTEE MEMBERS BY CATEGORY

(% OF TOTAL COMMITTEE MEMBERS)

% of executive Directors	00.00
% of proprietary Directors	33.33
% of independent Directors	66.67
% of other external Directors	00.00

NUMBER OF MEETINGS (C.1.25)

In 2021, the Committee held 15 meetings, four of which were held remotely as per the recommendations established by the health authorities.

AVERAGE ATTENDANCE AT MEETINGS

The attendance of members during 2021 was as follows:

No. of meetings in 2021 ¹	15
Koro Usarraga	15/15
Eduardo Javier Sanchiz	15/15
José Serna	15/15
Cristina Garmendia	15/15
Francisco Javier Campo ²	11/15
Teresa Santero ²	11/15

Operation

It meets as often as considered appropriate for the sound performance of its duties and the meetings are convened by the Chair of the Committee, either on his/her own initiative, or when requested by 2 members of the Committee.

In order to carry out its duties, the Committee must have adequate, relevant, relevant and sufficient access to any information or documentation held by the Company, and it may request: (i) the attendance and collaboration of the members of the Company's management team or personnel; (ii) The attendance of the Company's auditors to deal with specific points of the agenda for which they have been convened; and (iii) advice from external experts when it deems it necessary. The Committee has set up an effective communication channel with its spokespersons, which will normally be the Committee Chair with the Company management and, in particular, the finance department; the head of internal audits; and the main auditor responsible for account auditing.

The Committee is validly constituted when a majority of its members are in attendance, and its resolutions are carried by the majority of attending members.

Its duties include:

 Reporting to the AGM about matters raised 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.

N.B.: Data at 31 December 2021.

¹ The first figure refers to the number of meetings attended by the director and the second to the number of meetings held in 2021.

² Joined as a member on 30 March 2021.





- Overseeing the process of elaborating and presenting mandatory financial and non-financial information regarding the Company and, where relevant, the Group, reviewing the accounts, compliance with regulatory requirements in this area, the adequate definition of the consolidation perimeter, and the correct application of generally accepted accounting criteria.
- Ensuring that the Board submits the annual Financial Statements and the management report to the AGM, without qualified opinions or reservations in the audit report and, if there are reservations, ensuring that the Committee's Chair and the auditors clearly explain the content and scope of those qualified opinions or reservations to shareholders.
- Reporting to the Board, in advance, on the financial information and related non-financial information that the Company must periodically disclose to the markets and its supervisory bodies.

- Overseeing 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 and set a deadline for follow-up.
- Overseeing the effectiveness of the internal audit.
- Establishing and overseeing a mechanism enabling the Company's employees, or those of the group to which it belongs, to confidentially (and anonymously, if deemed appropriate) notify of any potentially significant irregularities they may observe within the Company, particularly those of a financial and accounting nature, receiving periodical reporting on its functioning and being able to propose the relevant measures for improvement and reduction of the risk of irregularities in the future.

The Committee draws up an annual report on its operation, highlighting the main incidents occurring, if any, in relation to its duties. This report will serve as a basis, among others, and if applicable, for the evaluation of the Board. In addition, when the relevant Committee deems it appropriate, it will include in that report suggestions for improvement.

Activities during the year

Within the scope of the Committee's remit, and as part of the Activities Plan drawn up each year, the Committee discussed, scrutinised and took decisions or issued reports on:

- **01.** Financial and non-financial information
- O2. Risk management and control (in collaboration with the Risk Committee)
- 03. Regulatory compliance
- 04. Internal Audit
- 05. Relationship with the financial auditor
- 06. Related-party transactions
- **07.** Communications with regulatory bodies
- **Relevant transactions** to the group, such as the merger with Bankia











Further details on the activities relating to certain matters within the Committee's remit are given below:

a) Overseeing financial reporting (C.1.28)

The powers delegated to the Board specifically include the duty of overseeing the dissemination of information and communications relating to the Company, Therefore, the Board is responsible for managing and overseeing, at the highest level, the information distributed to shareholders, institutional investors and the markets in genera. Consequently, the Board works to ensure, protect and facilitate the exercising of the rights of the shareholders, institutional investors and the markets in general in the defence of the corporate interest.

The Audit and Control Committee, as a specialised committee of the Board, is responsible for ensuring that the financial information is drawn up correctly. This is a matter to which it dedicates particular attention, alongside the non-financial information. Among other things, its duties involve preventing qualified opinions and reservations in external audit reports.

The people responsible for these matters attended almost all of the meetings held in 2021, enabling the Committee to become suitably familiar with the process of drawing up and presenting the mandatory financial information of the Company and the Group, particularly regarding the following points: (i) compliance with regulatory requirements; (ii) definition of consolidation perimeter; and (iii) application of the accounting principles, in particular with regard to the assessment criteria and the judgments and estimates.

Ordinarily, the Committee meets on a quarterly basis in order to review the mandatory financial information to be submitted to the authorities, as well as the information that the Board must approve and include in its annual public documentation. In such cases, the internal auditor will be present and, if any report is to be issued, the external auditor will be present. At least one meeting a year with the external auditor will take place without the presence of the management team, so that they can discuss specific issues that arise from the reviews conducted. Similarly, during fiscal year 2021, the external auditor held a meeting with the full Board of Directors to report on the work carried out and on the evolution of the Company's situation with regard to its accounts and risks.

The annual individual and consolidated financial statements submitted to the Board for preparation are not previously certified. The above notwithstanding, we note that as part of the ICFR System, the financial statements for the year ended 31 December 2021, which form part of the annual financial statements, are to be certified by the Company's Head of Internal Control and Validation. (C.1.27)

b) Monitoring the independence of the external auditor

In order to ensure compliance with applicable regulations, particularly with regard to the status of the Company as a Public-Interest Entity, and the independence of the audits, the Company has a Policy on Relations with the External Auditor (2018) which sets out, among other things, the principles that should govern the selection, hiring, appointment, re-election and removal of the auditor, as well as the framework for relations. Furthermore, as an additional mechanism to ensure the auditor's independence, the By-laws state that the General Meeting may not revoke the auditors until the period for which they were appointed has ended, unless it finds just cause for doing so. (C.1.30)

The Audit and Control Committee is responsible for establishing relationships with the auditor in order to receive information on any matters which may jeopardise its independence, and on any other matters relating to the process of auditing the accounts. In all events, on an annual basis, the Committee must receive from the external auditor a declaration of its independence with regard to the Group, in addition to information on any non-audit services rendered to the Group by the external auditor or persons or entities related to it. Subsequently, prior to the disclosure of the audit report, the Committee will issue a report containing an opinion on the independence of the auditor. This report will include an assessment of such non-audit services that may have been rendered, considered individually and as a whole, and related to the degree of independence or the applicable audit regulations. (C.1.30)



4

4 Consolidated

>> NUMBER OF CONSECUTIVE YEARS

AS FINANCIAL AUDITOR PWC (C.1.34)



18%

18% Consolidated

>> % OF YEARS
AUDITED BY PWC

OF TOTAL YEARS AUDITED (C.134)





The audit firm carries out other non-audit work for the Company and/or its group:



(C.1.32)	CaixaBank	Subsidiaries	Total group
Amount of non-audit work (€m)	967	808	1,775
% Amount of non-audit work /	37%	29%	33%

N.B.: In accordance with current regulations, CaixaBank considers the services related to the audit in the numerator for the purpose of calculating this ratio, insofar as its conduction by an auditor does not involve that it must be performed by the company's financial auditor. If the services required by regulations or practice are excluded from the numerator, the ratio would stand at 8.5%.

Within the framework of the Policy on the Relationship with the External Auditor, and taking into consideration the Technical Guide on Audit Committees at Public-Interest Entities by the CNMV, the Audit and Control Committee issues an annual assessment of the quality and independence of the auditor, coordinated by the Director of Accounting, Management Oversight and Capital, with regard to the external audit process. This assessment covers: (i) compliance with requisites in terms of independence, objectivity, professional capacity and quality; and (ii) the suitability of audit fees for the assignment. On this basis, the Committee proposed to the Board the re-election of PwC Auditores, S.L. as the financial auditor of the Company and its consolidated Group for 2022, and the Board, in turn, put this recommendation to the AGM.

The auditor's report on the financial statements for the preceding year does not contain a qualified opinion or any reservation. (C.1.33)

c) Monitoring related-party transactions (D.1)

Unless by law it falls under the purview of the General Shareholders' Meeting, the Board is empowered to approve, subject to a report from the Audit and Control Committee, all transactions that the Company, or companies in its Group, undertake with:(i) directors; (ii) shareholders who own 10% or more of the voting rights, or represented on the Board; or (iii) with any other person who must be regarded as a related party under International Accounting Standards, adopted in accordance with Regulation (EC) 1606/2002.

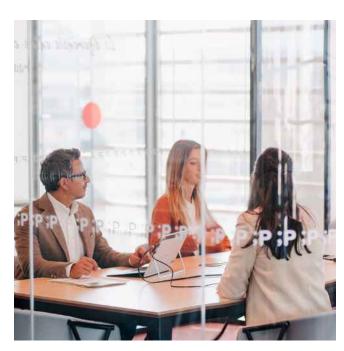
For these purposes, those transactions not classified as such in accordance with the law shall not be regarded as related-party transactions, and in particular: (i) transactions carried out between the Company and its directly or indirectly wholly owned subsidiaries; (ii) transactions carried out between the Company and its subsidiaries or investees, provided that no other party related to the Company has a stake in these subsidiaries or investees; (iii) the signing between the Company and any executive director or senior manager of a contract that regulates the terms and conditions of the executive duties that said director/manager is to perform, including the determination of the specific amounts or remuneration to be paid pursuant to said contract, which must be approved in accordance with the provisions herein; (iv) operations carried out on the basis of measures designed to safeguard the stability of the Company and undertaken by the competent authority responsible for its prudential supervision.

In operations that must be approved by the Board of Directors, the Board Members of the Company affected by the Related-Party Transaction, or who represent or are related to the shareholders affected by the Related-Party Transaction, must abstain from participating in the deliberation and voting on the agreement in question, under the terms provided by law.

The Board of Directors may delegate the approval of the following Related-Party Transactions:

a. Transactions between companies that are part of the Group that are carried out over the course of normal operations and on an arm's-length basis;

b. Transactions concluded pursuant to contracts whose standar-dised conditions are applied en masse to a large number of customers, are carried out at general prices or rates established by the person acting as the supplier of the good or service in question, the amount of which does not exceed 0.5% of the net amount of the Company's turnover.







A report from the Audit and Control Committee will not be required to approve these transactions, although the Board of Directors shall establish an internal procedure for regular reporting and control, with the involvement of the Audit and Control Committee.

The granting by the Company of lines of credit, loans and other means of financing and guarantees to Directors, or to persons associated with them, shall comply with the regulations of the Board of Directors and with the regulations governing the organisation and discipline of credit institutions and the with supervisory body's guidelines in this matter.

The Company shall publicly announce, no later than the day of their execution, the Related-Party Transactions that the Company or the companies of its Group enter into and whose amount reaches or exceeds 5% of the total asset items, or 2.5% of the annual turnover, under the terms established by law. It shall also report the Related-Party Transactions in the half-yearly financial report, the annual corporate governance report and the consolidated annual accounts in the cases and within the scope provided for by law.

The Company is not aware of any relationship, whether of a commercial, contractual or family nature, among significant shareholders. Potential relations of a commercial or contractual nature with CaixaBank notwithstanding, within the ordinary course of business and on an arm's-length basis. With the aim of regulating the relationship between the "la Caixa" Banking Foundation and CaixaBank and their respective groups and thus avoiding conflicts of interests, the Internal Relations Protocol (amended in October 2021) was signed. The main purpose of this protocol is: (i) to manage related-party transactions; (ii) to establish mechanisms to avoid the emergence of conflicts of interest; (iii) to govern the pre-emptive right over Monte de Piedad; (iv) to govern collaboration on CSR matters; and (v) to regulate the flow of information for compliance with the periodic reporting obligations. This Protocol is available on the corporate website and its compliance is monitored on an annual basis by the Committee.

Notwithstanding the above, the Internal Relations Protocol also sets out the general rules for performing transactions or providing services at arm's length, and identifies the services that companies in the FBLC Group provide or may provide to companies in CaixaBank Group and, likewise, those that companies in CaixaBank Group provide or may provide to companies in the FBLC Group. The Protocol establishes the circumstances and terms for approving transactions. In general the Board of Directors is the competent body for approving these transactions. In certain cases stipulated in Clause 3.4 of the Protocol, certain transactions will be subject to approval from the CaixaBank Board of Directors, which must have a report issued in advance by the Auditing Committee, whereby the same applies for all other signatories of the Protocol. (A.5 + D.6)

Except as expressed in Note 41 of the consolidated financial statements, there were no individually significant transactions involving significant shareholders in the Company. (D.2)







Articles 29 and 30 of the Regulations of the Board regulate the non-compete obligation of Board members and applicable conflicts of interest, respectively: (D.6)

- Directors will only be exempt from the non-compete obligation if it does not entail non-recoverable damage to the Company. Any director who has been granted such a non-compete waiver must abide by the terms contained in the waiver resolution and must invariably abstain from taking part in discussions and votes in which they have a conflict of interest.
- Directors (directly or indirectly) have the general obligation to avoid situations that could involve a conflict of interest for the Group and, where there is a conflict, they have the duty to report the matter to the Board for disclosure in the financial statements.

Furthermore, key personnel are subject to certain obligations with regard to direct or indirect conflicts of interest under the Internal Code of Conduct in Securities Markets, including the obligation to act with freedom of judgement and loyalty to CaixaBank, its shareholders and its customers, to abstain from intervening in or influencing decisions that may affect people or companies with which there are conflicts of interest, and to inform Regulatory Compliance of such incidents.

Except as expressed in Note 41 of the consolidated financial statements, there are no known material transactions carried out between the Group and key personnel (related parties) of the Company other than those performed in the ordinary course of business and at arm's length. (D.3, D.5)

Senior Management

The CEO, the Management Committee and the main committees of the Company are responsible for the daily management, implementation and development of the decisions made by the Governing Bodies.



Management Committee (C.1.14)





2 15.38% OF TOTAL

>> PRESENCE OF WOMEN IN SENIOR MANAGEMENT AS AT 31.12.21(FORMER CEO)



>> SENIOR MANAGEMENT SHARE IN EQUITY INTEREST OF THE COMPANY AS AT 31.12.21 (FORMER CEO)



0.16%

>> IN 2021, THE TOTAL AMOUNT OF SHARES GENERATED BY INCENTIVE PLANS THAT ARE PENDING DELIVERY ACCOUNT FOR 0.16% OF THE TOTAL SHARE CAPITAL





JUAN ANTONIO ALCARAZ

Chief Business Officer



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, all areas related to Customer Experience and Specialised Consumer Segments.

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, Chairman of Imagin 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.

XAVIER COLL

Chief Human Resources Officer



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" Fulbright scholarship.



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

JORDI MONDÉJAR

Chief Risks Officer



He holds a degree in Economics and Business Science 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.

>> ag Other positions currently held

Member of the Board of Directors of Sareb Non-Executive Chairman of Building Center.

IÑAKI BADIOLA

Head of CIB and International Banking



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



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.







LUIS JAVIER BLAS

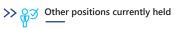
Chief Operating Officer



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 programmes by IESE and INSEAD.



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.



Currently, he is a Director of Caixabank Tech, S.L.U.

MATTHIAS BULACH

Head of Accounting, Control and Capital



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

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 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 and Audit Committee at Erste Group Bank AG; Director of CaixaBank Payments & Consumer and Buildingcenter S.A.*

ÓSCAR CALDERÓN

General Secretary and Secretary to the Board of Directors



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



He has served as State Lawyer in Catalonia (1999-2003). Lawyer to the General Secretary's Office of "la Caixa" Caja de Ahorros y Pensiones de Barcelona (2004) and Deputy Secretary to the Board of Directors of Inmobiliaria Colonial, S.A. (2005-2006), in addition to Secretary of the Board of Banco de Valencia (from March to July 2013) and Deputy Secretary of the Board of Directors of "la Caixa" Caja de Ahorros y Pensiones de Barcelona 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 October 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 the Fundación de Economía Aplicada (FEDEA).

MANUEL GALARZA

Head of Compliance and Control



He holds a degree in Economics and Business Science from the University of Valencia. Extraordinary award for the bachelor's degree. Senior Executive Programme from ESADE. He is a qualified chartered accountant (Registro Oficial de Auditores de Cuentas).



He began his career at Arthur Andersen in 1995, until he joined the Bankia Group in 2008. He held various positions of responsibility at this Group: Director of Industrial Investees, Director of Wholesale Risks, Regional Director of East Madrid and Director General of Credit Risk. He joined the Management Committee of Bankia in 2019, until joining CaixaBank.

He has been a director of listed and unlisted companies, including Iberia, Realia, Metrovacesa, NH, Deoleo, Globalvia and Caser.

^{*} No longer a member of the Supervisory Board and Audit Committee of Erste Group Bank as of 1 January 2022.





MARÍA LUISA MARTÍNEZ

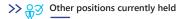
Head of Communications and Institutional Relations



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.



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 Director of Communications, Institutional Relations, Brand and CSR at CaixaBank, and since 2016 she has been the Executive Director in charge of these areas. In April 2021 she was appointed Director of Communications and Institutional Relations



Chair of Autocontrol and Dircom Cataluña. Deputy Chair of Dircom Nacional, Corporate Excellence and Fundacom.

JAVIER PANO

CFO



He holds a degree in Business Science and an MBA from ESADE Business School.



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 Deputy Chairman of Board of Directors of Cecabank.

MARISA RETAMOSA

Head of Internal Audit



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.

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.

EUGENIO SOLLA

Chief Sustainability Officer



Graduate in Business Administration and Management from the University College of Financial Studies (CUNEF), master's degree in Credit Institution management at UNED and Executive MBA at IESE.

In 2004 he joined Caja de Ahorros de Ávila until 2009, when he became Integration Coordinator at Bankia. In 2011, he joined Bankia's Chairman's Office as Director of Strategic Coordination and Market Analysis, and a year later became Director of the Office. Between 2013 and 2015, he was appointed Corporate Director of marketing of the company and, in July 2015, Corporate Director of the Madrid North Territorial Unit.

He was a member of the Management Committee of Bankia from January 2019 until joining CaixaBank.

>> Other positions currently held

Director of CaixaBank Asset Management and Deputy Chairman of Caixa-Bank Dualiza

JAVIER VALLE

Head of Insurance



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



In recent 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.

>> Of 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 ICEA.





Other Committees

The following is a description of the main committees:

ALCO COMMITTEE (ASSETS AND LIABILITIES)

This 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 responsible for optimising the financial structure of CaixaBank Group's balance sheet and making it more profitable, including the net interest income and the windfall profits in the Profit from Financing Operations; determining

>> 5 Frequency

>> <u>@</u>

Reports to
Management
Committee

Reports to Global Risk Committee

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, under the policies of the risk appetite framework and the risk limits approved by the Board.



Risks Managed

Business returns

Liquidity and financing

Market Structure of interest rates

REGULATION COMMITTEE

This committee is the decision-making body for all aspects related to financial regulation. Its functions include spear-heading the activity to represent the Bank's interests, as well

>> Frequency
Min. Bimonthly



as the systematisation of regulatory activities, periodically assessing the initiatives carried out in this field.



Risks managed
Legal and Regulatory and
Conduct

INFORMATION GOVERNANCE 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.







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.



>> Reports to Risk Committee

This Committee is responsible for adapting the risk strategy to the Risk Appetite Framework (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 informed.



CORPORATE CRIMINAL MANAGEMENT COMMITTEE

Manage any observations or reports made through any channel regarding the prevention of and response to crimi-

>> Frequency Monthly



nal conduct. The main functions are: Prevention, Detection, Response, Report and Monitoring of the Model.



PERMANENT LENDING COMMITTEE

It is responsible for officially approving loan, credit and guarantee operations, as well as investment operations in general that are specific to the Bank's corporate objecti-



>> Reports to Board of Directors

ve, and its approval level is defined in the Bank's internal regulations.







TRANSPARENCY COMMITTEE

Its function is to ensure that all aspects that have or may have an impact on the marketing of products and services are covered in order to ensure the appropriate protection of customers, through transparency and the understan-

ding thereof by the customers, especially retailers and consumers, and the suitability to their needs.







Risks managed Legal and regulatory Conduct Reputational

DIVERSITY COMMITTEE

Its mission is the creation, promotion, monitoring and presentation of actions to the corresponding bodies to increase diversity with a focus on the representation of women in management positions and to avoid the loss of talent,

as well as in the other areas of diversity that are a priority for the Bank such as functional, generational and cultural







Risks managed Legal and Regulatory Reputational

RECOVERY AND RESOLUTION PLAN COMMITTEE

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





Reports to Management Committee



Risks managed Business return Own funds: Solvency Liquidity and Financing Legal and Regulatory Reputational

PRIVACY COMMITTEE

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







EFFICIENCY COMMITTEE

The mission of this committee is to improve the organisation's efficiency, and it is responsible for proposing and agreeing with the Divisions and Subsidiaries the proposed



>> Reports to

Management Committee

annual cost and investment budgets to be presented to the Management Committee for approval.



SUSTAINABILITY COMMITTEE

It is responsible for approving CaixaBank's strategy and practices and overseeing them, as well as propose and presenting (for their approval by the corresponding Governing Bodies) general policies for managing corporate responsibility and reputation.





Reports to Management Committee

Its mission is to help CaixaBank to be recognised for its excellent sustainability management, strengthening the Bank's position through its socially responsible banking model.



REPUTATIONAL RISK COMMITTEE

It 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.

> Frequency Monthly



Its mission is to contribute to making CaixaBank the best bank in terms of quality and reputation, strengthening its reputation as a responsible and socially-committed bank.



INFORMATION SECURITY COMMITTEE

It is the highest executive and decision-making body for all aspects related to Information Security at a corporate level.

Its purpose is to ensure the security of information in

CaixaBank Group by applying the Corporate Information Security Policy and the mitigation of any identified risks or weaknesses











INTERNAL CODE OF CONDUCT REGULATIONS COMMITTEE

employees and representative to the standards of conduct Market and its implementing regulations that, in their activities related to the Securities Markets, they

Adapt the actions of CaixaBank, its boards of directors, must respect and are contained in the Law on Securities

>> (5) Frequency Quarterly





GLOBAL RECOVERY AND DEFAULT COMMITTEE

It sets the goals for each of the parties involved in the recovery process, the monitoring of the level of fulfilment of these goals and the actions undertaken by each of them to carry them out.







CREDIT RISK POLICY COMMITTEE

Its approves, or where applicable, take note of, and monitor the policies and criteria related to the granting and management of credit risk.







OPERATIONAL RISK COMMITTEE

It analyses and monitors CaixaBank Group's operational risk profile, and proposes the corresponding management measures.



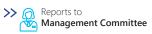


Risks managed Conduct and compliance Legal and Regulatory Reliability of information Model risk Other operational Risks

OPERATIONAL RESILIENCE COMMITTEE

It is the body responsible for managing the Group's Operational Continuity function, as well as for designing, implementing and monitoring the Operational Continuity Management System.





Risks managed Technological









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 analysed periodically with wage surveys and specific studies conducted as and when needed by top tier companies, based on a comparable sample of peer financial institutions operating in the markets in which CaixaBank is present and a sample of comparable IBEX 35 companies. External experts are also consulted on certain issues.

The remuneration policy for directors, which was submitted by the Board to the General Shareholders' Meeting for a binding vote on 14 May 2021, was approved with 75.76% of votes in favour. This result was conditioned by a significant shareholder with a 16.1% stake voting against amending the Policy. Similarly, the consultative vote on the Annual Remuneration Report for the previous year obtained 72.31% of votes in favour.

The nature of the remuneration received by the members of the Company's Board is described below:

>> DIRECTORS

The system provided for in the By-laws establishes that the remuneration of CaixaBank directorships should consist of a fixed annual amount to be determined by the Annual General Meeting, which remains in force until the Annual 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 perform 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

(APPLICABLE TO THE CHAIRMAN AND CEO)

In relation to members of the Board with executive duties, the By-laws 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 tied to the achievement of previously-established annual and long-term targets and prudent risk management.
- Pension scheme and other social benefits.

 $8,483 \gg \text{remuneration of the board of directors (accrued in 2021$)} \ \text{(thousands of } \epsilon)$

2,797 >> CUMULATIVE AMOUNT OF FUNDS OF CURRENT DIRECTORS IN LONG-TERM SAVINGS SCHEMES WITH VESTED ECONOMIC RIGHTS (THOUSANDS OF €)

2,690 >> CUMULATIVE AMOUNT OF FUNDS OF CURRENT DIRECTORS IN LONG-TERM SAVINGS SCHEMES WITH NON-VESTED ECONOMIC RIGHTS

(THOUSANDS OF €)

>> CUMULATIVE AMOUNT OF FUNDS OF FORMER DIRECTORS IN LONG-TERM SAVINGS SCHEMES (THOUSANDS OF €)

No information is provided on consolidated pension rights for former directors, since the Company has no type of commitment (contribution or benefit) with former executive directors under the pensions system. (C.1.13).

¹ The remuneration of Directors in 2021 as reported in this section takes the following changes in the composition of the Board and its Committees during the year:

Following the registration of the takeover merger of Bankia by CaixaBank in the Trade Registry on 26 March 2021, the resignations of Jordi Gual, the CajaCanarias Foundation, represented by Natalia Aznárez, Alejandro García-Bragado and Ignacio Garralda from their positions as members of the Board and the Committees were made effective, and the following are now members of the Board: José Ignacio Goirigolzarri, Joaquín Ayuso, Francisco Javier Campo, Eva Castillo, Fernando María Ilírich and Teresa Santero

On 30 March 2021, José Ignacio Goirigolzarri was appointed Executive Chairman, and the following changes in the Board committees have been agreed with the following appointments: Eva Castillo, as a member of the Executive Committee; and, in accordance with the Regulations of the Board of Directors, the incorporation of José Ignacio Goirigolzarri as a member and Chairman of this Committee, Francisco Javier Campo and Fernando María Ulrich, as members of the Appointments Committee; Francisco Javier Campo and Teresa Santero, as members of the Audit and Control Committee; Joaquin Ayuso and José Serna, as members of the Remuneration Committee; Joaquin Ayuso and Fernando Maria Ulrich, as members of the Risk Committee; and Eva Castillo, as a member of the Innovation, Technology and Digital Transformation Committee.

The 2021 Ordinary General Shareholders' Meeting agreed to reappoint José Serna and Koro Usarraga as members of the Board.

At the end of 2021, the Board of Directors comprises 15 members, and the Chairman and CEO are the only board members with executive functions.

Nor does it include remuneration for seats held on other boards on the Company's behalf outside the consolidated group (81 thousand euros)





The nature of the components accrued in 2021 by the Executive Directors is described below: >> SHORT-TERM VARIABLE COMPONENT

Fixed component

Fixed remuneration for Executive Directors is largely based on the level of responsibility and the professional career of each Director, combined with a market approach taking account of salary surveys and specific ad hoc studies. The salary surveys and specific ad hoc studies used by CaixaBank are performed by top-tier companies, based on comparable samples of the financial sector in the market where CaixaBank operates and that of comparable IBEX companies.

Variable Component

The following table shows the variable components of remuneration for Executive Directors.

Short-term variable component

The Executive Directors are entitled for 2021 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% according to corporate targets with a degree of fulfilment [80% 120%] and which is determined based on the following concepts in line with the strategic targets:
- 50% according to individual targets, with a degree of fulfilment [60% 120%], distributed globally between targets linked to strategy. 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%.



In line with our responsible management model, of the concepts described above, 18% of the total, annual and long-term variable remuneration of the Chairman and the CEO are linked to ESG factors, such as quality, the conduct and compliance challenges and the GRI.

Target Item	Weighting	Strategic Line
ROTE (Return on Tangible Equity)	10%	Generating an attractive return for shareholders while remaining financially sound
CIR (Cost 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%	Offer the best customer experience
Conduct and Compliance	5%	Setting the benchmark for responsible management and social commitment

Long-term variable component

The 2019 General Shareholders' Meeting approved a Conditional Annual Incentives Plan linked to the 2019-2021 Strategic Plan. In spite of 90 recipients being the maximum number thereof in a group, the General Shareholders' Meeting held on 14 May 2021 approved an increase to 130 recipients for a group, including the CEO, members of Senior Management and other key executives of the Group. This increase is due to the Merger.

>> LONG-TERM VARIABLE COMPONENT

Target Item	Strategic Line
CIR (Cost 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
CEI (Customer Experience Index)	Offer 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, the Chairman and CEO have agreed in their contracts to make pre-fixed contributions to pension and savings schemes.

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 following the same principles as for variable remuneration in the form of a bonus (based solely on individual assessment parameters) and is contributed to a discretionary pension benefit scheme.



14,097

TOTAL REMUNERATION OF SENIOR MANAGEMENT

This amount does not include the remuneration received for representing the Company on the boards of listed and other companies, both within and outside the consolidated group (1,191 thousand euros).

With regard to any agreements made between the company and its directors, executives or employees on severance or golden parachute clauses, see Conciliation Table (C.1.39)



¹This amount includes the fixed remuneration, remuneration in kind, social security insurance premiums and discretionary pension benefits, along with other long-term benefits assigned to members of the Senior Management.





Systems for Risk Management and Internal Control

over related to financial reporting (ICFR)

Contents

Environment for internal control over financial reporting (F.1)

- Governance and responsible bodies
- Organisational structure and Functions
- Code of Ethics and Principles of Action and Other Internal Policies
- Query and Whistleblowing Channel
- Training

Risk assessment in financial reporting (F.2)

Procedures and activities for control over financial reporting (F.3)

- Procedures for reviewing and authorising financial reporting
- Procedures for IT systems
- Procedures for overseeing outsourced activities and independent experts

Reporting and communication (F.4)

- Accounting policies
- Mechanisms for financial reporting

Oversight of the operation of the system for Internal Control over Financial Reporting (F.5)

External auditor's report

Environment for internal control over financial reporting (F.1)

Governance and responsible bodies

>> GOVERNING BODIES

Board of Directors

Senior body responsible for the existence of adequate and effective ICFR.

Risk Committee

Advises the Board on the current and future overall risk appetite and its strategy, reporting on the risk appetite framework, assisting in the surveillance of the implementation of this strategy within this scope, ensuring that the Group's actions are consistent with the risk tolerance level set and monitoring the suitability of the risks with regard to the established risk profile.

Audit and Control Committee

It is entrusted with overseeing and assessing the process of preparing and submitting the regulated financial information and the effectiveness of the internal financial information control system, concluding on its level of trust and reliability.

>> COMMITTEES

Management Committee

Acts as the communications channel between the Board of Directors and Senior Management. It is responsible for drafting the consolidated Strategic Plan and Budget, which are approved by the Board of Directors.

In CaixaBank's own sphere of action, the Management Committee adopts resolutions affecting the Company's organisational activity. It also approves structural changes, appointments and expense lines.

Global Risk Committee

Responsible for the overall management, control and monitoring of risks that may affect CaixaBank Group, together with assessing their implications for liquidity and solvency management, and regulatory and economic capital. The Committee therefore will analyse the Group's global risk position and establish policies to optimise the management, monitoring and control of the risks within the framework of its strategic objectives.

>> FUNCTIONAL AREAS

Financial Reporting Areas

The Executive Directorate of Financial Accounting, Control and Capital is the body that provides most financial reporting and requests the necessary collaboration from the other functional areas of the Company and its Group in order to obtain the level of detail deemed suitable for this information. However, other Directorates are also involved, both in the coordination and the creation of financial reporting.

Reliability of the information

Information Reliability Management, who report to the Internal Control and Validation Management, are responsible for identifying, measuring, monitoring and reporting on the reliability of financial information, establishing management policies and oversight procedures. They are also responsible for reviewing the implementation of these policies by the financial reporting areas.





CaixaBank has **two policies** in place that establish the governance framework, management and review of the reliability risk of financial information:

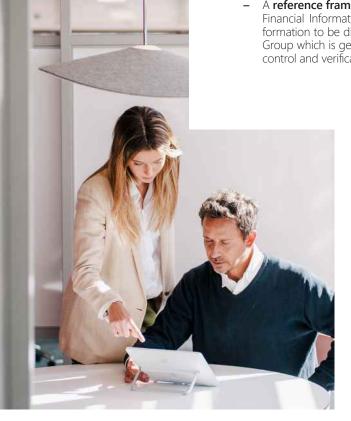
- 1. Information Governance and Data Quality Policy.
- 2. Corporate Policy on the management of the Financial Information Reliability Risk, which brings together the necessary content for the management and control of the Financial Information Reliability Risk as a whole. The objective of this Policy is to establish and define:
 - A reference framework that enables the management of Financial Information Reliability risk in relation to the information to be disclosed regarding the Company and its Group which is generated at CaixaBank, standardising the control and verification criteria;

- The **scope** of the Financial information to be disclosed;
- The governance framework to be followed for both information to be disclosed and for the verification of this documentation and;
- The criteria related to the control and verification of the information to be disclosed in order to guarantee the existence, design, implementation and correct operation of ICFR, making it possible to mitigate the Financial Information Reliability risk.

Three specific standards derive from this policy, which further describe the activities undertaken:

i) ICFR standard, ii) Pillar III disclosure regulation and iii) Disclosure regulation for financial statements, explanatory notes and the management report.

The purpose of the **ICFR standard** is to develop the provisions on ICFR in the "Corporate Policy on the management of the Financial Information Reliability Risk", with the following objectives:



01

>> DEVELOP THE
METHODOLOGY APPLIED
FOR THE MANAGEMENT OF
ICFR AS A WHOLE

ງ2

>> ESTABLISH THE
COORDINATION
PROCESS WITH THE
GROUP COMPANIES

03

>> ESTABLISH THE
ACTIVITIES OF THE
INFORMATION RELIABILITY
FUNCTION

04

>> SPECIFY THE MORE FUNCTIONAL ASPECTS OF ICFR





Organisational structure and Functions

The review and approval of the organisational structure and the lines of responsibility and authority is carried out by the CaixaBank Board of Directors, through the Management Committee and the Appointments and Sustainability Committee.

The **Organisation** department designs the organisational structure of CaixaBank, and proposes the necessary organisational changes to the Company's bodies. Subsequently, the Human Resources **Division** proposes the people to be appointed to carry out the duties defined.

The **lines of authority** and responsibility are defined in the preparation of the financial information, as set out in the 3 lines of defence (LoD) corporate internal control model explained in Note 3.2.4 of the accompanying consolidated financial statements. It also has a comprehensive plan which includes, among other issues, the allocation of tasks, key dates and the various revisions to be carried out by each of the hierarchical levels. Both the lines of authority and responsibility and the above-mentioned planning are documented and have been distributed among all people involved in the financial reporting process.

Code of Ethics and Principles of Action and other internal policies

CaixaBank has established a series of values, principles and standards inspired by the highest standards of responsibility detailed below:

The CaixaBank Code of Ethics and Principles of Action (hereinafter, the "Code of Ethics") is the basis for guiding the actions of the people comprising the company, that is, the employees, directors and members of the Governing Bodies, and it affects all levels: in their internal professional relationships with the Company and in their external relationships with customers, suppliers and wider society. By means of the Code of Ethics, CaixaBank aligns itself with the highest national and international standards and takes an active stance against any type of unethical practices and any practices that are contrary to the general principles of action set out in its text

The Code of Ethics is a **company-wide** document that serves as a reference for all companies in the Group. These companies' Governing and Management Bodies are tasked with making the necessary decisions to integrate its provisions, by either approving their own Code or adhering to CaixaBank's Code.

CaixaBank's Board of Directors, as the body responsible for establishing the Company's general policies and strategies, is responsible for approving the Code of Ethics, which was last reviewed on March 2021.

CaixaBank bases its corporate and social actions on the Code of Furthermore, its **principles of action**, developed from the cor-Ethic's following corporate values:

- Quality: understood as its will to serve customers, providing them with excellent service and offering them the products and services that most suit their needs.
- **Trust:** understood as the combination of integrity and professionalism, which is nurtured with empathy, communication, a close relationship and being accessible.
- **Social engagement:** understood as the commitment to not only adding value for customers, shareholders and employees, but also contributing to developing a fairer society with greater equal opportunities. It is CaixaBank's heritage, its founding essence, that which distinguishes it and makes - Social responsibility. it unique.

porate values, are as follows:

- Compliance with current laws and standards.
- Respect.
- Integrity.
- Transparency.
- Excellence and Professionalism
- Confidentiality.







The values and principles of the Code of Ethics are passed on to >> POLICIES AND CODE OF CONDUCT¹ CaixaBank Group's suppliers through the Code of Conduct for **Suppliers**, a mandatory standard that aims to disseminate and promote the values and principles in the suppliers' activities. This is a vital aspect in achieving the services' targets for growth and quality, and its alignment with CaixaBank's position and vocation is essential

The following content set out in the principles is worth highlighting:

- CaixaBank's mission is to fully meet the financial needs of the largest number of customers through an appropriate and comprehensive product and service offering and excellent service quality, while committing to adding value for customers, shareholders, employees and society as a whole.
- CaixaBank undertakes to provide its customers with accurate, truthful and understandable information on its operations, the terms and conditions of products and services, fees and procedures for filing claims and resolving incidents. Integrity and transparency in the marketing of products and the provision of services is a key aspect for CaixaBank to ensure that they are tailored to the customers' needs. With the aim of customers better understanding the characteristics of the marketed products and services, CaixaBank will employ a clear, simple and understandable language when drafting contractual documentation for customers
- CaixaBank provides its shareholders and institutional investors with all relevant financial and corporate information. in accordance with current regulations and in compliance with the developing internal and external regulations.

Based on the principles and values of the Code of Ethics, Caixa-Bank has put in place a company-wide Code of Conduct, that is, it is applicable to all the companies comprising CaixaBank Group. This Code of Conduct was approved by its Governing Bodies. The following points of this Code of Conduct are particularly relevant:



CORPORATE POLICY ON CRIMINAL COMPLIANCE

This policy aims to prevent and avoid crimes within the organisation, in accordance with the provisions of the Criminal Code in relation to the criminal liability of legal persons. This Policy establishes and lays out the CaixaBank Group Crime Prevention Model.



CORPORATE POLICY AGAINST CORRUPTION

Its purpose is 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.



GENERAL CORPORATE POLICY

It provides a global and harmonised framework of general principles and procedures of action to be taken to manage any real or potential conflicts of interest arising in the course of their respective activities and services.



INTERNAL CODE OF CONDUCT IN SECURITIES MARKETS (ICC)

It fosters transparency in markets and uphold the interests of investors in accordance with the investor protection and securities market regulations.



CODE OF CONDUCT REGARDING DATA COMMUNICATION

It guarantees the proper use of the resources provided by CaixaBank and raises awareness of the importance of information security among employees. The scope of application extends to all employees and partners with access to the CaixaBank Group IT systems.



CODE OF CONDUCT FOR SUPPLIERS

It establishes the values and ethical principles that will govern the activity of CaixaBank's suppliers of goods and services, subcontractors and third-party collaborators. The Code is applicable to the suppliers of CaixaBank and Group companies with which it shares a procurement management model.



CORPORATE POLICY OF REGULATORY COMPLIANCE

It establishes and develops the nature of the Regulatory Compliance Function as the component responsible for promoting the ethical business principles, reaffirming a corporate culture of respect for the law and regularly verifying and assessing the effectiveness of controls related to the risk of non-compliance with the obligations contained therein.

Finally, and in relation to certain specific areas, there is a range of internal standards and procedures in place that develop the control environment for the main risks of the taxonomy of the Regulatory Compliance Function:

- Customer Protection
- Markets and integrity
- Tax Compliance

- Data Protection, Privacy and Regulatory Compliance Reporting
- Internal Governance
- Prevention of Money Laundering and Sanctions

Except for the Code of Conduct regarding Data Communication, all the aforementioned standards of conduct are available on the corporate website in its public version ("http://www.caixabank.com"); and internally, they are all accessible via the corporate intranet





With regard to **spreading/providing training on** this regulation, the following milestones are worth noting:

- Annual regulatory training courses, mandatory for all employees. This training is linked to the receipt of variable remuneration. It is carried out through CaixaBank's own e-learning platform, which includes a final test. This guarantees CaixaBank's continual monitoring of the completion of the courses by employees, as well as their results. The regulatory courses for 2021 were related to Crime Risk Prevention, Transparency in the marketing of social welfare products and insurance, Anti-Money Laundering and Terrorist Funding (with a special focus on Admission and Analysis) and ESG (environmental, social and governance factors).
- Microtraining aimed at a specific audience or at the entire workforce. These courses are designed as training pills with specific content that are launched when the need to focus on a specific aspect has been detected. In 2021 the New Knowledge and Experience Test and Conflicts of Interest in the Securities Market courses were delivered.
- Training for new employees, who upon joining the company take a package of compulsory courses that include those on the main standards of conduct.
- Training for new Business Area Directors (BADs) and other groups (Private Banking Centres, Business Centres, Business Control and Corporate Investment Banking -CIB-) on an annual basis. Training sessions are held on Compliance, bringing together the main aspects of the risks overseen by Compliance: Integrity, Conduct/Markets, Prevention of Money Laundering/Sanctions. 47 meetings were held during 2021.
- In addition to the above and framed within the context of the takeover merger of Bankia by CaixaBank, a training package was exceptionally provided to **employees from Bankia** aimed at their adaptation to CaixaBank's regulatory environment.

- Notices and briefing notes are sent out to disseminate CaixaBank's values and principles.
- Employees working in the Compliance area complete a Postgraduate in CaixaBank Compliance UPF, the objective of which is to continue with their professional development, which is continuously developing and adaptating to the environment. In 2021, the second and third sessions were launched.

The degree of implementation of the Code of Ethics and Code of Conduct is universal within CaixaBank, and it includes the members of the Governing and Management Bodies. In addition, all new employees are provided the following:

- an explanatory document of the aforementioned regulations in which they state that they have read, understood and accepted it in all its terms, and
- a survey on the compliance of the high ethical standards in hiring employees, where aspects relating to potential breaches of similar regulations are contrasted.

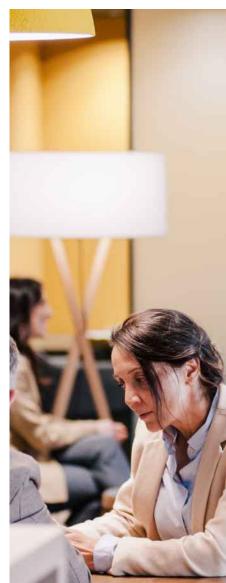
Among the main **bodies responsible for monitoring compliance with the regulations,** the following stand out:

Corporate Criminal Management Committee, responsible for overseeing the performance
of and compliance with the Criminal Prevention Model. It is a Committee with autonomous
powers of initiative and control, with the capacity to raise consultations, request information,
propose measures, begin investigations or carry out any process required in relation to crime
prevention and managing the Crime Prevention Model.

It is a multidisciplinary committee that reports to the CaixaBank Global Risk Committee, to which it provides reports at least every six months and, in any event, whenever the Corporate Criminal Management Committee deems it appropriate. It also informs the Management Committee and Governing Bodies through the Board's Risk Committee (notwithstanding the functions of the Audit and Control Committee in overseeing the internal control system and CaixaBank Group's Query and Whistleblowing Channel) when the Corporate Criminal Management Committee submits matters to the Board of Directors.

 ICC Committee, a collegiate body responsible for overseeing potential breaches of the Internal Code of Conduct.

All potential incidents detected will be reported to the internal committee responsible for applying, where applicable, the disciplinary authority following the opening, analysis, debate and resolution of the cases raised.







Query and Whistleblowing Channel

CaixaBank Group has made the **Query and Whistleblowing Channel** available to the users defined in CaixaBank and the Group companies. For CaixaBank, the users are the following: Directors, employees, temporary staff, agents and suppliers.

Through this channel, it is possible to send reports on acts or behaviour, past or present, related to the scope of the Code of Ethics, the Corporate Anti-Corruption Policy, the Corporate Policy on Criminal Compliance, the CaixaBank Group Corporate Conflict of Interest Policy, the Internal Code of Conduct in Securities Markets, the Code of Conduct for Suppliers, the Code of Conduct regarding Data Communication or any other policy or internal standards in CaixaBank. If complaints are put forward by customers, they will be submitted to the customer service channels established by CaixaBank for this purpose. The same is applied to harassment situations, given the importance that CaixaBank Group attaches to handling it, for which there is a specific channel managed by a team of specialised managers.

The Query and Whistleblowing Channel, constituted in the Code of Ethics, is based around an internal standard and an operating protocol.

There are two types of reports:

- Queries, understood as requests for clarification of specific questions, as a result of the application or interpretation of the texts mentioned above.
- Complaints, understood as reports of possible irregularities that may involve offences.

Among the categories/ types provided for in the Query and Whistleblowing Channel, there is a category for reporting possible **financial and accounting irregularities** in transactions or financial reporting. This is understood to be financial information that does not reflect the rights and obligations through the corresponding assets and liabilities in accordance with applicable regulations, as well as transactions, occurrences or events that:

- Are included in the financial information but which do not exist or which have not been documented at the corresponding time.
- Have not been fully included in the financial information and in which the Company is the party concerned.

- Are not recorded or evaluated in accordance with applicable regulations.
- Are not classified, presented or disclosed in the financial information in accordance with regulations.

The Query and Whistleblowing Channel was implemented in the Group's most relevant subsidiaries throughout 2020 and 2021, where the complaints are managed on a corporate basis by CaixaBank Regulatory Compliance. The following Group companies have access to the corporate channel:

01. VIDACAIXA S.A.U. DE SEGUROS Y REASEGUROS	07. WIVAI SELECTPLACE, S.A.	13. NUEVO MICRO BANK, S.A.U.
02. CAIXABANK ASSET MANAGEMENT S.G.I.I.C. S.A.	08. BANCO PORTUGUÉS DE INVESTIMENTO ("BPI").	14. CAIXABANK TITULIZACION S.G.F.T., S.A.
03. BUILDINGCENTER S.A.	09. CAIXABANK WEALTH MANA- GEMENT LUXEMBOURG, S.A.	15. IMAGINERSGEN, S.A.
04. CAIXABANK PAYMENTS & CONSUMER, E.F.C., E.P., S.A.	10. CAIXABANK OPERATIONAL SERVICES, S.A.	16. CAIXABANK TECH, S.L.U.
05. TELEFÓNICA CONSUMER FINANCE, E.F.C., S.A.	11. CAIXABANK BUSINESS INTELLIGENCE, S.A.U.	17. CREDIFIMO E.F.C. SAU
06. CAIXABANK EQUIPMENT FINANCE, S.A.	12. CAIXABANK FACILITIES MANAGEMENT, S.A.	





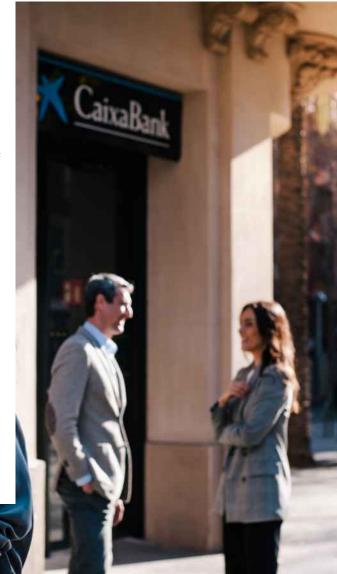
The **main characteristics** of the Channel are as follows:

- Accessibility 24 hours a day, 365 days a year, via the internet, intranet, Financial Terminal and Corporate Purchasing tool, and corporate or personal devices. Considering CaixaBank Group's international presence, the Channel's platform allows submitting queries and complaints in Spanish, Catalan, English and Portuguese.
- Possible anonymity in complaints, which can be made anonymously or otherwise.
- Partial outsourcing of the complaint handling process. Part
 of the handling process -the reception and pre-admission- is
 carried out by external experts in order to bolster the independence, objectivity and respect for the guarantees offered
 by the Channel.

Confidentiality (prohibition of disclosing to third parties any kind of information concerning the content of complaints or queries, which is known only by the strictly necessary people), the protection of the reporting party's identity and the prohibition on reprisals are among the main guarantees provided by the Query and Whistleblowing Channel.

Finally, in terms of Governance:

- The CaixaBank Group Query and Whistleblowing Channel is managed by the Regulatory Compliance function (Group and Regulatory Risk Management).
- The Regulatory Compliance's functions include raising queries, requesting information, requiring investigations and any other measure or procedure for the proper management of the complaints process. It also resolves complaints, estimating and documenting compliance/non-compliance with regulations on the basis of the events/conducts subject of the complaint. If non-compliance is observed, it submits the relevant information to the bodies responsible for taking the appropriate measures.
- For any complaints in which, according to Regulatory Compliance, there are indications of criminal offences, Regulatory Compliance will inform the Corporate Criminal Management Committee of the reported offence and keep this Committee informed of the procedural milestones and the internal strategy to follow in relation to the investigation. The Corporate Criminal Management Committee may propose such aspects as it deems appropriate.
- CaixaBank's Regulatory Compliance provides Group subsidiaries with a general advisory and management service that covers aspects such as implementation, training, support and handling of complaints.
- Regulatory Compliance continuously oversees the Channel and, at least every six months, reports to the Management and Governance Bodies on the main traffic indicators and volumes, observing strict confidentiality regarding the content and, where required, the reporting party's identity.







Training

CaixaBank Group ensures the provision of **ongoing training plans** adapted to the different positions and responsibilities of the staff involved in preparing and reviewing financial reporting, with a focus on accounting, audits, internal control (including ICFR), risk management, regulatory compliance and remaining up to date on legal/ tax matters.

These training programmes are used by members of the Directorate of Financial Accounting, Control and Capital, the Internal Audit, Compliance and Control Division, the Non-performing Loans, Recoveries and Assets Division, as well as the members of the Company's Senior Management. It is estimated that more than **45,000 hours** of training in this area have been provided to **1,178 Group employees**.

In particular, in terms of ICFR, an **online course** is launched each year with the following objectives: promote an **internal control culture** in the organisation, based on the principles and best practices recommended by the CNMV; inform about the ICFR implemented in the Company; and promote the establishment of mechanisms that contribute to guaranteeing the reliability of the financial information, as well as the duty to ensure compliance with the applicable regulations. In 2021, **154** CaixaBank **employees** that directly or indirectly intervene in the process of preparing the financial information (Financial Accounting, Control and Capital, Internal Control and Validation, Internal Audit, among other groups) took the course; 341 employees were certified in 2020.

Furthermore, the Directorate of Financial Accounting, Control and Capital is also active, alongside other areas of the Group, in sector-specific working groups on both the national and international levels. These groups address topics relating to accounting standards and financial matters.

In terms of **training carried out for Company Directors**, in 2021, a training plan was designed with 8 sessions that analysed different subjects, such as the various businesses, sustainability and cybersecurity. An off-site work session devoted to analysing the variety of strategic areas for the Company was held. In addition, members of the Board of Directors receive up-to-date information on economic and financial developments on a recurring basis.

Furthermore, the **Risk Committee** included **11 single-topic presentations** into the agenda at its ordinary meetings. These presentations looked in detail at relevant risks, such as reputational risk, environmental risk, business return risk, market risk, legal and regulatory risk, structural interest rate risk, risk management in outsourcing and cybersecurity, among others.

The **Audit and Control Committee** also included a total of 4 single-topic presentations in the agenda of its meetings, covering matters relating to audit, supervision and control of integration and cybersecurity. Moreover, members of the Audit and Control Committee received 6 training sessions on different topics, such as the actions related to COVID carried out by internal audit, the role of the internal audit in cybersecurity risks, IFRS17 and DTAs, among others.







Risk assessment in financial reporting (F.2)

The Group's Internal Control of Financial Reporting function adheres to the international standards established by the *Committee of Sponsoring Organizations of the Treadway Commission* (COSO) in its COSO II Model published in 2013, which covers the control objectives regarding: the effectiveness and efficiency of operations, the reliability of financial reporting, compliance with applicable laws and the safekeeping of assets.

The Group has its own methodology for **identifying the risks**, which is implemented in the Group's main subsidiaries in a homogeneous manner, with regard to (i) the responsibility and implementation and updating; (ii) criteria to be followed and information sources to be used; and (iii) criteria to identify the significant components with regard to ICFR, as reflected in the following process:

- Determining the scope, including a selection of the financial information, relevant headings and entities of the Group generating it, on the basis of quantitative and qualitative criteria.
- Identifying the key Group entities and classifying them to determine the required standard of control for each one.
- Identification of the Group's material processes which are involved, either directly or indirectly, in preparing financial information.
- Identification of the risks associated with each process.
- Documentation of **existing controls** to mitigate the identified risks.
- Continuous assessment of the effectiveness of Internal Control over Financial Reporting.
- Reporting to Governing Bodies.

Risks are those that when they materialise cause possible errors with a potential material impact, including error and fraud, on the achievement of the following objectives:

- Transactions and events included in the financial information genuinely exist, and were documented at the right time (existence and occurrence).
- The information includes all transactions and events in which the Company is the party concerned (completeness).
- Transactions and events are recorded and assessed in accordance with regulations in force (valuation).
- The transactions and events are classified, presented and disclosed in the financial information in accordance with applicable regulations (presentation, disclosure and comparability).
- On the corresponding date, the financial information reflects rights and obligations through the corresponding assets and liabilities, in accordance with applicable regulations (rights and obligations).

The risk identification process takes into account both routine transactions and less frequent transactions which are potentially more complex, as well as the effects of other types of risks (operational, technological, financial, legal, reputational, environmental, etc.). The entity also has an analysis procedure in place implemented by the various business areas involved in corporate transactions and non-recurring or special transactions, with all accounting and financial impacts being studied and duly reported.

At least once a year, Information Reliability Management reviews the risks within its scope and the oversight activities designed to mitigate these. If, during the course of the year, circumstances arise that could affect the preparation of financial information, the Management must evaluate the need of incorporating new risks to those already identified.

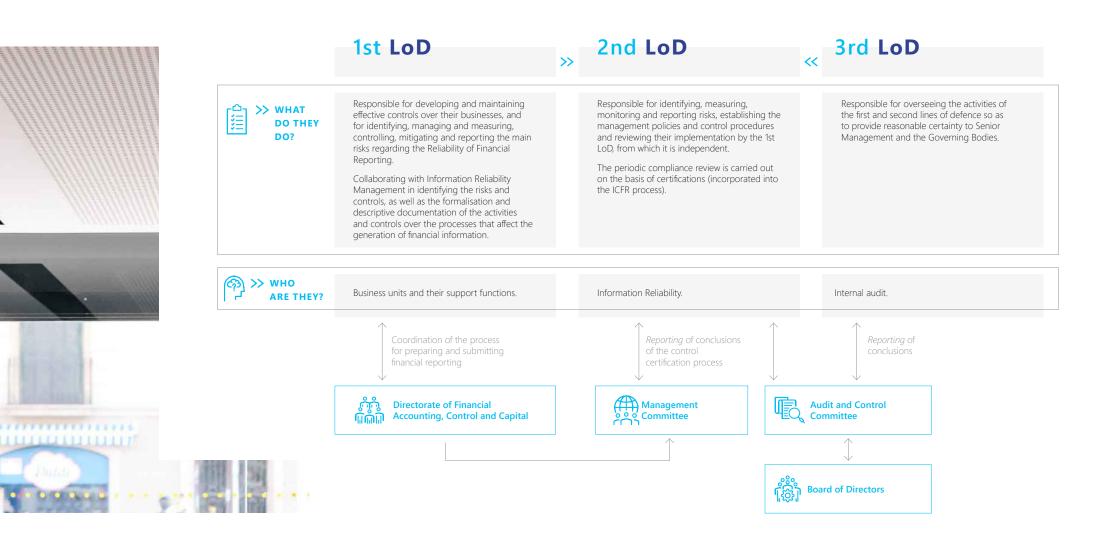
Finally, the Audit and Control Committee is tasked with overseeing the process for preparing the regulated financial reporting process of the Group and ICFR, supported by the work of the Internal Audit function and the conclusions of the external auditor.





Procedures and activities for control over financial reporting (F.3)

In line with regulatory guidelines and best practices in the industry, the **Internal Control Framework** applicable to CaixaBank Group's ICFR is structured around the three **Lines of Defence model.**







Review and authorisation procedures for financial reporting

The professional profile of the personnel involved in reviewing and authorising the financial information is of a suitable standard, with knowledge and experience in accounting, audit and/or risk management.

The preparation and review of financial information is carried out by the various areas of the Directorate of Financial Accounting, Control and Capital, which requests collaboration from the business units and support functions, as well as companies within the Group, in order to obtain the level of detail it deems necessary for this information. Financial reporting is monitored by the various hierarchical levels within this Directorate and other areas within the Company. Finally, the relevant financial information to be disclosed to the market is presented by the Directorate to the responsible Governing Bodies and to the Management Committee, where the information is examined and, if appropriate, approved. The Internal Control and Validation Management presents the conclusions of the ICFR certification to the same responsible Governing Bodies and to the Management Committee for examination and approval.

CaixaBank has in place a **process whereby it constantly revises** all documentation concerning the activities carried out, any risks inherent in reporting the financial information and the controls needed to mitigate critical risks:

>> DOCUMENTATION WORKFLOW

>> PROCESSES/ SUB-**PROCESSES**

02. >> RISKS / ASSERTIONS **ASSOCIATED** FINANCIAL

03. >> CONTROL ACTIVITIES

- Existence and Occurrence
- Completeness
- Valuation
- Rights and Obligations
- Presentation, Disclosure and Comparability
- Importance (key/standard)
- Automation
- Evidence
- System (linked computer applications)
- Purpose (preventive, detective, corrective)
- Frequency
- Certification
- COSO Component
- Executor
- Validator

Certification

of effectiveness

>>

04.

>> REPORTING **TO SENIOR MANAGEMENT** AND **GOVERNING BODIES**

Revision prior to the design and implementation of controls

Overseeing activities of 1LoD and 2LoD so as to provide reasonable certainty to Senior Management and the Governing Bodies

Information Reliability

Internal Audit function









With respect to the systems used for **ICFR management**, the Company has the **SAP Fiori** tool (GRC tool) in place. This allows for a comprehensive management of the risks and process controls related to the preparation of financial information and relevant documentation and evidence. The tool can be accessed by employees with different levels of responsibility in the assessment and certification process for the Group's internal financial information control system.

In 2021, the certification process was carried out on a quarterly basis, as well as other specific certification processes at different intervals, and no material weaknesses were detected in the certifications conducted. In addition, for certain financial information to be disclosed to the markets, further certifications were carried out beyond those conducted at the end of the quarter as standard. In this case, no material weaknesses were detected in any of the certifications conducted.

The preparation of the financial statements requires senior executives to make certain **judgments**, **estimates and assumptions** in order to quantify assets, liabilities, income, expenses and obligations. These estimates are based on the best information available at the date the financial statements are prepared, using generally-accepted methods and techniques and observable and tested data and assumptions. In accordance with the provisions of internal regulations, the Board and the Management Committee are responsible for approving these judgments and estimates, described in Note 1.3 to the Consolidated Financial Statements, mainly in relation to:

- The measurement of goodwill and intangible assets.
- The term of the lease agreements used in the assessment of the lease liabilities.
- The fair value of assets, liabilities and contingent liabilities in the context of the purchase price allocation in business combinations.
- Impairment losses on financial assets, and of the fair value of guarantees associated thereto, according to their classification in accounts, which entail the need to make judgements regarding: i) the consideration of 'a significant increase in credit risk' (SICR), ii) the definition of default; and iii) the incorporation of forward-looking information.
- The measurement of stakes in joint ventures and associates.
- Determination of share of profit (loss) in associates.
- Actuarial assumptions used to measure liabilities arising under insurance contracts.

- The classification, useful life and impairment losses on tangible and intangible assets.
- Impairment losses on non-current assets and disposal groups classified as held for sale.
- Actuarial assumptions used to measure post-employment liabilities and commitments.
- The measurement of the provisions required to cover labour, legal and tax contingencies.
- The income tax expense based on the income tax rate expected for the full year and the capitalisation and recoverability of tax assets.
- The fair value of certain financial assets and liabilities.









Procedures for IT systems

The **IT systems** which give support to processes regarding the preparation of financial information are subject to internal control **policies and procedures** which guarantee completeness when preparing and publishing financial information.

Specifically, CaixaBank's IT systems guarantee security by adhering to the requirements defined in **international best practices** for information security, such as the ISO/IEC 27000 standards, NIST, CSA, etc. These standards, alongside the obligations established in various laws and regulations and the requirements of local and sector-specific supervisory bodies, form part of the CaixaBank Group Regulations on Information Security. Compliance with these Regulations is monitored at all times and reports are shared with key players both within and outside the organisation.

The main activities are certified, of which the following stand out:

- CaixaBank Group's corporate cybersecurity activities, carried out at headquarters in Barcelona, Madrid and Porto are certified by ISO 27001:2013 (BSI).
- The official CERT accreditation (Computer Emergency Response Team) recognises the Company's ability to manage information security.

In addition, with regard to operational and business continuity, the Company has in place an **IT Contingency Plan** to deal with serious situations to guarantee its IT services are not interrupted. It also has strategies in place to enable it to recover information in the shortest time possible. This IT Contingency Plan has been designed and operates according to **ISO 27031:2011**. Ernst&Young has certified that the CaixaBank's Technological Contingency governance regulations have been designed, developed and are operating in accordance with this Standard.

Furthermore, the BSI has certified the CaixaBank's Business Continuity Management Plan is compliant with **ISO 22301:2012**, which certifies:

- The commitment of CaixaBank's senior management with respect to Business Continuity and Technological Contingency.
- The implementation of Business Continuity and Technological Contingency management best practices.
- A cyclical process based on continuous improvement.
- That CaixaBank has deployed and operates Business Continuity and Technological Contingency Management Systems which are compliant with international standards.

Which offer:

- Assurance to our customers, investors, employees and society in general that the Company is able to respond to serious events that may affect business operations.
- Compliance with the recommendations of regulators, the Bank of Spain, MiFID and Basel III.
- Advantages in terms of the Company's image and reputation.
- Annual audits, both internal and external, which ensure we keep our management systems up to date.

In terms of **IT Governance**, CaixaBank's information and technology (IT) governance model ensures that its IT services are aligned with the Organisation's business strategy and comply with all regulatory, operational and business requirements. IT governance is an essential part of overall governance and encompasses organisational structures and guidelines to ensure that the IT services support and facilitate the fulfilment of strategic objectives.

CaixaBank's IT Governance Regulations are developed on the basis of requirements specified in the standard ISO 38500:2008.

CaixaBank's IT services have been designed to meet the business' needs, guaranteeing the following:

- Segregation of duties.
- Change management.
- Incident management.
- IT Quality Management.
- Risk management: operational, reliability of financial reporting, etc.
- Identification, definition and monitoring of indicators (scorecard).
- Existence of governance, management and monitoring committees.
- Periodic reporting to management.
- Rigorous internal controls which include annual internal and external audits in addition to a comprehensive Technological Risk control framework.





Procedures for managing outsourced activities and independent experts

CaixaBank Group has a **Cost, Budget Management and Purchasing Policy**, approved by the Management Committee on 18 June 2018, which defines the global reference framework for the companies of the Group, and details the general principles and procedures regarding the definition, management, execution and control of the budget for CaixaBank's operational and investment costs.

This policy is detailed in the **internal regulations of the Group** which mainly regulate processes regarding:

- Budget drafting and approval.
- Budget execution and demand management.
- Purchases and contracting services.
- Payment of invoices to suppliers.

Most of the processes carried out between Group entities and suppliers are managed and recorded by programs which include all activities. The Efficiency Committee is responsible for ensuring that the budget is applied in accordance with internal regulations.

To ensure correct management of costs and engagement of suppliers, the CaixaBank Efficiency Committee has delegated duties to two committees:

- Expenses and Investments Committee (EIC): reviews and ratifies all expenses and investment proposed by the various areas and subsidiaries in projects. It queries the need and reasonableness for expenditure by means of a profitability and/ or efficiency analysis from the standpoint of the Company.
- Purchasing Panel: ensures the proper implementation of the purchasing/engagement policies and procedures defined in the regulations, encouraging equal opportunities among suppliers. The Company's Code of Business Conduct and Ethics stipulates that goods must be purchased and services engaged objectively and transparently, avoiding situations that could affect the objectiveness of the people involved. Therefore, all

purchases must have minimum of 3 competing bids submitted by different suppliers. Purchases above a certain threshold must be managed by the specialised team of buyers for the given purchase category: IT, Professional Services, Marketing, Facilities and Building Works.

CaixaBank manages purchases under the following Procurement Principles: Efficiency, Sustainability, Integrity and Transparency, Compliance, Proximity and Monitoring.

The procurement model includes the registration and approval of suppliers, bidding, awarding, communication of the resolution of the Procurement process to the participating suppliers, signing of the contract with the awarded supplier, provision of the service, and monitoring.

Purchases above a certain threshold are managed centrally through the Procurement Department, which has a professional team of buyers specialised by purchase category or nature: IT, Professional Services, Marketing-Communication, Facilities and Building Works. Purchases are managed through a corporate electronic bidding tool in which a minimum of three (3) bids from different suppliers must be submitted. When selecting suppliers, criteria of participation, objectivity, professionalism, transparency and equal opportunities are applied.

CaixaBank Group has a **Corporate Purchasing tool** called SAP Ariba offering a quick and easy communication channel that provides access to the comprehensive purchasing management tool, including the approval of suppliers. Through this channel, suppliers register accepting the Procurement Principles and the Code of Conduct for Suppliers and submit all the necessary documentation and certifications when bidding for contracts and processing their standard-approval for eligibility.

CaixaBank has an **Outsourcing Policy** approved by the Board of Directors in September 2021. It is primarily based on the European Banking Authority Guidelines on Outsourcing Arrangements EBA/GL/2019/02. The Outsourcing Policy establishes the corporate principles and premises that regulate the outsourcing process from start to finish. In addition, the Policy establishes the

scope, governance, management framework and risk control framework of CaixaBank Group, on which the actions to be carried out in the full life cycle of outsourcing must be based.

The Corporate Outsourcing Risk Management Policy, updated in 2021 and prepared by the Directorate of Non-Financial Risk Control in collaboration with Outsourcing Governance, ensures:

- CaixaBank Senior Management's commitment to outsourcing governance.
- The existence of outsourcing management initiative best practices.
- A cyclical process based on continuous improvement. to ensure that it is in line with the relevant standards and best practices of the national and international banking sector.

Formalisation of this Policy means:

- Our customers, investors, employees and other stakeholders trust in the decision-making and control process for outsourcing initiatives.
- Compliance with the recommendations of regulators, such as the Bank of Spain, ABE, MiFID and Basel III.
- **Advantages** in terms of the Company's image and reputation.

CaixaBank continues to increase its control efforts, ensuring that future outsourcing does not represent a loss of supervision, analysis and enforcement capacities of the service or activity in question.





The following procedure is followed when there is a new outsourcing initiative:

- Analysis of the applicability of the outsourcing model to the service to be outsourced.
- Assessment of the outsourcing decision by measuring criticality, risks and the associated outsourcing model.
- Approval of the risk inherent in the initiative by a collegial internal body.
- **Engagement** of the supplier
- Transfer of the service to the external supplier.
- Oversight and monitoring of the activity or service rendered.

All outsourced activities are subject to controls, largely based on service **performance indicators and mitigation measures** included in the contract. These help mitigate the risks detected in the outsourcing decision assessment. Each person in charge of an outsourced activity shall request that the supplier report all indicators and keep these up-to-date. These are then reviewed internally on a periodical basis.

In **2021**, the **activities** outsourced to third parties in relation to valuations and calculations of independent experts mainly concerned the following:

- Certain internal audit and technology services.
- Certain financial consultancy and business intelligence services.
- Certain marketing and various procurement services.
- Certain IT and technology services.
- Certain financial services.
- Certain financial, fiscal and legal advisory services.
- Certain processes related to Human Resources and various procurement services.
- Certain processes related to Information Systems.









Reporting and communication (F.4)

Accounting policies

Sole responsibility for specifying and communicating the Group's accounting criteria falls to the Accounting Control and Information Management Division, specifically the Accounting Policies and Regulation Department, which is integrated into the Directorate of Financial Accounting, Control and Capital.

Its responsibilities include monitoring and analysing regulations relating to financial reporting applicable to the Group, for their interpretation and subsequent application in financial reporting, uniformly across all companies that comprise the Group; it also **continually updates** accounting criteria applied for any new kind of contract or operation, or any regulatory change.

The monitoring of new regulations in relation to **non-financial reporting** is also included among the duties of the Accounting Policies and Regulation Department. In particular, it carries out a continuous analysis of the new information requirements and the trends in national, European and international regulations in terms of sustainability and non-financial reporting. Alongside the other relevant areas in CaixaBank Group, it analyses the resulting implications and works to ensure that these implications are managed and incorporated into the Group's working practices.

Furthermore, this Department analyses and studies the accounting implications of individual transactions, to anticipate impacts and ensure the correct accounting process is applied in the consolidated financial statements, and resolves any questions or conflicts surroundings accounting matters that are not included in a cost sheet, or where there are any doubts regarding their interpretation. Accounting queries that have been concluded by the Department are shared with the rest of the Accounting Control and Information Management Division at least once per month, with an explanation of the technical arguments that support them or the interpretations made, as well as issues currently being analysed.

In the process of **creating new products**, through their participation in the Group's Product Committee, they analyse the accounting implications of the products on the basis of their characteristics, whereby this analysis leads to the creation or update of a cost sheet, detailing all the potential events that a contract or transaction may involve. In addition, the main characteristics of the administrative operation, tax regulations, accounting criteria and applicable standards are described. Additions and amendments to the accounting circuits are notified immediately to the Organisation and most can be consulted on the Company's intranet.

This department also participates in and supports the **Regula**tion Committee of CaixaBank Group in terms of regulations on financial and non-financial reporting. In the event of any applicable regulatory change that must be implemented in the Group, the Department communicates this to the Departments or Group subsidiaries affected, and participates or leads the implementation projects for such changes where relevant. With regard to the Audit and Control Committee, it coordinates and prepares all the documentation relating to the Directorate of Financial Accounting, Control and Capital, and it is responsible for reporting on a quarterly basis the judgments and estimates made during the period that have impacted the consolidated financial statements.

The Accounting Policies and Regulation Department is also involved in individual projects related to sustainability and non-fi**nancial reporting**, be it in transversal Group projects, internal and external training courses, or through its participation in working groups with peers and external stakeholders.

The previous activities in relation to financial reporting are materialised in the existence and maintenance of a Manual on ac**counting policies**, which establishes the standards, principles and accounting criteria adopted by the Group. This manual guarantees the comparability and quality of the financial information of all companies of the Group, and is complemented by the queries received by the Department. Communication with operation managers is permanent and fluid.

Additionally, the Policies and Regulation Department is responsible for developing training activities on accounting developments and amendments in the organisation's relevant business departments.





Mechanisms for financial reporting

CaixaBank has internal IT tools that ensure the completeness and homogeneity in the preparation processes for financial information. All the applications have IT contingency mechanisms, to ensure the conservation and accessibility of information under any circumstances.

The Company is currently undergoing a project to improve the architecture of accounting information, with a view to increase quality, completeness, immediacy and access to data provided by business applications. The various IT applications are gradually being included in the scope of the project, which currently includes a very significant materiality of balances.

For the purposes of elaborating consolidated information, both CaixaBank and the companies that comprise the Group use specialised tools to employ information capturing, analysis and preparation mechanisms with homogeneous formats. The accounts plan, which is incorporated in the consolidation application, has been defined to comply with requirements of the various regulators.

With respect to the Systems used for ICFR management, as previously mentioned, the Company has the SAP Fiori tool in place, in order to guarantee its completeness, reflecting the existing risks and controls. The tool also supports the Corporate Risks Catalogue and the Key Risk Indicators (KRIs).



Oversight of the operation of the system for Internal Control over Financial Reporting (F.5)

The Audit and Control Committee is entrusted with overseeing the preparation and submission process for regulated financial information and the effectiveness of the internal control and risk management systems in place at the Company. These duties are explained in detail in the section "The Administration –The Board Committees – Audit and Control Committee". In addition, the Audit and Control Committee also oversees the ICFR through the statements signed by its managers and the bottom-up certification carried out by Information Reliability Management.

The **Internal Audit** function, represented in the Management Committee, is governed by the principles contained in the Caixa-Bank Group Internal Audit Regulations, approved by the Caixa-Bank Board of Directors. It is an **independent and objective function** that offers a systematic approach to the assessment

te governance. Its purpose is to support the Audit and Control Committee in its supervisory role. In order to establish and ensure this independence. Internal Audit reports to the Chair of the Audit and Control Committee, without prejudice to obligation to report to the Chair of the Board of Directors for the proper performance of its duties.

Internal Audit has 237 auditors working in various teams spe**cialising in certain fields**. These include a group tasked with coordinating the oversight of processes relating to CaixaBank Group's financial reporting, which is attached to the Directorate of Accounting, Solvency and Human Resources Auditing.

The activities of the internal audit function are periodically reported to the Audit and Control Committee, which, in turn, reviews

lity risk: (i) internal audit planning and the adequacy of its scope; (ii) the conclusions of the audits carried out and the impact on financial reporting; and (iii) monitoring corrective action.

Internal Auditing develops a specific work programme to review ICFR, which is focused on the relevant processes (transversal and business-based) defined by Information Reliability Management, along with the review of existing controls in the audits of other processes.







Currently, this work programme is completed by **reviewing the proper certification and evidence of effective execution** of a sample of controls, selected according to continual auditing indicators. Based on this, the Internal Audit function publishes an annual global report which includes an assessment of the performance of ICFR during the year. The 2021 assessment focused on:

- Review of the application of the reference framework defined in the document "Internal Control over Financial Reporting in Listed Companies" published by the CNMV.
- Verification of application of the Corporate Policy on the Financial Information Reliability Risk and the ICFR Standard to ensure that ICFR across the group is adequate.
- Assessment of the internal bottom-up certification of key controls, especially focusing on the controls executed prior to Bankia's technological integration.
- Evaluation of the specifications of the relevant processes, risks and controls in financial reporting.

Furthermore, in 2021, Internal Audit carried out a range of reviews of processes that affect the generation, preparation and presentation of financial information, focused on financial and accounting areas, corporate risk management, financial instruments, information systems and the insurance business, among other matters.

The Company also has **procedures for regular discussions** with its external auditor, which assists the Audit and Control Committee and reports on its audit planning and the conclusions reached before publishing the results, as well as any weaknesses found in the internal control system.

External auditor's report

In accordance with the recommendation concerning the Auditor's Report included in the guidelines on the information relating to Internal Control over Financial Reporting in Listed Companies published by the National Securities Market Commission on its website, the **auditor of the financial statements of CaixaBank** has reviewed the information on Internal Control over Financial Reporting System. The final report concludes that, as a result of the procedures applied regarding information on ICFR, there are no relevant inconsistencies or incidents.

This report is attached as an Appendix to the Annual Corporate Governance Report.







Degree of compliance with Corporate Governance recommendations (G)

Cross-reference table for compliance or explanation of Corporate Governance recommendations

	RECOMMENDATION 1	RECOMMENDATION 2	RECOMMENDATION 3	RECOMMENDATION 4
COMPLIANT II DESCRIPTION	The By-laws of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of share purchases on the market.	 When a dominant and a subsidiary company are both listed, they should provide detailed disclosure on: a. The activity they engage in, and any business dealings between them, as well as between the subsidiary and other group companies. b. The mechanisms in place to resolve possible conflicts of interest. 	During the annual general meeting the chairman of the board should verbally inform shareholders in sufficient detail of the most relevant aspects of the company's Corporate Governance, supplementing the written information circulated in the Annual Corporate Governance Report. In particular: a. Changes taking place since the previous annual general meeting. b. The specific reasons for the company not following a given Good Governance Code recommendation, and any alternative procedures followed in its stead.	The company should draw up and implement a policy of communication and contacts with shareholders and institutional investors, in the context of their involvement in the company, as well as proxy advisors, which complies in full with market abuse regulations and accords equitable treatment to shareholders in the same position. This policy should be disclosed on the company's website, complete with details of how it has been put into practice and the identities of the relevant interlocutors or those charged with its implementation. Further, without prejudice to the legal obligations of disclosure of inside information and other regulated information, the company should also have a general policy for the communication of economic-financial, non-financial and corporate information through the channels it considers appropriate (media, social media or other channels) that helps maximise the dissemination and quality of the information available to the market, investors and other stakeholders.
COM	Yes	Not applicable	Yes	Yes
COMMENTS		This Recommendation is not deemed to be applicable as CaixaBank is not a company controlled by another entity, listed or otherwise, in the sense of Article 42 of the Commercial Code.		



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 a Board 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.



Partial compliance

As of 3 May 2021, the Law includes as a general obligation the 20% limitation for the exclusion of pre-emptive subscription rights in capital increases, as well as in the case of credit institutions the possibility of not applying this 20% limit to convertible bond issues made by credit institutions, provided that such issues comply with the requirements under Regulation (EU) 575/2013.

Therefore, CaixaBank, by its nature as a credit institution, is expressly authorised by law to not apply the 20% limit to the convertible bond issues it carries out, provided that these issues comply with the requirements set out in Regulation (EU) 575/2013.

In this regard and in line with what is currently set out in the regulations, already in 2020, the General Meeting of Shareholders of the Company on 22 May 2020 approved the authorisation of the Board of Directors to increase the share capital on one or more occasions and at any time, within a period of five years from that date, by the maximum nominal amount of 2,990,719,015 euros (equivalent to 50% of the share capital at the time of the authorisation), by issuing new shares -with or without premium and with our without voting rights-, the consideration for the new shares to be issued consisting of cash contributions, with the power to set the terms and conditions of the capital increase. This authorisation replaced and rendered ineffective, for the unused part, the previous delegation approved at the General Meeting of 23 April 2015.

The authorisation of the General Meeting of Shareholders of 22 May 2020, currently in force, provides for the delegation to the Board of the power to exclude, in whole or in part, pre-emptive subscription rights, although in this case, the amount of the capital increases will be limited, in general terms, to a maximum of 1,196,287,606 euros (equivalent to 20% of the share capital at the time of the authorisation). As an exception, the resolution of 22 May 2020 provides that this limit shall not apply to the increases in share capital that the Board may approve, with suppression of pre-emptive subscription rights, to cover the conversion of convertible securities that the Board of Directors resolves to issue pursuant to the authorisation of the General Meeting of Shareholders, with the general limit of 2,990,719,015 euros applying to such capital increases.

In this regard, the General Meeting of Shareholders held on 14 May 2021 approved the authorisation of the Board of Directors to issue convertible securities that allow or are intended to meet regulatory requirements for eligibility as additional Tier 1 regulatory capital instruments up to a maximum aggregate amount of EUR 3,500,000,000 for a period of three years, with the power to exclude pre-emptive subscription rights if the corporate interest so justifies. Details of the instruments issued under this agreement are presented in Note 22.3 to the Annual Financial Statements. In accordance with the foregoing, the capital increases agreed by the Board of Directors to cover the conversion of these securities shall not be subject to the limit of 1,196,287,606 euros (equivalent to 20% of the share capital at the time of the authorisation).

Please note that as of 3 May 2021, the Capital Companies Act expressly stipulates that the 20% limit will not apply to convertible bond issues by credit institutions, provided that these issues comply with the requirements set out in Regulation (EU) 575/2013 on prudential requirements for credit institutions and investment firms in order for the convertible bonds issued to qualify as additional Tier 1 capital instruments of the issuing credit institution, as is the case of the securities authorised for issue by the General Meeting of Shareholders of 14 May, in which case the general limit of 50% for capital increases applies.

CaixaBank



RECOMMENDATION 6	RECOMMENDATION 7	RECOMMENDATION 8	RECOMMENDATION 9
Listed companies drawing up the following reports on a voluntary or compulsory basis should publish them on their website well in advance of the annual general meeting, even if their distribution is not obligatory: a. Report on auditor independence. b. Reviews of the operation of the Audit Committee and the Appointments and Remuneration Committee. c. Audit Committee report on third-party transactions.	The company should broadcast its general meetings live on the corporate website. The company should have mechanisms that allow the delegation and exercise of votes by electronic means and even, in the case of large-cap companies and, to the extent that it is proportionate, attendance and active participation in the general shareholders' meeting.	The Audit Committee should strive to ensure that the financial statements that the Board of Directors presents to the general shareholders' meeting are drawn up in accordance to accounting legislation. And in those cases where the auditor includes any qualification in its report, the chairman of the Audit Committee should give a clear explanation at the general meeting of their opinion regarding the scope and content, making a summary of that opinion available to the shareholders at the time of the publication of the notice of the meeting, along with the rest of proposals and reports of the board.	The company should disclose its conditions and procedures for admitting share ownership, the right to attend general meetings and the exercise or delegation of voting rights, and display them permanently on its website. Such conditions and procedures should encourage shareholders to attend and exercise their rights and be applied in a non-discriminatory manner.
Yes	Yes	Yes	Yes









When an accredited shareholder exercises the right to supplement the agenda or submit new proposals prior to the general meeting, the company should. In mediately circulate the supplementary items and new proposals. Disclose the model of attendance card or proxy appointment or remote voting form duly modified so that new algorithm 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. We 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 eductions about the direction of votes. After the general meeting, disclose the breakdown of votes on such supplementary, tems or alternative proposals. After the general meeting, disclose the breakdown of votes on such supplementary tems or alternative proposals. Whin regard to section (), the Board agrees that there are different presumptions about the direction of the vote for proposals submitted by shareholders and those submitted by the Board of Directors and other stakeholders, as well as with the institution of the vote for proposals submitted by shareholders and those submitted by the Board (as established in the Regulations of the proposal submitted by shareholders and those submitted by the Board of avote information of a vote information of the vote in the same shareholder as well and the proposal	RECOMMENDATION 10	RECOMMENDATION 11	RECOMMENDATION 12
With regard to section c), the Board agrees that there are different presumptions about the direction of the vote for proposals submitted by shareholders and those submitted by the Board (as established in the Regulations of the Company's General Meeting), opting for the presumption of a vote in favour of agreements proposed by the Board of Directors (because the shareholders absent for the vote have had the opportunity to record their absence so their vote is not counted and they can also vote early in another direction through the mechanisms established for that purpose) and for the presumption of a vote against agreements proposed by shareholders (since there is a probability that the new proposals will deal with agreements that are contradictory to the proposals submitted by the Board of Directors and it is impossible to attribute opposite directions for their votes to the same shareholder. Additionally, shareholders who were absent have not had the opportunity to assess and vote early on the proposal). Although this practice does not reflect the wording of Recommendation 10, it does better achieve the final objective of Principle 7 of the Good Governance Code which makes express reference to the Corporate Governance Principles of the OECD, which outline that the procedures used in Shareholders' Meetings must ensure the transparency of the count and the adequate registration of votes, especially in situations of voting battles, new items on the agenda and alternative proposals, because it is a measure of transparency and a guarantee of consistency when exercising	 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. 	at the general meeting, it should first establish a general,	unity of purpose and independent judgement, according the same treatment to all shareholders in the same position. It should be guided at all times by the company's best interest, understood as the creation of a profitable business that promotes its sustainable success over time, while maximising its economic value. In pursuing the corporate interest, it should not only abide by laws and regulations and conduct itself according to principles of good faith, ethics and respect for commonly accepted customs and good practices, but also strive to reconcile its own interests with the legitimate interests of its employees, suppliers, clients and other stakeholders, as well as with the impact of its activities on the broader community and the
proposals submitted by shareholders and those submitted by the Board (as established in the Regulations of the Company's General Meeting), opting for the presumption of a vote in favour of agreements proposed by the Board of Directors (because the shareholders absent for the vote have had the opportunity to record their absence so their vote is not counted and they can also vote early in another direction through the mechanisms established for that purpose) and for the presumption of a vote against agreements proposed by shareholders (since there is a probability that the new proposals will deal with agreements that are contradictory to the proposals submitted by the Board of Directors and it is impossible to attribute opposite directions for their votes to the same shareholder. Additionally, shareholders who were absent have not had the opportunity to assess and vote early on the proposal). Although this practice does not reflect the wording of Recommendation 10, it does better achieve the final objective of Principle 7 of the Good Governance Code which makes express reference to the Corporate Governance Principles of the OECD, which outline that the procedures used in Shareholders' Meetings must ensure the transparency of the count and the adequate registration of votes, especially in situations of voting battles, new items on the agenda and alternative proposals, because it is a measure of transparency and a guarantee of consistency when exercising	Partial compliance	Yes	Yes
	proposals submitted by shareholders and those submitted by the Board (as established in the Regulations of the Company's General Meeting), opting for the presumption of a vote in favour of agreements proposed by the Board of Directors (because the shareholders absent for the vote have had the opportunity to record their absence so their vote is not counted and they can also vote early in another direction through the mechanisms established for that purpose) and for the presumption of a vote against agreements proposed by shareholders (since there is a probability that the new proposals will deal with agreements that are contradictory to the proposals submitted by the Board of Directors and it is impossible to attribute opposite directions for their votes to the same shareholder. Additionally, shareholders who were absent have not had the opportunity to assess and vote early on the proposal). Although this practice does not reflect the wording of Recommendation 10, it does better achieve the final objective of Principle 7 of the Good Governance Code which makes express reference to the Corporate Governance Principles of the OECD, which outline that the procedures used in Shareholders' Meetings must ensure the transparency of the count and the adequate registration of votes, especially in situations of voting battles, new items on the agenda and alternative proposals, because it is a measure of transparency and a guarantee of consistency when exercising		







RECOMMENDATION 13	RECOMMENDATION 14	RECOMMENDATION 15	RECOMMENDATION 16	RECOMMENDATION 17
The Board of Directors should have an optimal size to promote its efficient functioning and maximise participation. The recommended range is accordingly between five and fifteen members.	 The Board of Directors should approve a policy aimed at promoting an appropriate composition of the board that: a. Is concrete and verifiable. b. Ensures that appointment or re-election proposals are based on a prior analysis of the competences required by the board. c. Favours a diversity of knowledge, experience, age and gender. Therefore, measures that encourage the company to have a significant number of female senior managers are considered to favour gender diversity. The results of the prior analysis of competences required by the board should be written up in the Appointments Committee's explanatory report, to be published when the general shareholders' meeting is convened that will ratify the appointment and re-election of each director. The Appointments Committee should run an annual check on compliance with this policy and set out its findings in the Annual Corporate Governance Report. 	Proprietary and independent Directors should constitute an ample majority on the Board of Directors, while the number of executive Directors should be the minimum practical bearing in mind the complexity of the corporate group and the ownership interests they control. The number of female directors should represent at least 40% of the total number of members of the board of directors before the end of 2022 and not being below 30% before that time.	The percentage of proprietary Directors out of all non-executive Directors should be no greater than the proportion between the ownership stake of the shareholders they represent and the remainder of the company's capital. This criterion can be relaxed: a. In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings. b. In companies with a plurality of shareholders represented on the board but not otherwise related.	Independent Directors should be at least half of all Board members. However, when the company does not have a large market capitalisation, or when a large cap company has shareholders individually or concertedly controlling over 30 percent of capital, independent Directors should occupy, at least, a third of Board places.
Yes	Yes	Yes	Yes	Yes







RECOMMENDATION 18	RECOMMENDATION 19	RECOMMENDATION 20	RECOMMENDATION 21	RECOMMENDATION 22
 Companies should post the following Director particulars on their websites, and keep them permanently updated: a. Professional experience and background. b. Directorships held in other companies, listed or otherwise, and other paid activities they engage in, of whatever nature. c. Statement of the Director class to which they belong, in the case of proprietary Directors indicating the shareholder they represent or have links with. d. Dates of their first appointment as a board member and subsequent re-elections. e. Shares held in the company, and any options on the same. 	Following verification by the Appointments Committee, the Annual Corporate Governance Report should disclose the reasons for the appointment of proprietary directors at the urging of shareholders controlling less than 3 percent of capital; and explain any rejection of a formal request for a Board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a proprietary directorship.	Proprietary Directors should resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary Directors, the latter's number should be reduced accordingly.	The Board of Directors should not propose the removal of independent Directors before the expiry of their tenure as mandated by the By-laws, except where they find just cause, based on a proposal from the Appointments Committee. In particular, just cause will be presumed when Directors take up new posts or responsibilities that prevent them allocating sufficient time to the work of a board member, or are in breach of their fiduciary duties or come under one of the disqualifying grounds for classification as independent enumerated in the applicable legislation. The removal of independent Directors may also be proposed when a takeover bid, merger or similar corporate transaction alters the company's capital structure, provided the changes in board membership ensue from the proportionality criterion set out in Recommendation 16.	Companies should establish rules obliging directors to disclose any circumstance that might harm the organisation's name or reputation, related or not to their actions within the company, and tendering their resignation as the case may be, and, in particular, to inform the board of any criminal charges brought against them and the progress of any subsequent trial. When the board is informed or becomes aware of any of the situations mentioned in the previous paragraph, the board of directors should examine the case as soon as possible and, attending to the particular circumstances, decide, based on a report from the Appointments and Remuneration Committee, whether or not to adopt any measures such as opening of an internal investigation, calling on the director to resign or proposing his or her dismissal. The board should give a reasoned account of all such determinations in the Annual Corporate Governance Report, unless there are special circumstances that justify otherwise, which must be recorded in the minutes. This is without prejudice to the information that the company must disclose, if appropriate, at the time it adopts the corresponding measures.
Yes	Yes	Yes	Yes	Yes





RECOMMENDATION 23	RECOMMENDATION 24	RECOMMENDATION 25	RECOMMENDATION 26
Directors should express their clear opposition when they feel a proposal submitted for the board's approval might damage the corporate interest. In particular, independents and other Directors not subject to potential conflicts of interest should strenuously challenge any decision that could harm the interests of shareholders lacking board representation. When the Board makes material or reiterated decisions about which a Director has expressed serious reservations, then he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next Recommendation. The terms of this Recommendation also apply to the Secretary of the Board, even if he or she is not a Director.	Directors who give up their position before their tenure expires, through resignation or resolution of the general meeting, should state the reasons for this decision, or in the case of non-executive directors, their opinion of the reasons for the general meeting resolution, in a letter to be sent to all members of the board. This should all be reported in the Annual Corporate Governance Report, and if it is relevant for investors, the company should publish an announcement of the departure as rapidly as possible, with sufficient reference to the reasons or circumstances provided by the director.	The Appointments Committee should ensure that non-executive Directors have sufficient time available to discharge their responsibilities effectively. The Board of Directors regulations should lay down the maximum number of company boards on which Directors can serve.	The Board should meet with the necessary frequency to properly perform its functions, eight times a year at least, in accordance with a calendar and agendas set at the start of the year, to which each Director may propose the addition of initially unscheduled items.
Yes	Yes	Yes	Yes











RECOMMENDATION 27	RECOMMENDATION 28	RECOMMENDATION 29	RECOMMENDATION 30
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.	The Appointments Committee should ensure that non-executive Directors have sufficient time available to discharge their responsibilities effectively. The Board of Directors regulations should lay down the maximum number of company boards on which Directors can serve.	The company should provide suitable channels for Directors to obtain the advice they need to carry out their duties, extending if necessary to external assistance at the company's expense.	Regardless of the knowledge Directors must possess to carry out their duties, they should also be offered refresher programmes when circumstances so advise.
Partial compliance	Yes	Yes	Yes
In the event of unavoidable absences, in order to prevent de facto changes to the balance of the Board of Directors, legislation allows for delegation to another director (non-executives only to other non-executives) - this is established in Principle 14 of the Good Governance Code and also envisaged in By-laws (article 37), as well as the Board's Regulations (article 17), which determine that Directors must personally attend Board meetings. However, when they are unable to do so in person, they shall endeavour to grant their proxy in writing, on a special basis for each meeting, to another Board member, including the appropriate instructions therein. Non-executive Directors may only delegate a proxy who is another non-executive Director, while independent Directors may only delegate to another independent Director.			
It should also be noted that CaixaBank's Corporate Governance Policy states that in relation to the duty of directors to attend Board meetings, if they cannot attend in person for justified reasons, they shall endeavour to grant their proxy in writing, and separately for each meeting, to a fellow Board member. Every attempt must be made to ensure that each and every director attends at least 80% of Board meetings. As such, proxies are a comparative rarity at CaixaBank.			
The Board of Directors considers, as good corporate governance practice, that when directors are unable to attend meetings, proxies are not generally delegated with specific instructions. This does not amend, de facto, the balance of the Board given that delegations may only be made by non-executive directors to other non-executive directors, and independent directors may only delegate to other independent directors, while directors are always required to defend the company's corporate interest regardless of their director status.			
Moreover, and reflecting the freedom of each director who may also delegate with the appropriate instructions as suggested in the Board's Regulations, the decision to delegate without instructions represents each director's freedom to consider what provides most value to their proxy, and they may finally decide on the grounds that they want to give their proxy freedom to adapt to the result of the Board meeting debate. This, in addition, is in line with the law on the powers of the Chairman of Board, who is given, among others, the responsibility of encouraging a good level of debate and the active involvement of all directors, safeguarding their right to adopt any position or stance they see fit.			
Therefore, the freedom to appoint proxies with or without specific instructions, at the discretion of each director, is considered good practice and, specifically, the absence of instructions is seen as facilitating the proxy's ability to adapt to the content of the debate.			





RECOMMENDATION 31	RECOMMENDATION 32	RECOMMENDATION 33	RECOMMENDATION 34	RECOMMENDATION 35
The agendas of Board meetings should clearly indicate on which points directors must arrive at a decision, so they can study the matter beforehand or gather together the material they need. For reasons of urgency, the Chairman may wish to present decisions or resolutions for board approval that were not on the meeting agenda. In such exceptional circumstances, their inclusion will require the express prior consent, duly minuted, of the majority of directors present.	Directors should be regularly informed of movements in share ownership and of the views of major shareholders, investors and rating agencies on the company and its group.	The Chairman, as the person responsible for the efficient functioning of the Board of Directors, in addition to the functions assigned by law and the company's By-laws, should prepare and submit to the Board a schedule of meeting dates and agendas; organise and coordinate regular evaluations of the board and, where appropriate, the company's Chief Executive Officer; exercise leadership of the Board and be accountable for its proper functioning; ensure that sufficient time is given to the discussion of strategic issues, and approve and review refresher courses for each Director, when circumstances so dictate.	When a coordinating director has been appointed, the By-laws or Regulations of the Board of Directors should grant him or her the following powers over and above those conferred by law: chair the Board of Directors in the absence of the Chairman or Vice-Chairmen; give voice to the concerns of non-executive directors; maintain contact with investors and shareholders to hear their views and develop a balanced understanding of their concerns, especially those to do with the Company's corporate governance; and coordinate the Chairman's succession plan.	The Board Secretary should strive to ensure that the Board's actions and decisions are informed by the governance recommendations of the Good Governance Code of relevance to the company.
Yes	Yes	Yes	Yes	Yes





RECOMMENDATION 36	RECOMMENDATION 37	RECOMMENDATION 38	RECOMMENDATION 39	RECOMMENDATION 40
The Board in full should conduct an annual evaluation, adopting, where necessary, an action plan to correct weakness detected in:	When there is an Executive Committee, there should be at least two	The Board should be kept fully informed of the business transacted	All members of the Audit Committee, particularly its chairman,	Listed companies should have a unit in charge of the internal audit
a. The quality and efficiency of the Board's operation.	nntee, there should be at least two non-executive members, at least one of whom should be independent; and its secretary should be the secretary of the Board of Directors.	and decisions made by the Exe- cutive Committee. To this end, all	should be appointed with regard to their knowledge and experien-	function, under the supervision of the Audit Committee, to monitor
b. The performance and membership of its committees.		Board members should receive a copy of the committee's minutes.	ce in accounting, auditing and risk management matters, both finan-	the effectiveness of reporting and control systems. This unit should
c. The diversity of Board membership and competences.		copy of the committees minutes.	cial and non-financial.	report functionally to the Board's
d. The performance of the Chairman of the Board of Directors and the company's Chief Executive.				Non-Executive Chairman or the Chairman of the Audit Committee.
e. The performance and contribution of individual directors, with particular attention to the chairs of Board committees.				
The evaluation of Board committees should start from the reports they send the Board of Directors, while that of the Board itself should start from the report of the Appointments Committee.				
Every three years, the Board of Directors should engage an external facilitator to aid in the evaluation process. This facilitator's independence should be verified by the Appointments Committee.				
Any business dealings that the facilitator or members of its corporate group maintain with the company or members of its corporate group should be detailed in the Annual Corporate Governance Report.				
The process followed and areas evaluated should be detailed in the Annual Corporate Governance Report.				
Partial compliance	Yes	Yes	Yes	Yes
With respect to the 2021 financial year, the Board of Directors has carried out the self-assessment of its operation internally after ruling out the benefit of the assistance of an external advisor, as given the partial renewal process the Board will undertake once the merger of CaixaBank with Bankia takes effect, and given the short period of time the current Board had been constituted after the merger, it was more advisable and reasonable to postpone the external collaboration to the next self-assessment exercise.				
As a result, the self-assessment process was carried out along the same lines as the previous year with the assistance of the General Secretary and Secretary of the Board.				













RECOMMENDATION 41	RECOMMENDATION 42	RECOMMENDATION 43	RECOMMENDATION 44
The head of the unit handling the internal audit function should present an annual work programme to the Audit Committee, for approval by this committee or the board, inform it directly of any incidents or scope limitations arising during its implementation, the results and monitoring of its recommendations, and submit an activities report at the end of each year.	 The Audit Committee should have the following functions over and above those legally assigned: 1. With respect to internal control and reporting systems: a. Monitor and evaluate the preparation process and the integrity of the financial and non-financial information, as well as the control and management systems for financial and non-financial risks related to the company and, where appropriate, to the group – including operating, technological, legal, social, environmental, political and reputational risks or those related to corruption – reviewing compliance with regulatory requirements, the accurate demarcation of the consolidation perimeter, and the correct application of accounting principles. b. Monitor the independence of the unit handling the internal audit function; propose the selection, appointment and removal of the head of the internal audit service; propose the service's budget; approve or make a proposal for approval to the board of the priorities and annual work programme of the internal audit unit, ensuring that it focuses primarily on the main risks the company is exposed to (including reputational risk); receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports. c. Establish and supervise a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report irregularities of potential significance, including financial and accounting irregularities, or those of any other nature, related to the company, that they notice within the company or its group. This mechanism must guarantee confidentiality and enable communications to be made anonymously, respecting the rights of both the complainant and the accused party. d. In general, ensure that the internal control policies and systems established are applied effectively in practice. 2. With respect to the extern	The Audit Committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior officer.	The Audit Committee should be informed of any fundamental changes or corporate transactions the company is planning, so the committee can analyse the operation and report to the Board beforehand on its economic conditions and accounting impact and, when applicable, the exchange ratio proposed.





RECOMMENDATION 45	RECOMMENDATION 46	RECOMMENDATION 47	RECOMMENDATION 48	RECOMMENDATION 49	RECOMMENDATION 50
The risk control and management policy should identify or establish at least: a. The different types of financial and non-financial risk the company is exposed to (including operational, technological, financial, legal, social, environmental, political and reputational risks, and risks relating to corruption), with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks. b. A risk control and management model based on different levels, of which a specialised risk committee will form part when sector regulations provide or the company deems it appropriate. c. The level of risk that the company considers acceptable. d. Measures in place to mitigate the impact of risk events should they occur. e. The internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks.	Companies should establish a risk control and management function in the charge of one of the company's internal department or units and under the direct supervision of the Audit Committee or some other dedicated Board committee. This function should be expressly charged with the following responsibilities: a. Ensure that risk control and management systems are functioning correctly and, specifically, that the major risks the company is exposed to are correctly identified, managed and quantified. b. Participate actively in the preparation of risk strategies and in key decisions about their management. c. Ensure that risk control and management systems are mitigating risks effectively in the frame of the policy drawn up by the Board of Directors.	Appointees to the Appointments and Remuneration Committee - or of the Appointments Committee and Remuneration Committee, if separately constituted - should have the right balance of knowledge, skills and experience for the functions they are called on to discharge. The majority of their members should be independent Directors.	Large cap companies should operate separately constituted Appointments and Remuneration Committees.	The Appointments Committee should consult with the company's chairman and chief executive, especially on matters relating to executive directors. When there are vacancies on the Board, any Director may approach the Appointments Committee to propose candidates that it might consider suitable.	The Remuneration Committee should operate independently and have the following functions in addition to those assigned by law: a. Propose to the Board the standard conditions for senior officer contracts. b. Monitor compliance with the remuneration policy set by the company. c. Periodically review the remuneration policy for Directors and senior officers, including share-based remuneration systems and their application, and ensure that their individual compensation is proportionate to the amounts paid to other Directors and senior officers in the company. d. Ensure that conflicts of interest do not undermine the independence of any external advice the committee engages. e. Verify the information on Director and senior officers' pay contained in corporate documents, including the Annual Directors' Remuneration Statement.
Yes	Yes	Yes	Yes	Yes	Yes





RECOMMENDATION 51	RECOMMENDATION 52	RECOMMENDATION 53	RECOMMENDATION 54	RECOMMENDATION 55
The Remuneration Committee should consult with the Chairman and Chief Executive, especially on matters relating to executive Directors and senior officers.	The rules of performance and membership of supervision and control committees should be set out in the board of directors' regulations and aligned with those governing legally mandatory board committees as specified in the preceding sets of recommendations. They should include: a. Committees should be formed exclusively by non-executive Directors, with a majority of independents. b. Committees should be chaired by an independent Director. c. The board should appoint the members of such committees with regard to the knowledge, skills and experience of its directors and each committee's missions, discuss their proposal sand reports; and provide report-backs on their activities and work at the first board plenary following each committee meeting. d. They may engage external advice, when they feel it necessary for the discharge of their functions. e. Meeting proceedings should be minuted and a copy made available to all Board members.	The task of supervising compliance with the policies and rules of the company in the environmental, social and corporate governance areas, and internal rules of conduct, should be assigned to one board committee or split between several, which could be the Audit Committee, the Appointments Committee, a committee specialising in sustainability or corporate social responsibility, or a dedicated committee established by the board under its powers of self-organisation. Such a committee should be made up solely of non-executive directors, the majority being independent and specifically assigned the following minimum functions.	 The minimum functions referred to in the previous recommendation are as follows: a. Monitor compliance with the company's internal codes of conduct and corporate governance rules, and ensure that the corporate culture is aligned with its purpose and values. b. Monitor the implementation of the general policy regarding the disclosure of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, proxy advisors and other stakeholders. Similarly, the way in which the entity communicates and relates with small and medium-sized shareholders should be monitored. c. Periodically evaluate the effectiveness of the company's corporate governance system and environmental and social policy, to confirm that it is fulfilling its mission to promote the corporate interest and catering, as appropriate, to the legitimate interests of remaining stakeholders. d. Ensure the company's environmental and social practices are in accordance with the established strategy and policy. e. Monitor and evaluate the company's interaction with its stakeholder groups. 	 Environmental and social sustainability policies should identify and include at least: a. The principles, commitments, objectives and strategy regarding shareholders, employees, clients, suppliers, social welfare issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of corruption and other illegal conducts. b. The methods or systems for monitoring compliance with policies, associated risks and their management. c. The mechanisms for supervising non-financial risk, including that related to ethical aspects and business conduct. d. Channels for stakeholder communication, participation and dialogue. e. Responsible communication practices that prevent the manipulation of information and protect the company's honour and integrity.
Yes	Yes	Yes	Yes	Yes





RECOMMENDATION 56	RECOMMENDATION 57	RECOMMENDATION 58	RECOMMENDATION 59	RECOMMENDATION 60
Director remuneration should be sufficient to attract individuals with the desired profile and compensate the commitment, abilities and responsibility that the post demands, but not so high as to compromise the independent judgement of non-executive Directors.	Variable remuneration linked to the company and the Director's performance, the award of shares, options or any other right to acquire shares or to be remunerated on the basis of share price movements, and membership of long-term savings schemes such as pension plans should be confined to executive Directors. The company may consider the share-based remuneration of non-executive Directors provided they retain such shares until the end of their mandate. The above condition will not apply to any shares that the Director must dispose of to defray costs related to their acquisition.	In the case of variable awards, remuneration policies should include limits and technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector, or circumstances of that kind. In particular, variable remuneration items should meet the following conditions: a. Be subject to predetermined and measurable performance criteria that factor the risk assumed to obtain a given outcome. b. Promote the long-term sustainability of the company and include non-financial criteria that are relevant for the company's long-term value, such as compliance with its internal rules and procedures and its risk control and management policies. c. Be focused on achieving a balance between the delivery of short, medium and long-term objectives, such that performance-related pay rewards ongoing achievement, maintained over sufficient time to appreciate its contribution to long-term value creation. This will ensure that performance measurement is not based solely on one-off, occasional or extraordinary events.	The payment of the variable components of remuneration is subject to sufficient verification that previously established performance, or other, conditions have been effectively met. Entities should include in their annual directors' remuneration report the criteria relating to the time required and methods for such verification, depending on the nature and characteristics of each variable component. Additionally, entities should consider establishing a reduction clause ('malus') based on deferral for a sufficient period of the payment of part of the variable components that implies total or partial loss of this remuneration in the event that prior to the time of payment an event occurs that makes this advisable.	In the case of remuneration linked to company earnings, deductions should be computed for any qualifications stated in the external auditor's report.
Yes	Yes	Yes	Yes	Yes







CaixaBank

RECOMMENDATION 64

Termination payments should not exceed a fixed amount equivalent to two years of the Director's total annual remuneration and should not be paid until the company confirms that he or she has met the predetermined performance criteria.

For the purposes of this recommendation, payments for contractual termination include any payments whose accrual or payment obligation arises as a consequence of or on the occasion of the termination of the contractual relationship that linked the Director with the company, including previously unconsolidated amounts for long-term savings schemes and the amounts paid under post-contractual non-compete agreements.

Partial compliance

Payments for termination or expiry of the Chairman's and CEO's contracts, including severance pay in the event of termination or expiry of the relationship in certain cases and the post-contractual non-competition agreement, do not exceed the amount equivalent to two years of the total annual remuneration for each of them.

In addition, the Bank has recognised a social security supplement for the CEO to cover retirement, death and permanent total, absolute or severe disability, and for the Chairman to cover death and permanent total, absolute or severe disability.

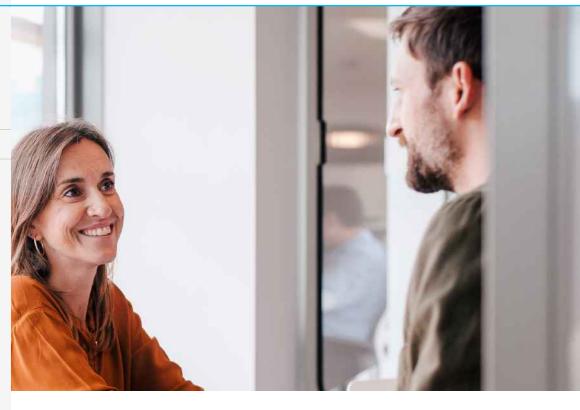
In the case of the commitment to cover the retirement contingency, this is a system established under a defined contribution plan, for which the annual contributions to be made are fixed in advance.

By virtue of this commitment, the CEO is entitled to receive a retirement benefit when he/she reaches the legally established retirement age. This benefit will be the result of the sum of the contributions made by the Bank and their corresponding returns up to that date, provided that he/she is not terminated for just cause, and without prejudice to the applicable treatment of discretionary pension benefits in accordance with the remuneration regulations applicable to credit institutions.

With the termination of the CEO's contract, the contributions would be consolidated (except in the event of termination for just cause attributable to the CEO) but in no case is there any provision for the possibility of receiving an early retirement benefit, since its accrual and payment would occur only on the occasion and at the time of retirement (or the occurrence of the other contingencies covered) and not on the occasion of the termination of the contract.

The nature of these savings systems is not to indemnify or compensate for the loss of rights to the assumption of non-competition obligations, as they are configured as a savings system that is endowed over time with periodic contributions and which form part of the fixed components of the usual remuneration package of the Executive Directors; unlike indemnities or compensations for not competing, it grows over time and is not set in absolute terms.

Therefore, the institution would only be in breach of recommendation 64 if the mere consolidation of savings scheme entitlements, without actual accrual or payment at the time of termination, were to be included in the concept of termination payments or termination of contract payments as defined therein.





This Annual Corporate Governance Report has been approved by the company's Board of Directors on 17 February 2022





>> TABLE RECONCILING THE CONTENTS WITH THE TEMPLATE OF THE CNMV ANNUAL CORPORATE GOVERNANCE REPORT

A. Ownership structure					
CNMV template section	Included in the statistical report	Comments			
A.1	Yes	CMR Section "Our Identity – Corporate Governance – Ownership – Share performance – Share Capital" Section CMR Section "Our Identity – Corporate Governance – Ownership – Share performance – Share increase authorisation"			
A.2	Yes	CMR Section "Our Identity – Corporate Governance – Ownership – Significant shareholders"			
A.3	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors"			
A.4	No	CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees – Audit and Control Committee – Activities during the year – Monitoring the related-party transactions"			
A.5	No	CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees – Audit and Control Committee – Activities during the year – Monitoring the related-party transactions"			
A.6	No	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors"			
A.7	Yes	CMR Section "Our Identity – Corporate Governance – Ownership – Significant shareholders – Shareholders' agreements"			
A.8	Yes	Not applicable			
A.9	Yes	CMR Section "Our Identity – Corporate Governance – Ownership – Treasury shares"			
A.10	No	CMR Section "Our Identity – Corporate Governance – Ownership – Treasury shares"			
A.11	Yes	CMR Section "Our Identity – Corporate Governance – Ownership – Share information – Share Capital"			
A.12	No	CMR Section "Our Identity – Corporate Governance – Ownership – Shareholder rights"			
A.13	No	CMR Section "Our Identity – Corporate Governance – Ownership – Shareholder rights"			
A.14	Yes	CMR Section "Our Identity – Corporate Governance – Ownership – Share performance – Markets"			
B. General shareholders' meeting					
CNMV template section	Included in the statistical report	Comments			
B.1	No	CMR Section "Our Identity – Corporate Governance – The Administration – The General Shareholders' Meeting"			
B.2	No	CMR Section "Our Identity – Corporate Governance – The Administration – The General Shareholders' Meeting"			
B.3	No	CMR Section "Our Identity – Corporate Governance – Ownership – Shareholder rights"			
B.4	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The General Shareholders' Meeting"			
B.5	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The General Shareholders' Meeting"			
B.6	Yes	CMR Section "Our Identity – Corporate Governance – Ownership – Shareholder rights"			
B.7	No	CMR Section "Our Identity – Corporate Governance – The Administration – The General Shareholders' Meeting"			
B.8	No	CMR Section "Our Identity – Corporate Governance – The Administration – The General Shareholders' Meeting"			





C. Company administration structure

C.1 Board of Directors					
CNMV template section	Included in the statistical report	Comments			
C.1.1	Yes	CMR Section "Our Identity – Corporate Governance – Changes in the composition of the Board and its Committees in 2020" CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors"			
C.1.2	Yes	CMR Section "Our Identity – Corporate Governance – Changes in the composition of the Board and its Committees in 2020" CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors"			
C.1.3	Yes	CMR Section "Our Identity – Corporate Governance – Changes in the composition of the Board and its Committees in 2020" CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors"			
C.1.4	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors – Diversity of the Board of Directors"			
C.1.5	No	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors – Diversity of the Board of Directors"			
C.1.6	No	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors – Diversity of the Board of Directors"			
C.1.7	No	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors – Diversity of the Board of Directors"			
C.1.8	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors"			
C.1.9	No	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors" CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees – Executive Committee"			
C.1.10	No	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors"			
C.1.11	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors"			
C.1.12	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors"			
C.1.13	Yes	CMR Section "Our Identity – Corporate Governance – Remuneration"			
C.1.14	Yes	CMR Section "Our Identity – Corporate Governance – Senior Management"			
C.1.15	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors – Operation of the Board of Directors – Regulations of the Board"			
C.1.16	No	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors – Selection, Appointment, Re-election, Assessment and Termination of Board members – Principles of proportionality between categories of Board members" CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors – Selection, Appointment, Re-election, Assessment and Termination of Board members – Selection and Appointment" CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors – Selection, Appointment, Re-election, Assessment and Termination of Board members – Re-election and time in the role"			
C.1.17	No	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors – Assessment of Board activities"			
C.1.18	No	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors – Assessment of Board activities"			





C.1.19	No	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors – Selection, Appointment, Re-election, Assessment and Termination of Board members – Termination"
C.1.20	No	CMR Section "Our Identity— Corporate Governance — The Administration — The Board of Directors — Operation of the Board of Directors - Decision-making"
C.1.21	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors – Selection, Appointment, Re-election, Assessment and Termination of Board members – Other limitations to the role of directors"
C.1.22	No	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors – Selection, Appointment, Re-election, Assessment and Termination of Board members – Other limitations to the role of directors"
C.1.23	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors – Selection, Appointment, Re-election, Assessment and Termination of Board members – Other limitations to the role of directors"
C.1.24	No	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors – Operation of the Board of Directors - Proxy Voting"
C.1.25	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors – Operation of the Board of Directors" CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors – Operation of the Board of Directors - Decision-making" CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees – Executive Committee" CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees – Appointments and Sustainability Committee" CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees – Risk Committee" CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees – Remuneration Committee" CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees – Innovation, Technology and Digital Transformation Committee" CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees – Audit and Control Committees"
C.1.26	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors – Operation of the Board of Directors"
C.1.27	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees – Audit and Control Committee – Activities during the year – Supervision of financial reporting" CMR Section "Our Identity – Corporate Governance – Internal Control over Financial Reporting (ICFR) – Procedure and activities for control over financial reporting"
C.1.28	No	CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees – Audit and Control Committee – Activities during the year – Supervision of financial reporting" CMR Section "Our Identity – Corporate Governance – Internal Control over Financial Reporting (ICFR) – Procedure and activities for control over financial reporting" CMR Section "Our Identity – Corporate Governance – Internal Control over Financial Reporting (ICFR) – Oversight of the operation of the internal control system"
C.1.29	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors"
C.1.30	No	CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees – Audit and Control Committee – Activities during the year – Monitoring the independence of the external auditor" and "Relations with the market"
C.1.31	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees – Audit and Control Committee – Activities during the year – Monitoring the independence of the external auditor"
C.1.32	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees – Audit and Control Committee – Activities during the year – Monitoring the independence of the external auditor"
C.1.33	Yes	Not applicable





C.1.34	CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees – Audit and Control Committee – Activities during the year – Monitoring the independence of the external auditor"				
C.1.35	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors – Operation of the Board of Directors - Information"			
C.1.36	No	CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors – Selection, Appointment, Re-election, Assessment and Termination of Board members – Termination"			
C.1.37	1.37 No CMR Section "Our Identity – Corporate Governance – The Administration – The Board of Directors – Selection, Appointment, Re-election, Assessment and Te – Termination"				
C.1.38	No	CMR Section "Our Identity— Corporate Governance — The Administration — The Board of Directors — Operation of the Board of Directors - Decision-making"			
		Recipient number: 39			
		Type of beneficiary: Chairman, CEO and 4 members of the Management Committee, 5 Executives // 28 Middle Managers			
		Description of the agreement: Chairman and CEO: One annual payment of the fixed components of his remuneration.			
C.1.39	Yes	Members of the Management Committee: indemnity clause equivalent to one annual payment of the fixed components of their remuneration, or the amount payable by law, whichever is higher. There are currently four members of the committee for whom the indemnity to which they are legally entitled is still less than one year of their salary.			
		Further, the Chairman, CEO and members of the Management Committee are entitled to one annual payment of their fixed remuneration, paid in monthly instalments, as consideration for their non-compete undertaking. This payment would be discontinued were this covenant to be breached.			
		Executives and middle managers: 33 Executives and middle managers between 0.1 and 2 annual payments of fixed remuneration above that provided by law. Executives and middle managers of Group companies are included in the calculation.			
C.2 Committees of the Bo	oard of Directors				
CNMV template section	IMV template section Included in the statistical report Comments				
C.2.1	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees"			
C.2.2	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees"			
C.2.3	No	CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees"			
D. Related-party and Intr	agroup transactions				
CNMV template section	Included in the statistical report	Comments			
D.1	No	CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees – Audit and Control Committee – Activities during the year – Monitoring the related-party transactions"			
D.2	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees – Audit and Control Committee – Activities during the year – Monitoring the related-party transactions"			
D.3	D.3 Yes CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees – Audit and Control Committee – Activities during the year – Monitoring party transactions"				
D.4	Yes	Not applicable			
D.5	Yes	CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees – Audit and Control Committee – Activities during the year – Monitoring the related-party transactions"			
D.6	No	CMR Section "Our Identity – Corporate Governance – The Administration – The Board committees – Audit and Control Committee – Activities during the year – Monitoring the related-party transactions"			
D.7	No CaixaBank is not controlled by another entity in the sense of Article 42 of the Commercial Code				





E. Risk Control and Management Systems

CNMV template section	Included in the statistical report	Comments
E.1	No	See section 3.2. Risk governance, management and control in Note 3 to the CFS.
E.2	No	See section 3.2. Risk governance, management and control - 3.2.1. Governance and Organisation in Note 3 to the CFS; section C.2. Committees of the Board of Directors in this document; and the section on Responsible and ethical behaviour – Tax transparency in the CMR.
E.3	No	See section 3.2. Risk governance, management and control - 3.2.2. Strategic risk management processes - Corporate Risk Catalogue in Note 3 to the CFS and the sections on Ethics and integrity, Tax transparency and Risk Management in the CMR.
E.4	No	See section 3.2. Risk governance, management and control - 3.2.2. Strategic risk management processes - Risk Appetite Framework in Note 3 to the CFS.
E.5	No	See section on Risk management - Main milestones in 2020 in the CMR; sections 3.3, 3.4 and 3.5 (description of each risk in the Corporate Risk Catalogue) in Note 3; and section 23.3. Provisions for pending legal issues and tax litigation in Note 23 to the CFS.
E.6	No	See section 3.2. Risk governance, management and control - 3.2.4. Internal Control Framework and sections 3.3, 3.4 and 3.5 (description of each risk in the Corporate Risk Catalogue) in Note 3 to the CFS and the sections on Corporate Governance and Responsible behaviour and ethics in the CMR.

F. Internal Control over Financial Reporting

CNMV template section	Included in the statistical report	Comments	
F.1	No	CMR Section "Our Identity – Corporate Governance – Internal Control over Financial Reporting (ICFR) – Control environment"	
F.2	No	CMR Section "Our Identity – Corporate Governance – Internal Control over Financial Reporting (ICFR) – Risk assessment in financial reporting"	
F.3	No	CMR Section "Our Identity – Corporate Governance – Internal Control over Financial Reporting (ICFR) – Procedure and activities for control over financial reporting"	
F.4	No	CMR Section "Our Identity – Corporate Governance – Internal Control over Financial Reporting (ICFR) – Reporting and communication"	
F.5	No	CMR Section "Our Identity – Corporate Governance – Internal Control over Financial Reporting (ICFR) – Oversight of the operation of the internal control system"	
F.6	No	Not applicable	
F.7	No	CMR Section "Our Identity – Corporate Governance – Internal Control over Financial Reporting (ICFR) – External auditor report"	

G. Degree of Compliance with Corporate Governance Recommendations

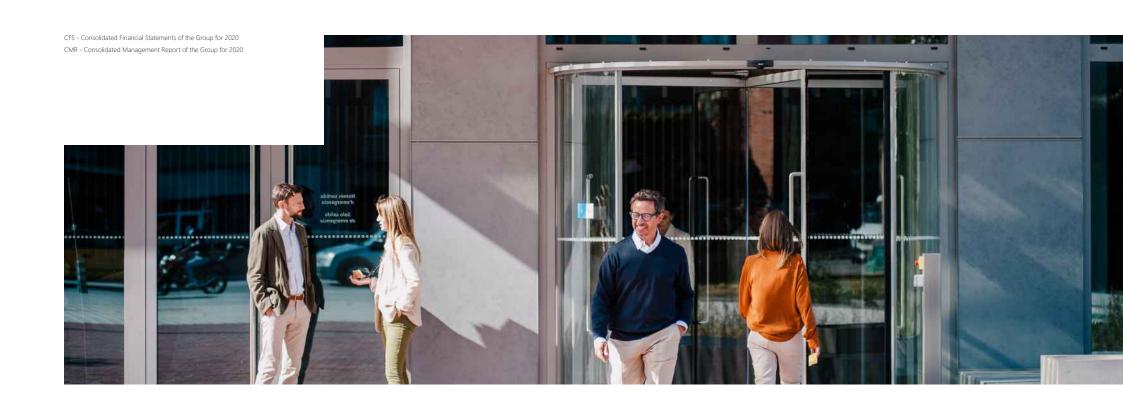
CNMV template section	Included in the statistical report	Comments
G.	Yes	CMR Section "Annual Corporate Governance Report for 2020 – Extent of compliance with corporate governance recommendations"





H. Other Information of Interest

CNMV template section	Included in the statistical report	Comments
H.	No	CMR Section "Strategic lines – Setting the benchmark for responsible management and social commitment – Principal alliances and affiliations"





This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Auditor's report on "Information regarding the Internal Control System over Financial Reporting (ICSFR)"

To the administrators of CaixaBank, S.A.:

In accordance with the request of the Board of Directors of CaixaBank, S.A. ("the Company") and our engagement letter dated 27 September 2021, we have applied certain procedures in respect of the attached "Information regarding the Internal Control System over Financial Reporting" ("ICSFR"), included in Annual Corporate Governance Report in section "F. Internal control and risk management systems in relation to the process of issuing financial information (ICSFR)" of CaixaBank, S.A. for the 2021 financial year, which includes a summary of the Company's internal control procedures relating to its annual financial information.

The administrators are responsible for adopting the necessary measures to reasonably ensure the implementation, maintenance and supervision of an appropriate internal control system, and for developing improvements to that system and preparing and establishing the content of the accompanying Information regarding the ICSFR.

In this regard, it should be borne in mind that, regardless of the quality of the design and operating efficiency of the internal control system used by the Company in relation to its annual financial information, only a reasonable, but not absolute, degree of assurance may be obtained in relation to the objectives it seeks to achieve, due to the limitations inherent in any internal control system.

In the course of our audit work on the consolidated annual accounts and in accordance with Spanish Auditing Standards, the sole purpose of our evaluation of the Company's internal control system is to enable us to establish the scope, nature and timing of our audit procedures in respect of the Company's annual accounts. Accordingly, our internal control evaluation, performed for the purposes of our audit, is not sufficient in scope to enable us to issue a specific opinion on the effectiveness of such internal control over the regulated annual financial information.

For the purposes of the present report, we have exclusively applied the specific procedures described below, as indicated in the "Guidelines concerning the auditor's Report on the Information regarding the Internal Control System over Financial Reporting for listed entities" published by the National Securities Market Commission (hereinafter NSMC) on its web site, which sets out the work to be performed, the scope of such work and the content of this report. In view of the fact that, in any event, the scope of the work resulting from these procedures is reduced and substantially less than the scope of an audit or review of the internal control system, we do not express an opinion on the effectiveness thereof, its design or operational efficiency, in relation to the Company's annual financial information for the 2021 financial year described in the accompanying Information regarding the ICSFR. Had we applied additional procedures to those determined by the aforementioned Guidelines, or had we performed an audit or review of the internal control system in relation to the regulated annual financial information, other matters could have come to light in respect of which you would have been informed.



In addition, provided that this special work neither constitutes an account audit it is not even submitted to the governing regulations of audit, we do not express an opinion of audit in the terms foreseen in the mentioned regulation.

The Procedures applied were as follows:

- 1. Reading and understanding the information prepared by the Company in relation to the ICSFR as disclosed in the Directors' Report and the evaluation of whether such information includes all the information required as per the minimum content set out in Section F regarding the description of the ICSFR, in the model of the Annual Corporate Governance Report, as established in Circular 5/2013 of the NSMC, dated June 12, 2013, and subsequent amendments, the most recent being Circular 3/2021, of September 28, of the NSMC (from now on the Circulars of NSMC).
- 2. Making enquiries of personnel in charge of preparing the information mentioned in point 1 above in order to: (i) obtain an understanding of the preparation process; (ii) obtain information that enables us to assess whether the terminology used is in line with the framework of reference; (iii) obtain information as to whether the control procedures described have been implemented and are functioning in the Company.
- 3. Review of supporting documentation explaining the information described in point 1 above and which mainly comprises the information made directly available to the persons responsible for preparing the information on the ICSFR. Such documentation includes reports prepared by the internal audit function, senior management and other internal and external specialists in support of the functions of the Audit and Control Committee.
- 4. Comparison of the information described in point 1 above with our knowledge of the Company's ICSFR, obtained by means of the application of the procedures performed within the framework of the audit engagement on the consolidated annual accounts.
- 5. Reading the minutes of meetings of the Board of Directors, Audit and Control Committee and other committees of the Company, for the purposes of evaluating the consistency between the matters dealt with therein in relation to the ICSFR and the information described in point 1 above.
- 6. Obtaining a representation letter concerning the work performed, duly signed by the persons responsible for the preparation and drafting of the information mentioned in point 1 above.

As a result of the procedures applied in relation to the Information regarding the ICSFR, no inconsistencies or incidents have been identified which could affect such information.

This report has been prepared exclusively within the framework of the requirements of article 540 of the revised Spanish Companies Act and by the Circulars of de NSMC, for the purposes of describing the ICSFR in Annual Corporate Governance Reports.

PricewaterhouseCoopers Auditores, S.L.

PRICEWATERHOUSECOOPERS AUDITORES, S.L.

Original in Spanish signed by Raúl Ara Navarro

February 18, 2022



ISSUER'S PARTICULARS		
Financial year-end:	31/12/2021	
Tax code:	A08663619	
Corporate name:		
CAIXABANK, S.A.		
Registered office:		
CL. PINTOR SOROLLA N.2-4 (VALENCIA)		



A. OWNERSHIP STRUCTURE

A.1.	Complete the following table on share capital and the attributed voting rights, including those
	corresponding to shares with a lovalty vote as of the closing date of the year, where appropriate:

Specify if the Company's By-laws contain the provision of shares with double loyalty voting:

[] Yes

[√] No

Date of last amendment	Share capital (€)	Number of shares	Number of voting rights	
26/03/2021	8,060,647,033.00	8,060,647,033	8,060,647,033	

State whether different types of shares exist with different associated rights:

[] Yes [√] No

A.2. Details of direct and indirect owners of significant holdings at the end of the financial year, excluding directors with a significant shareholding:

Name or corporate name of	% of voting rights attributed to shares		% voting rights through financial instruments		% total voting rights
shareholder	Direct	Indirect	Direct	Indirect	9
BLACKROCK, INC	0.00	3.00	0.00	0.21	3.21
LA CAIXA BANKING FOUNDATIO	0.00	30.01	0.00	0.00	30.01
FUND FOR ORDERLY BANK RESTRUCTURING	0.00	16.11	0.00	0.00	16.11

Details of indirect holding:

Name or corporate name of the indirect owner	Name or corporate name of the direct owner	% of voting rights attributed to the shares	% of voting rights through financial instruments	% total voting rights
BLACKROCK, INC	OTHER CONTROLLED ENTITIES BELONGING TO THE BLACKROCK GROUP, INC	3.00	0.21	3.21



Name or corporate name of the indirect owner	Name or corporate name of the direct owner	% of voting rights attributed to the shares	% of voting rights through financial instruments	% total voting rights
LA CAIXA BANKING FOUNDATION	CRITERIA CAIXA, SAU	30.01	0.00	30.01
FUND FOR ORDERLY BANK RESTRUCTURING	BFA TENEDORA DE ACCIONES, S.A.	16.11	0.00	16.11

A.3. Give details of the participation at the close of the fiscal year-end closing of the members of the board of directors who are holders of voting rights attributed to shares of the company or through financial instruments, whatever the percentage, excluding the directors who have been identified in Section A.2 above:

Name or corporate name of Director	% of rights attribut the sha		% of voting rights through financial instruments		% total voting rights	% of voting rights that can be transferred through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOMÁS MUNIESA ARANTEGUI	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JOHN S. REED	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JOAQUIN AYUSO GARCÍA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FRANCISCO JAVIER CAMPO GARCÍA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EVA CASTILLO SANZ	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FERNANDO MARÍA COSTA DUARTE ULRICH	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MARÍA VERÓNICA FISAS VERGÉS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CRISTINA GARMENDIA MENDIZÁBAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00



Name or corporate name of Director	% of rights attribut the sha		% of voting rights through financial instruments		rights through financial		% total voting rights	that c transferre finai	d through
	Direct	Indirect	Direct	Indirect		Direct	Indirect		
MARÍA AMPARO MORALEDA MARTÍNEZ	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
EDUARDO JAVIER SANCHIZ IRAZU	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
MARÍA TERESA SANTERO QUINTILLÁ	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
JOSÉ SERNA MASIÁ	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
KORO USARRAGA UNSAIN	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
GONZALO GORTAZAR ROTAECHE	0.01	0.00	0.00	0.00	0.02	0.00	0.00		

% of total voting rights held by members of the Board of Directors	0.03

Details of indirect holding:

Name or corporate name of Director	Name or corporate name of the direct owner	% of voting rights attributed to the shares	% of voting rights through financial instruments	% total voting rights	% of voting rights that can be transferred through financial instruments
JOSÉ SERNA MASIÁ	MARÍA SOLEDAD GARCÍA CONDE ANGOSO	0.00	0.00	0.00	0.00

Detail the percentage of total voting rights represented on the Board:

% of total voting rights represented on the Board of Directors
--



A.7.	and 531 of the Co	. •	•	agreements pursuant to articles 530 cription and list the shareholders
	[] Yes [√] No			
	State whether th a brief description		e existence of any concert	ed actions among its shareholders. Giv
	[] Yes [√] No	-		
A.8.		ny individual or company e Article 5 of the Spanish Se	-	control over the company in identify them:
	[] Yes [√] No			
A.9.	Complete the fol	lowing tables on the comp	oany's treasury stock: At	
	year end:			
shai	Number of res held directly	Number of shares held indirectly(*)	% of total share capital	
	6,797,987	428,039	0.09	

()	k) .	Τŀ	١r	\sim	114	al	h	•
1	,	11	ш	U	u	ч	н.	

Name or corporate name of direct shareholder	Number of shares held directly
BANCO BPI, S.A.	376,021
CAIXABANK PAYMENT & CONSUMER	14,598
VIDACAIXA, S.A. DE SEGUROS Y REASEGUROS	9,194
MICROBANK	10,913
CAIXABANK WEALTH MANAGEMENT, S.A.	17,313
Total	428,039



A.11. Estimated floating capital:

	%
Estimated floating capital	50.54

		and the second second		
A.14. State if the compan	v has issued sha	ares that are not :	traded on a rec	ullated EU market

[\/]	Yes
[]	No

B. GENERAL SHAREHOLDERS' MEETING

B.4. Give details of attendance at General Shareholders' Meetings held during the year of this report and the two previous years:

	Attendance data				
Date of general meeting	% % voting attending in p Other			% remote ectronic means	Total
06/04/2018	41.48	23.27	0.03	0.23	65.01
Of which, free float	3.78	19.57	0.03	0.23	23.61
05/04/2019	43.67	20.00	0.09	1.86	65.62
Of which, free float	3.02	15.96	0.09	1.86	20.93
22/05/2020	40.94	24.92	0.11	0.30	66.27
Of which, free float	0.28	16.90	0.11	0.30	17.59
03/12/2020	43.05	25.85	1.17	0.27	70.34
Of which, free float	2.36	15.90	1.17	0.27	19.70
14/05/2021	46.18	26.94	1.24	1.07	75.43
Of which, free float	0.01	23.96	1.24	1.07	26.28

B.5.	State whether any point on the agenda of the General Shareholders' Meetings during the year has not
	been approved by the shareholders for any reason:

[]	Yes
[\[\]	No



B.6.	State whether the Company's by-laws contain any restrictions requiring a minimum number of shares to
	attend General Shareholders' Meetings, or on distance voting:

[√]	Yes
[]	No

Number of shares required to attend the General Meetings	1,000
Number of shares required for distance voting	1



C. COMPANY ADMINISTRATIVE STRUCTURE

C.1. Board of Directors

C.1.1 Maximum and minimum number of directors established in the Articles of Association and the number set by the general meeting:

Maximum number of Directors	22
Minimum number of Directors	12
Number of directors set by the general meeting	15

C.1.2 Complete the following table with Board members' details.

Name or corporate name of Director	Representative	Director category	Position on the Board	Date of first appointment	Date of last appointment	Election procedure
JOSÉ SERNA MASIÁ		Proprietary	DIRECTOR	30/06/2016	14/05/2021	AGM RESOLUTION
KORO USARRAGA UNSAIN		Independent	DIRECTOR	30/06/2016	14/05/2021	AGM RESOLUTION
CRISTINA GARMENDIA MENDIZÁBAL		Independent	DIRECTOR	05/04/2019	05/04/2019	AGM RESOLUTION
EDUARDO JAVIER SANCHIZ IRAZU		Independent	DIRECTOR	21/09/2017	06/04/2018	AGM RESOLUTION
MARÍA VERÓNICA FISAS VERGÉS		Independent	DIRECTOR	25/02/2016	22/05/2020	AGM RESOLUTION
TOMÁS MUNIESA ARANTEGUI		Proprietary	VICE-CHAIRMAN	01/01/2018	06/04/2018	AGM RESOLUTION



Name or corporate name of Director	Representative	Director category	Position on the Board	Date of first appointment	Date of last appointment	Election procedure
MARÍA AMPARO MORALEDA MARTÍNEZ		Independent	DIRECTOR	24/04/2014	05/04/2019	AGM RESOLUTION
GONZALO GORTAZAR ROTAECHE		Executive	CEO	30/06/2014	05/04/2019	AGM RESOLUTION
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE		Executive	CHAIRMAN	03/12/2020	03/12/2020	AGM RESOLUTION
JOHN S. REED		Independent	LEAD INDEPENDENT DIRECTOR	03/11/2011	05/04/2019	AGM RESOLUTION
JOAQUIN AYUSO GARCÍA		Independent	DIRECTOR	03/12/2020	03/12/2020	AGM RESOLUTION
FRANCISCO JAVIER CAMPO GARCÍA		Independent	DIRECTOR	03/12/2020	03/12/2020	AGM RESOLUTION
EVA CASTILLO SANZ		Independent	DIRECTOR	03/12/2020	03/12/2020	AGM RESOLUTION
FERNANDO MARÍA COSTA DUARTE ULRICH		Other External	DIRECTOR	03/12/2020	03/12/2020	AGM RESOLUTION
MARÍA TERESA SANTERO QUINTILLÁ		Proprietary	DIRECTOR	03/12/2020	03/12/2020	AGM RESOLUTIO N

Total number of Directors	15
---------------------------	----



Indicate any cessations, whether through resignation or by resolution of the general meeting, that have taken place in the Board of Directors during the reporting period:

Name or corporate name of Director	Category of the Director at the time of termination	Date of last appointment	Date director left	Specialised committees of which s/he was a member	State whether the director left before the end of the mandate
JORDI GUAL SOLÉ	Proprietary	06/04/2017	26/03/2021	Executive Committee and Innovation, Technology and Digital Transformation Committee	YES
MARÍA TERESA BASSONS BONCOMPTE	Proprietary	05/04/2019	26/03/2021	Appointments and Sustainability Committe	YES
ALEJANDRO GARCÍA- BRAGADO DALMAU	Proprietary	06/04/2017	26/03/2021	Remuneration Committee	YES
IGNACIO GARRALDA RUIZ DE VELASCO	Proprietary	06/04/2017	26/03/2021		YES
FUNDACIÓN CAJACANARIAS	Proprietary	06/04/2017	26/03/2021	Risk Committee	YES

C.1.3 Complete the following tables on Board members and their respective categories:

EXECUTIVE DIRECTORS		
Name or corporate name of Director	Position held in the company	Profile
GONZALO GORTAZAR ROTAECHE	CEO	Born in Madrid in 1965, he has been the CEO of CaixaBank since June 2014. Gonzalo Gortazar holds a degree in Law and Business from Universidad Pontificia de Comillas (ICADE) and an MBA with distinction from the INSEAD Business School. He is currently also Director of Banco BPI. He was the Chief Financial Officer of CaixaBank until his appointment of CEO in June 2014. He was formerly the Director-General Manager of Criteria CaixaCorp from 2009 to June 2011. From 1993 to 2009, he worked at Morgan Stanley in London and Madrid, where he held various positions in the investment banking division, heading up the European Financial Institutions Group until mid-2009, when he joined Criteria. Previously, he held various corporate banking and investment banking positions at Bank of America.



		EXECUTIVE DIRECTORS
Name or corporate name of Director	Position held in the company	Profile
		He was the VidaCaixa Chairman, First Vice-Chairman of Repsol, and Director of the Ibursa Financial Group, Erste Bank, SegurCaixa Adeslas, Abertis, Port Aventura and Saba.
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	CHAIRMAN	José Ignacio Goirigolzarri, was born in Bilbao in 1954. He has been the Executive Chairman of CaixaBank since 2021. He holds a degree in Economics and Business Science from the University of Deusto (Bilbao). He holds a diploma in Finance and Strategic Planning from the University of Leeds (UK). He is also currently the Vice-Chairman of the Spanish Confederation of Savings Banks (CECA). Furthermore, he is a Trustee of CEDE, Fundación Pro Real Academia Española, Honorary Board Member of the Fundación Consejo España-Estados Unidos, Chairman of Deusto Business School, Chairman of the Advisory Board of the Benjamin Franklin American Institute of Research, and Chairman of the Garum Foundation. He is also Chairman of the CaixaBank Dualiza Foundation. Before assuming CaixaBank's Chairmanship and since 9 May 2012, he has been Executive Chairman of the Board of Directors of Bankia, Chairman of its Committee on Technology and Innovation and Chairman of the Board of Directors of BFA, Tenedora de Acciones, S.A.U. He began his professional career at Banco de Bilbao, where he was Director General of BBV and member of the bank's Management Committee, with responsibilities in Commercial Banking in Spain and in operations in Latin America. He was responsible for BBVA's Retail Banking and CEO of the bank until 2009. During this period, he was also a Director of BBVA-Bancomer (Mexico), Citic Bank (China) and CIFH (Hong Kong). He was also the Vice Chairman of Telefónica and Repsol and the Spanish Chairman of the Fundación Consejo España-Estados Unidos.
Total number of % of the Bo	executive Directors	2 13.33

EXTERNAL PROPRIETARY DIRECTORS		
Name or corporate name of Director	Name or corporate name of significant shareholder represented or proposing appointment	Profile
TOMÁS MUNIESA ARANTEGUI	LA CAIXA BANKING FOUNDATION	Tomás Muniesa, born in Barcelona in 1952; he has been the Vice-Chairman of CaixaBank since April 2018. He holds a degree in Business Studies and a Master of Business Administration from the ESADE Business School.



	EXTERI	NAL PROPRIETARY DIRECTORS
Name or corporate name of Director	Name or corporate name of significant shareholder represented or proposing appointment	Profile
		He joined 'La Caixa' in 1976, and was appointed Assistant Managing Director in 1992. In 2011, he was appointed Managing Director of CaixaBank's Insurance and Asset Management Group, where he remained until November 2018. He was the Executive Vice-Chairman and CEO of VidaCaixa from 1997 to November 2018. He currently holds the positions of Vice-Chairman of CaixaBank, VidaCaixa and SegurCaixa Adeslas. He is also a member of the Trust of the ESADE Foundation and Director of Allianz Portugal. Prior to this, he was Chairman of MEFF (Sociedad Rectora de Productos Derivados), Vice-chairman of BME (Bolsas y Mercados Españoles), 2nd Vice-chairman of UNESPA, Director and Chairman of the Audit Committee of the Insurance Compensation Consortium, Director of Vithas Sanidad SL and Alternate Director of the Inbursa Financial Group in Mexico.
JOSÉ SERNA MASIÁ	LA CAIXA BANKING FOUNDATION	José Serna Masiá (Albacete, 1942) has been a member of CaixaBank's Board of Directors since July 2016. He graduated in Law at the Complutense University of Madrid in 1964, and began his career in legal counselling with Butano, S.A. (1969/70). In 1971, he became a State Attorney, providing services at the State Attorney's Office for Salamanca and at the Ministries for Education and Science and Finance. He then joined the Adversary Proceedings Department of the State at the Audiencia Territorial de Madrid (now the Tribunal Superior de Justicia - High Court of Justice), before taking leave of absence in 1983. From 1983 to 1987 he was legal counsel to the Madrid Stock Exchange. In 1987, he became a stockbroker at Barcelona Stock Exchange and was appointed secretary of its Coverning Body. He took part in the stock market reform of 1988 as Chairman of the company that developed the new Barcelona Stock Exchange and also as a member of the Advisory Committee to the recently created Comisión Nacional del Mercado de Valores, the Spanish securities market regulator. In 1989, he was elected Chairman of the Barcelona Stock Exchange, a role that he held for two consecutive terms until 1993. From 1991 to 1992, he was Chairman of the Spanish Sociedad de Bolsas (Stock Exchange Company), which groups the four Spanish stock exchanges together, and Deputy Chairman of the Spanish Financial Futures Market, in Barcelona. 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 stockbroker and member of the Association of Chartered Trade Brokers of Barcelona. He was on the Board of Directors of ENDESA from 2000 to 2007. He was also a member of the Control and Auditing Committee, chairing it from 2006 to 2007. He was also a director of the companies ENDESA Diversificación and ENDESA Europa. He worked as a notary in Barcelona from 2000 through to 2013.



EXTERNAL PROPRIETARY DIRECTORS		
Name or corporate name of Director	Name or corporate name of significant shareholder represented or proposing appointment	Profile
MARÍA TERESA SANTERO QUINTILLÁ	FUND FOR ORDERLY BANK RESTRUCTURING	Teresa Santero was born in Camporrells (Huesca) in 1959. She has been a member of the CaixaBank Board of Directors since 2021. She holds a degree in Business Administration from the University of Zaragoza and a doctorate in Economics from the University of Illinois Chicago (USA). She has been a lecturer at the IE Business School in Madrid since 2012. Previously, she held management positions in the Central Administration (General Secretary for Industry in the Ministry of Industry, Trade and Tourism from 2008 to 2011), and in Provincial Administration, in the Government of the Autonomous Community of Aragon (Director of Economic Policy in the Department of Economy and the Treasury, from 2003 to 2007, and General Secretary for the Department of Social Services from 2007 to 2008). She previously worked for 10 years as an economist at the Economics Department of the OECD in Paris. She has been a visiting lecturer at the Economics Department of the Complutense University in Madrid and associate professor and research aide at the University of Illinois Chicago (USA). She has been on various Boards of Directors, was an independent member of the General Board of the Spanish Industrial Holding Company, SEPI (2008-2011) and Navantia (2010-2011), a member of the Executive Committee and Board of the Consortium of the Zona Franca of Barcelona (2008-2011), and a director of the Technological Institute of Aragon (2004-2007). She has also been a Trust member of various foundations: the Zaragoza Logistics Center, ZLC Foundation (2005-2007), the Foundation for the Development of Hydrogen Technologies (2005-2007), and the Observatory of Prospective Industrial Technology Foresight Foundation (2008-2011).
Total number of p	roprietary Directors	3
% of the Bo	ard	20.00

Total number of proprietary Directors	3
% of the Board	20.00

	INDEPENDENT EXTERNAL DIRECTORS
Name or corporate name of Director	Profile
JOHN S. REED	John Reed, born in Chicago in 1939, has been a member of CaixaBank's Board of Directors since 2011 and Coordinating Director since 2020. He was raised in Argentina and Brazil. completed his university studies in the United States. In 1961, he earned a degree in Philosophy and Arts and Sciences from Washington and Jefferson College and the Massachusetts Institute of Technology under a double degree programme.



	INDEPENDENT EXTERNAL DIRECTORS					
Name or corporate name of Director	Profile					
	He was a lieutenant in the US Army Corps of Engineers from 1962 to 1964 and again enrolled at MIT to study a Master in Science. John Reed worked in Citibank/Citicorp and Citigroup for 35 years, the last 16 of which as Chairman, retiring in April 2000. From September 2003 to April 2005, he began working again as Chairman of the New York Stock Exchange, and was Chairman of the MIT Corporation from 2010 to 2014. He was appointed Chairman of the Board of American Cash Exchange in February 2016. He is the Chairman of the Boston Athenaeum and a trustee of the NBER. He is a Fellow of the American Academy of Arts and Sciences and of the American Philosophical Society.					
JOAQUIN AYUSO GARCÍA	Joaquín Ayuso was born in Madrid in 1955. He has been a member of the CaixaBank Board of Directors since 2021. He is a graduate in Civil Engineering from the Technical University of Madrid. He is currently the Chairman of Adriano Care Socimi, S.A. and a member of the Advisory Board of the Benjamin Franklin Institute of the University of Alcalá de Henares and the Advisory Board of Kearney. He is also Chairman of the Board of Directors of the Real Sociedad Hípica Española Club de Campo. He was previously on the Board of Directors of Bankia, where he held the roles of Independent Director and Coordinator, a member of the Audit and Compliance Committee and the Remuneration Committee, Chairman and member of the Appointments and Responsible Management Committee, and Chairman and member of the Bankia Risk Advisory Committee. He has pursued his professional career in Ferrovial, S.A., where he was CEO and Vice-Chairman of its Board of Directors. He has been a Director of National Express Group, PLC. and of Hispania Activos Inmobiliarios and Chairman of Autopista del Sol Concesionaria Española. He was awarded the Medal of Honour by the Spanish Association of Civil Engineers in 2006.					
FRANCISCO JAVIER CAMPO GARCÍA	Francisco Javier Campo was born in Madrid in 1955. He has been a member of the CaixaBank Board Directors since 2021. He has a degree in Industrial Engineering from the Polytechnic University of He is currently a member of the Board of Directors of Meliá Hotels International, S.A., Chairman of its Audit and Compliance Committee, and a member of its Appointments, Remuneration and Corporate Social Responsibility Committee. He is Vice-Chairman of the Spanish Commercial Coding Association (AECOC), a member of the Advisory Board (senior advisor) AT Kearney, the Palacios Food Group and IPA Capital, S.L. (Pastas Gallo). He is a Director of the Spanish Association for the Advancement of Leadership (APD) and Trustee of the CaixaBank Dualiza Foundation, the F. Campo Foundation and the Iter Foundation. He was previously on the Board of Directors of Bankia, was Chairman of the Audit and Compliance Committee and the Risk Advisory Committee, and a member of the Appointments and Responsible Committee, the Technology and Innovation Committee and the Delegated Risk Committee. He started his career in Arthur Andersen, was the global Chairman of the Dia Group and a member of the Global Executive Committee of the Carrefour Group, and Chairman of the Zena Cortefiel. He was awarded the National Order of Merit of the French Republic in 2007.					
EVA CASTILLO SANZ	Eva Castillo was born in Madrid in 1962. She has been a member of the CaixaBank Board of Directors since 2021. She holds a degree in Law and Business from Comillas Pontifical University (E-3) in Madrid. She is currently an independent Director of Zardoya Otis, S.A., Chairwoman of the Audit Committee and a member of the Appointments and Remuneration Committee. She is also an Independent Director of International Consolidated Airlines Group, S.A. (IAG) and a member of the					



	INDEPENDENT EXTERNAL DIRECTORS					
Name or corporate name of Director	Profile					
	of the Appointments and Compliance Committee and the Remuneration Committee. She is also a member of the Board of Trustees of the Comillas-ICAI Foundation and the Board of Trustees of the Entreculturas Foundation. Recently, she has become a member of the Council for the Economy of the Holy See and a member of the A.I.E Advantere School of Management. Formerly, she was a member of the Board of Directors of Bankia, S.A., having previously served as Lead Independent Director, Chair of the Appointments and Responsible Management Committee and the Remuneration Committee, and a member of the Technology and Innovation Committee, the Risk Delegate Committee, and the Risk Advisory Committee. She formerly served as a Director of Telefónica, S.A. and Chair of the Supervisory Board of Telefónica Deutschland, AG, as well as a member of the Board of Trustees of the Telefónica Foundation. Previously, she was an Independent Director of Visa Europe Limited and Director of old Mutual, PLC. She was the Chair and CEO of Telefónica Europe and held various positions at Merrill Lynch, where she became the Chairwoman of its Spanish subsidiary Merrill Lynch Capital Markets España, Chairwoman and CEO of Merrill Lynch Wealth Management for EMEA, and a member of the Executive Committee of Merrill Lynch International for EMEA.					
MARÍA VERÓNICA FISAS VERGÉS	Born in Barcelona in 1964, Verónica Fisas has served on the Board of Directors of CaixaBank since February 2016. She holds a degree in Law and a Master in Business Administration. She joined Natura Bissé very early in her career, thus acquiring extensive knowledge of the company and of all its departments. She has been the Executive Officer of the Board of Directors 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. In 2001, as the CEO of the United States subsidiary of Natura Bissé, she was responsible for the expansion and consolidation of the business, and obtained outstanding results in product distribution and brand positioning. 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. She received the Work-Life Balance Award at the 2nd Edition of the National Awards for Women in Management in 2009, and the IWEC Award (International Women's Entrepreneurial Challenge) for her professional career, in 2014. In November 2017, Emprendedores magazine named Verónica Fisas as 'Executive of the Year'.					
CRISTINA GARMENDIA MENDIZÁBAL	Cristina Garmendia Mendiazábal, born in San Sebastián in 1962. She has been a member of the CaixaBank Board of Directors since June 2019. She holds a degree in Biological Sciences, specialising in Genetics, an MBA from the IESE Business School of the University of Navarra and a PhD in Molecular Biology from the Severo Ochoa Molecular Biology Centre of the Autonomous Community of Madrid. She currently sits on the boards of Compañía de Distribución Integral Logista Holdings, S.A., Mediaset and Ysios Capital. She has previously been Executive Deputy Chair and Financial Director of the Amasua Group, President of the Association of Biotechnology Companies (ASEBIO) 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, S.L., Naturgy Energy Group, S.A. (formerly Gas Natural S.A.), Corporación Financiera Alba and Pelayo Mutua de Seguros, Chair of the Spanish-American company Satlantic Microsats and Chair of Genetrix S.L. She also served as Minister of Science and Innovation of the Spanish Government during the entire XI Legislature, running from April 2008 through to December 2011. She is also the Chair of the COTEC Foundation, a member of the España Constitucional Foundation, SEPI and member of the Advisory Council of the Women for Africa Foundation.					



INDEPENDENT EXTERNAL DIRECTORS				
Name or corporate name of Director	Profile			
MARÍA AMPARO MORALEDA MARTÍNEZ	María Amparo Moraleda (Madrid, 1964) has been a member of CaixaBank's Board of Directors since 2014. She graduated in Industrial Engineering from the ICAI and holds an MBA from the IESE Business School. She is an independent director at several companies: Airbus Group, S.E. (since 2015), Vodafone Vodafone Group (since 2017) and A.P. Møller-Mærsk A/S A.P. (since 2021). She is also a member of the Board of the Spanish High Council for Scientific Research (since 2011) and a member of the Advisory Boards of SAP Ibérica (since 2017) and of Spencer Stuart (since 2017). Between 2012 and 2017, she was a member of the Board of Directors of Faurecia, S.A. and member of the Advisory Board of KPMG España (since 2012). Between 2013 and 2021, she was a member of the Board of Directors of Solvay, S.A. Between January 2009 and February 2012, she was Chief Operating Officer of Iberdrola SA's International Division with responsibility for the United Kingdom and the United States. She also headed Iberdrola Engineering and Construction from January 2009 to January 2011. She was General Manager of IBM for Spain and Portugal between July 2001 and January 2009, responsible for Greece, Israel and Turkey from July 2005 to January 2009. Between June 2000 and 2001 she was assistant executive to the President of IBM Corporation. From 1998 to 2000 she was General Manager at INSA (a subsidiary of IBM Global Services). From 1995 to she was Head of HR for EMEA at IBM Global Services and from 1988 to 1995 she held various offices and management positions at IBM España. She is also a member of various boards and trusts of different institutions and bodies including the Academy of Social Sciences and the Environment of Andalusia, the Board of Trustees of the MD Anderson Cancer Centre in Madrid, the Vodafone Foundation and the Airbus Foundation. In December 2015 she was named a full academic member of the Royal Academy of Economic and Financial Science. In 2005 she was inducted into the Women in Technology International (WITI) organisation's Hall			
EDUARDO JAVIER IRAZU	Eduardo Javier Sanchiz Irazu was born in Vitoria in 1956. He has been a member of the CaixaBank Board of Directors since 2017. He holds a degree in Economics and Business Science from the University of Deusto, San Sebastián campus, and a Master's Degree in from the Instituto Empresa in Madrid. He was CEO of Almirall from July 2011 until 30 September 2017. During this period, the company underwent a significant strategic transformation with the aim of becoming a global leader in skin treatment. Previously, after joining Almirall in May 2004, he was Executive Director of Corporate Development and Finance and Chief Financial Officer. In both positions, Eduardo led the company's international expansion through a number of alliances with other companies, and through licensing of external products, in addition to five acquisitions of companies and product portfolios. products. He also coordinated the IPO process in 2007. Has has been a member of the Almirall Board of Directors since January 2005 and member of the Dermatology Committee			



% of the Board

ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

	INDEPENDENT EXTERNAL DIRECTORS					
Name or corporate name of Director		Profile				
	Lilly & Department of the Commence of the Comm	can pharmaceutical comp He was able to live in six of I Manager in Belgium, Ge Executive Officer for the Ind south of Europe. He wand of the Association of Ph Latin America. He is curre	, he worked for 22 years (17 outside Spain) at Elimpany, in finance, marketing, sales and general addifferent countries and some of his significant General Manager in Mexico and, in his last the business area that encompasses countries in was a member of the American Chamber of Charmaceutical Industries in a number of trently a member of the Strategic Committee of been a director of this company since May 2019.			
KORO USARRAGA UNSAIN	Koro Usarraga Unsain (San Sebastián, 1957) has been a member of CaixaBank's Board of Directors since 2016. She has a degree in Business Administration and a Master's in Business Management from ESADE, took the PADE (Senior Management Programme) at IESE and is a qualified chartered accountant. She was an independent Director of NH Hotel Group from 2015 to October 2017. She worked at Arthur Andersen for 20 years and in 1993 was appointed partner of the audit division. In 2001, she assumed responsibility for the General Corporate Management of Occidental Hotels & Resorts, a group with significant international presence and specialising in the holiday sector. She was responsible for the finance, administration and management control departments, as well as IT and human resources. She was General Manager of Renta Corporación, a real estate group specialising in the purchase, refurbishment and sale of properties. She has been a Director at Vocento, S.A. since 2019. She is currently a shareholder and administrator of the company 2005 KP Inversiones, S.L., which is dedicated to investing in companies and management consultancy. She is also an Administrator of Vehicle Testing Equipment, S.L.					
Total number of independent Directors 9						

List any independent Directors who receive from the company or group any amount or payment other than standard Director remuneration or who maintain or have maintained during the last year a business relationship with the company or any group company, either in their own name or as a significant shareholder, director or senior manager of an entity which maintains or has maintained the said relationship.

60.00

If applicable, include a statement from the Board detailing the reasons why the said Director may carry out their duties as an independent Director.

Name or corporate name of Director	Description of the relationship	Reasons
IGARMENIJA	Member of the CaixaBank Private Banking Advisory Board.	Cristina Garmendia Mendiazábal is a member of the CaixaBank Private Banking Advisory Board. Remuneration received for membership of Advisory



Name or corporate name of Director	Description of the relationship	Reasons
		Board in 2021 amounts to 15 thousand euros, not considered significant.

OTHER EXTERNAL DIRECTORS

Identify the other external directors and state the reasons why these directors are considered neither proprietary nor independent, and detail their ties with the company or its management or shareholders:

·	· · · · · · · · · · · · · · · · · · ·		
Name or corporate name of Director	Reason	Company, executive or shareholder with whom the relationship is maintained	Profile
FERNANDO MARÍA COSTA DUARTE ULRICH	Fernando Maria Costa Duarte Ulrich, was classified as another external director, neither proprietary nor independent, in accordance with the provisions of section 2 of article 529 duodecies of the Corporate Enterprises Act and article 19.5 of the Regulations of the Board of Directors. He has been the Non-Executive Chairman of Banco BPI, S.A. since 2017.	BANCO BPI, S.A.	Fernando Maria Costa Duarte Ulrich, born in Lisbon in 1952. He has been a member of the CaixaBank Board of Directors since 2021. He studied Economics and Business at the School of Economics and Management of the University of Lisbon. He has been Nonexecutive Chairman of Banco BPI, S.A., a CaixaBank Group subsidiary, since 2017, having previously held various highranking positions at Banco BPI, S.A. and within its group, notably being its CEO from 2004 to 2017. He has also been the Non-Executive Chairman of BFA (Angola) (2005-2017); a Member of the APB (Portuguese Association of Banks) Board of Directors (2004-2019); Chairman of the General and Supervisory Board of the University of Algarve, Faro (Portugal) (2009-2013); Non-Executive Director of SEMAPA, (2006-2008); Non-Executive Director of Portugal Telecom (1998-2005); Non-Executive Director of Allianz Portugal (1999-2004); member of the



OTHER EXTERNAL DIRECTORS

Identify the other external directors and state the reasons why these directors are considered neither proprietary nor independent, and detail their ties with the company or its management or shareholders:

independen	t, and detail their ties with the company or	its management or snarent	piders.
Name or corporate name of Director	Reason	Company, executive or shareholder with whom the relationship is maintained	Profile
			Advisory Board of CIP, Portuguese industrial confederation (2002-2004); Non-Executive Director of IMPRESA, and of SIC, a Portuguese media conglomerate (2000-2003); Vice-Chairman of the Board of Directors of BPI SGPS, S.A. (1995-1999); Vice-Chairman of Banco de Fomento & Exterior, S.A. and Banco Borges & Irmão (1996-1998); a Member of the Advisory Board for the Treasury Reform (1990/1992); a Member of the National Board of the Portuguese Securities Market Committee (1992-1995); Executive Director of Banco Fonsecas & Burnay (1991-1996); Vice-Chairman of the Banco Portugués de Investimento (1989-2007); Executive Director of the Banco Portugués de Investimento (1985-1989); Assistant Manager of the Sociedade Portuguesa de Investimentos (SPI) (1983-1985); Chief of Cabinet of the Ministry of Finance of the Government of Portugal (1981-1983); a Member of the Secretariat for Economic Cooperation of the Portuguese Ministry of Foreign Affairs (1979-1980), and Member of the Portuguese delegation to the OECD (1975-1979). Responsible for the financial markets section of the newspaper Expresso (1973-1974).



Total number of other external Directors	1
% of the Board	6.67

List any changes in the category of each Director which have occurred during the year:

Name or corporate name of Director	Date of change	Previous category	Current category	
No data				

C.1.4 Complete the following table with information relating to the number of female directors at the close of the past 4 years, as well as the category of each:

	Number of female directors				% of total Di tegory	rectors of ea	ach	
	Financi al year 2021	Financi al year 2020	Financi al year 2019	Financi al year 2018	Financi al year 2021	Financi al year 2020	Financi al year 2019	Financi al year 2018
Executive					0.00	0.00	0.00	0.00
Proprietary	1	2	2	2	33.33	28.57	25.00	25.00
Independent	5	4	4	3	55.55	66.67	57.14	33.33
Other external					0.00	0.00	0.00	0.00
Total	6	6	6	5	40.00	42.86	37.50	27.78

C.1.11 List the positions of director, administrator or representative thereof, held by directors or representatives of directors who are members of the company's board of directors in other entities, whether or not they are listed companies:

Identity of the director or representative	Corporate name of the company, listed or not	Position	
EVA CASTILLO SANZ	Fundación Entreculturas	DIRECTOR	
EVA CASTILLO SANZ	Consejo para la Economía de la Santa Sede	DIRECTOR	
EVA CASTILLO SANZ	Fundación Comillas- ICAI	DIRECTOR	
EVA CASTILLO SANZ	A.I.E. Advantere School of Management	DIRECTOR	
EVA CASTILLO SANZ	Zardoya Otis, S.A.	DIRECTOR	
EVA CASTILLO SANZ	International Airlines Group (IAG)	DIRECTOR	
JOAQUIN AYUSO GARCÍA	Instituto Universitario de Investigación en Estudios Norteamericanos Benjamin Franklin	DIRECTOR	
JOAQUIN AYUSO GARCÍA	Real Sociedad Hípica Española Club de Campo	CHAIRMAN	



Identity of the director or representative	Corporate name of the company, listed or not	Position
JOAQUIN AYUSO GARCÍA	Adriano Care Socimi	CHAIRMAN
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Confederación Española de Cajas de Ahorro (CECA)	VICE-CHAIRMAN
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Fundación de Estudios de Economía Aplicada (FEDEA)	CHAIRMAN
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Confederación Española de Directivos y Ejecutivos (CEDE)	DIRECTOR
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Fundación Pro Real Academia Española	DIRECTOR
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Deusto Business School	CHAIRMAN
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Advisory Board of the Benjamin Franklin American Institute of Research	CHAIRMAN
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Garum Fundatio Fundazioa	CHAIRMAN
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Fundación Consejo España-EEUU	DIRECTOR
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Fundación CaixaBank Dualiza	CHAIRMAN
KORO USARRAGA UNSAIN	Vocento, S.A.	DIRECTOR
KORO USARRAGA UNSAIN	Vehicle Testing Equipments, S.L.	SOLE ADMINISTRATOR
KORO USARRAGA UNSAIN	2005 KP Inversiones, S.L.	SOLE ADMINISTRATOR
CRISTINA GARMENDIA MENDIZÁBAL	Fundación COTEC para la Innovación	CHAIRWOMAN
CRISTINA GARMENDIA MENDIZÁBAL	Círculo de Economia	DIRECTOR
CRISTINA GARMENDIA MENDIZÁBAL	Fundación España Constitucional	DIRECTOR
CRISTINA GARMENDIA MENDIZÁBAL	Fundación SEPI	DIRECTOR
CRISTINA GARMENDIA MENDIZÁBAL	Fundación Pelayo	DIRECTOR
CRISTINA GARMENDIA MENDIZÁBAL	UNICEF, Comité español	DIRECTOR
CRISTINA GARMENDIA MENDIZÁBAL	Mediaset España Comunicación, S.A.	DIRECTOR
CRISTINA GARMENDIA MENDIZÁBAL	Ysios Capital Partners	DIRECTOR



Identity of the director or representative	Corporate name of the company, listed or not	Position
CRISTINA GARMENDIA MENDIZÁBAL	Compañía de Distribución Integral Logista Holdings	DIRECTOR
CRISTINA GARMENDIA MENDIZÁBAL	Ysios Capital Partners CIV II	DIRECTOR
CRISTINA GARMENDIA MENDIZÁBAL	Ysios Capital Partners CIV I	DIRECTOR
EDUARDO JAVIER SANCHIZ IRAZU	Laboratorio Farmacéutico Pierre Fabre, S.A.	DIRECTOR
MARÍA VERÓNICA FISAS VERGÉS	Fundación Ricardo Fisas Natura Bissé	DIRECTOR
MARÍA VERÓNICA FISAS VERGÉS	National Association of Perfumery and Cosmetics (STANPA)	CHAIRMAN
MARÍA VERÓNICA FISAS VERGÉS	Natura Bissé Inc. Dallas (USA)	CHAIRMAN
MARÍA VERÓNICA FISAS VERGÉS	Natura Bissé Int. LTD (UK)	DIRECTOR
MARÍA VERÓNICA FISAS VERGÉS	Natura Bissé Int. S.A. de CV (México)	CHAIRWOMAN
MARÍA VERÓNICA FISAS VERGÉS	Natura Bissé International FZE (Dubai Airport Free Zone)	DIRECTOR
MARÍA VERÓNICA FISAS VERGÉS	Natura Bissé International S.A.	CEO
MARÍA VERÓNICA FISAS VERGÉS	NB Selective Distribution S.L.	SOLE ADMINISTRATOR
TOMÁS MUNIESA ARANTEGUI	Allianz Portugal	DIRECTOR
TOMÁS MUNIESA ARANTEGUI	SegurCaixa Adeslas	VICE-CHAIRMAN
TOMÁS MUNIESA ARANTEGUI	ESADE Fundación	DIRECTOR
FRANCISCO JAVIER CAMPO GARCÍA FRANCISCO JAVIER CAMPO GARCÍA	Meliá Hotels International, S.A. Asociación Española del Gran Consumo (AECOC)	DIRECTOR VICE-CHAIRMAN
FRANCISCO JAVIER CAMPO GARCÍA	Asociación para el Progreso de la Dirección	DIRECTOR
FRANCISCO JAVIER CAMPO GARCÍA	Fundación F. Campo	DIRECTOR
FRANCISCO JAVIER CAMPO GARCÍA	Fundación Iter	DIRECTOR
FRANCISCO JAVIER CAMPO GARCÍA	Fundación CaixaBank Dualiza	DIRECTOR



Identity of the director or representative	Corporate name of the company, listed or not	Position
MARÍA AMPARO MORALEDA MARTÍNEZ	Consejo Superior de Investigaciones Científicas-CSIC	DIRECTOR
MARÍA AMPARO MORALEDA MARTÍNEZ	MD Anderson Cancer Center de Madrid	DIRECTOR
MARÍA AMPARO MORALEDA MARTÍNEZ	Academia de Ciencias Sociales y el Medio Ambiente de Andalucía	DIRECTOR
MARÍA AMPARO MORALEDA MARTÍNEZ	Real Academia de Ciencias Económicas y Financieras	DIRECTOR
MARÍA AMPARO MORALEDA MARTÍNEZ	A.P. Møller-Mærsk A/S A.P.	DIRECTOR
MARÍA AMPARO MORALEDA MARTÍNEZ	Vodafone Group PLC	DIRECTOR
MARÍA AMPARO MORALEDA MARTÍNEZ	Fundación Vodafone	DIRECTOR
MARÍA AMPARO MORALEDA MARTÍNEZ	Fundación Airbus	DIRECTOR
MARÍA AMPARO MORALEDA MARTÍNEZ	Airbus Group, S.E.	DIRECTOR
MARÍA AMPARO MORALEDA MARTÍNEZ	IESE	DIRECTOR
JOHN S. REED	American Cash Exchange Inc.	DIRECTOR
JOHN S. REED	Boston Athenaeum	CHAIRMAN
JOHN S. REED	National Bureau of Economic Research	DIRECTOR
JOHN S. REED	American Academy of Arts and Sciences	DIRECTOR
JOHN S. REED	American Philosophical Society	DIRECTOR
CRISTINA GARMENDIA MENDIZÁBAL	YSIOS CIV III, S.L.	DIRECTOR
CRISTINA GARMENDIA MENDIZÁBAL	YSIOS ASSET MANAGEMENT	DIRECTOR
CRISTINA GARMENDIA MENDIZÁBAL	JAIZKIBEL 2007, S.L.	SOLE ADMINISTRATOR
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Asociación Madrid Futuro	DIRECTOR
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Asociación Valenciana de Empresario	s DIRECTOR
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Spanish Chamber of Commerce	DIRECTOR



Identity of the director or representative	Corporate name of the company, listed or not	Position
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Spanish Businessmen's Association	DIRECTOR
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Basque Businessmen's Association	DIRECTOR
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Confederación Española de Organizaciones Empresariales (CEOE)	DIRECTOR
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Advisory Board of Fundación Instituto Hermes	DIRECTOR
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Consejo Empresarial Español para el Desarrollo Sostenible	DIRECTOR
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Foment del Treball Nacional	DIRECTOR
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Fundación Aspen Institute	DIRECTOR
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Fundación COTEC	VICE-CHAIRMAN
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Fundación de Ayuda contra la Drogadicción (FAD)	DIRECTOR
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Fundación LAB Mediterráneo	DIRECTOR
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Fundación Mobile Wold Capital Barcelona	DIRECTOR
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Fundación Real Instituto Elcano	DIRECTOR
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Institute of International Finance	DIRECTOR
GONZALO GORTAZAR ROTAECHE	Spanish Businessmen's Association	DIRECTOR
GONZALO GORTAZAR ROTAECHE	Eurofi	DIRECTOR
GONZALO GORTAZAR ROTAECHE	Foro Puente Aéreo	DIRECTOR
GONZALO GORTAZAR ROTAECHE	Fundación Privada España-China	DIRECTOR
GONZALO GORTAZAR ROTAECHE	Institut International D´Etudes Bancaires	DIRECTOR
GONZALO GORTAZAR ROTAECHE	Institute of International Finance	DIRECTOR



The information on directors and positions at other entities refers to year-end. For information regarding whether they are paid positions or not, see section C.1.11 of the document in free format.

In some cases, the positions do not correspond to their real name due to the limitations of the electronic form. For the exact titles, see the document in free format.

Indicate, where appropriate, the other remunerated activities of the directors or directors' representatives, whatever their nature, other than those indicated in the previous table.

Identity of the director or representative	Other paid activities
JOAQUIN AYUSO GARCÍA	Member of the Advisory Board of A.T. Kearney S.A. for Spain
CRISTINA GARMENDIA MENDIZÁBAL	Member of the CaixaBank Private Banking Advisory Board.
EDUARDO JAVIER SANCHIZ IRAZU	He is a member of the Investment Committee of Sabadell -Asabys Health Innovation Investments S.C.R.,
MARÍA TERESA SANTERO QUINTILLÁ	She is a lecturer at the Business School in Madrid.
FRANCISCO JAVIER CAMPO GARCÍA	He is a member of the Advisory Boards of the Palacios Group, IPA Capital, S.L. (Pastas Gallo) and AT Kearney,
MARÍA AMPARO MORALEDA MARTÍNEZ	She is a member of the Advisory Boards of SAP Ibérica, Spencer Stuart and ISS España.

	All activities in this section are paid.
-	
	C.1.12 State whether the company has established rules on the number of boards on which its directors may

hold seats, providing details if applicable, identifying, where appropriate, where this is regulated:

[√]	Yes
[]	No

C.1.13 State total remuneration received by the Board of Directors:

Board remuneration in financial year (thousands of €)	8,483
Cumulative amount of funds of current directors in long-term savings schemes with vested economic rights (thousands of €)	2,797
Cumulative amount of funds of current directors in long-term savings schemes with non-vested economic rights (thousands of €)	2,690
Cumulative amount of funds of former Directors in long-terms savings pension scheme (thousands of €)	



C.1.14 List any members of senior management who are not executive Directors and indicate total remuneration paid to them during the year.

Name or corporate name	Position(s)
LUIS JAVIER BLAS AGÜEROS	MEDIA DIRECTOR
IGNACIO BADIOLA GÓMEZ	HEAD OF CIB AND INTERNATIONAL BANKING
JORGE MONDÉJAR LÓPEZ	CHIEF RISKS OFFICER
JAVIER PANO RIERA	FINANCIAL DIRECTOR



Name or corporate name	Position(s)
FRANCESC XAVIER COLL ESCURSELL	CHIEF HUMAN RESOURCES AND ORGANISATION OFFICER
MARÍA LUISA MARTÍNEZ GISTAU	DIRECTOR FOR COMMUNICATION AND INSTITUTIONAL RELATIONS
FRANCISCO JAVIER VALLE T- FIGUERAS	HEAD OF INSURANCE
ÓSCAR CALDERÓN DE OYA	GENERAL AND BOARD SECRETARY
MARÍA LUISA RETAMOSA FERNÁNDEZ	HEAD OF INTERNAL AUDIT
JUAN ANTONIO ALCARAZ GARCIA	CHIEF BUSINESS OFFICER
MATTHIAS BULLACH	HEAD OF ACCOUNTING, MGMT CONTROL AND CAPITAL.
MANUEL GALARZA PONT	COMPLIANCE AND CONTROL DIRECTOR
EUGENIO SOLLA TOMÉ	SUSTAINABILITY DIRECTOR

Number of women in senior management	2
Percentage of total members of senior management	
Total remuneration received by senior management (thousands of €)	14,097

	Total remuneration received by semior management (thousands of E)	14,0:	
C.1.15 Indicate whether any changes have been made to the Board Regulations during the year.			
[√] Yes [] No			
C.1.21 Indicate whether there are any specific requirements other than those relating to the Directors, to be appointed chairperson of the board of directors:			
[] Yes [√] No			
C.1.23 State whether the Articles of Association or the Board regulations establish any stricter term limits or other requirements for independent directors other than those required by law:			
[] Yes [√] No			



C.1.25 State the number of board meetings held during the year and, if applicable, how many times the board has met without the Chairman's attendance. Attendance will also include proxies appointed with specific instructions.

Number of Board meetings	14



Number of Board meetings held without the Chairman's attendance	0

State the number of meetings held by the coordinating director with the other directors, where there was neither attendance nor representation of any executive director:

Number of meetings	0
9	_

State the number of meetings of the various Board committees held during the year:

Number of meetings of the AUDIT AND CONTROL COMMITTEE	15
Number of meetings of the INNOVATION, TECHNOLOGY AND DIGITAL TRANSFORMATION COMMITTEE	5
Number of meetings of the APPOINTMENTS AND SUSTAINABILITY COMMITTEE	7
Number of meetings of the REMUNERATION COMMITTEE	10
Number of meetings of the RISK COMMITTEE	14
Number of meetings of the EXECUTIVE COMMITTEE	20

C.1.26 State the number of meetings held by the Board of Directors during the year and the information on member attendance:

Number of meetings attended in person by at least 80% of directors	14
% attended in person out of the total votes during the year	98.08
Number of meetings in situ or representations made with specific instructions of all directors	10
% of votes issued at in situ meetings or with representations made with specific instructions out of all votes cast during the year	98.08

C.1.27	State if the individual and consolidated financial statements submitted to the Board for
	preparation were previously certified:

[]	Yes
[\/]	No

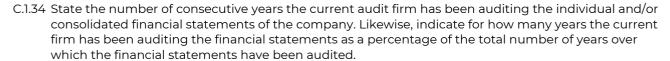


C.1.29 Is the Secretary of the Board also a Director?



[] [√]	Yes No				
	Complete if the Secre	etary is not also a Dire	ctor:		
Name	or corporate name of	Secretary		Represe	ntative
ÓSCAR CALE	DERÓN DE OYA				
C.1.31	State whether the co			ïrm during the	e year. If so, identify the
[√]	Yes No				
	Explain any disagreer	ments with the outgo	ing auditor and th	ne reasons for t	the same:
[] [√]	Yes No				
C.1.32		s paid and the perce			any and/or its group and, if for audit work invoiced to
[√]	Yes No				
		Investee	Group companie	Total	
Amount of r (thousands o	non-audit work of €)	967	808	1,775	
	t invoiced for non- vices/Amount for rk (in %)	37.00	29.00	33.00	
C.1.33		eservations. If so, plea reholders at the Gen	se explain the rea eral Shareholders'	sons given by Meeting to ex	eding year contains a the chairman of the audit plain the content and
[] [√]	Yes No				





	Individual Co	
Number of consecutive years	4	4
	Individual Co	
Number of fiscal years audited by the current audit firm/number of fiscal years the company has been audited (in %)	18.00	18.00

C.1.35	Indicate whether there are procedures for Directors to receive the information they nee	d in
	sufficient time to prepare for the meetings of the governing bodies.	

[\[]	Yes	
[]	No	

Details of the procedure

There is a procedure in place whereby directors may obtain the information needed to prepare for the meetings with the governing bodies with sufficient time. In general, documents for approval by the Board, especially those which cannot be fully analysed and discussed during the meeting due to their length, are sent to Board members prior to the meetings.

Furthermore, pursuant to article 22 of the Regulations of the Board, the board may request information on any aspect of the Company and its Group and examine its books, records, documents and further documentation. Requests must be sent to the executive directors who will forward the matters to the appropriate parties and they must notify the director, when applicable, of their duty of confidentiality.

C.1.39 Identify individually, for directors, and collectively, in other cases, and provide details of any agreements made between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal or termination of employment without cause following a takeover bid or any other type of operation.

Number of beneficiaries	39
Type of beneficiary	Description of the agreement
	Chairman and CEO: One year of the fixed components of his remuneration. Members of the Management Committee: indemnity clause equivalent to one annual payment of the fixed components of their remuneration, or the amount payable by law, whichever is higher. There are currently four members of the committee for whom the indemnity to which they are legally entitled is still less than one year of their salary. Further, the Chairman, CEO and members of the Management Committee are entitled to one annual payment of their fixed remuneration, paid in monthly instalments, as consideration for their non-compete undertaking. This payment would be discontinued were this covenant to be breached. Executives and middle managers: 33 Executives and middle managers between 0.1

31**/57 —**



Type of beneficiary	Description of the agreement
	and 2 annual payments of fixed remuneration above that provided by law. Executives and middle managers of Group companies are included in the calculation.

State if these contracts have been communicated to and/or approved by management bodies of the company or of the Group, beyond the cases stipulated by regulations. If so, specify the procedures, events and nature of the bodies responsible for their approval or for communicating this:

	Board of Directors	General Shareholders'
Body authorising clauses	√	
	Yes	No
Is the General Shareholders' Meeting informed of such clauses?		√

C.2. Board Committees

C.2.1 Give details of all the Board committees, their members and the proportion of proprietary and independent Directors:

AUDIT AND CONTROL COMMITTEE		
Name	Position	Category
JOSÉ SERNA MASIÁ	MEMBER	Proprietary
KORO USARRAGA UNSAIN	CHAIRWOMAN	Independent
CRISTINA GARMENDIA MENDIZÁBAL	MEMBER	Independent
EDUARDO JAVIER SANCHIZ IRAZU	MEMBER	Independent
FRANCISCO JAVIER CAMPO GARCÍA	MEMBER	Independent
MARÍA TERESA SANTERO QUINTILLÁ	MEMBER	Proprietary

% of executive Directors	0.00
% of proprietary Directors	33.33
% of independent Directors	66.67
% of other external Directors	0.00

Identify the directors who are members of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date that the Chairperson of this committee was appointed.

Names of directors with experience	JOSÉ SERNA MASIÁ / KORO USARRAGA UNSAIN / CRISTINA GARMENDIA MENDIZÁBAL / EDUARDO JAVIER SANCHIZ IRAZU /
------------------------------------	--

32**/57 —**



	FRANCISCO JAVIER CAMPO GARCÍA / MARÍA TERESA SANTERO QUINTILLÁ
Date of appointment of the chairperson	05/04/2019

INNOVATION, TECHNOLOGY AND DIGITAL TRANSFORMATION COMMITTEE		
Name	Position	Category
CRISTINA GARMENDIA MENDIZÁBAL	MEMBER	Independent
MARÍA AMPARO MORALEDA MARTÍNEZ	MEMBER	Independent
GONZALO GORTAZAR ROTAECHE	MEMBER	Executive
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	CHAIRMAN	Executive
EVA CASTILLO SANZ	MEMBER	Independent

% of executive Directors	40.00
% of proprietary Directors	0.00
% of independent Directors	60.00
% of other external Directors	0.00

APPOINTMENTS AND SUSTAINABILITY COMMITTEE		
Name	Position	Category
EDUARDO JAVIER SANCHIZ IRAZU	MEMBER	Independent
JOHN S. REED	CHAIRMAN	Independent
FRANCISCO JAVIER CAMPO GARCÍA	MEMBER	Independent
FERNANDO MARÍA COSTA DUARTE ULRICH	MEMBER	Other External

% of executive Directors	0.00
% of proprietary Directors	0.00
% of independent Directors	75.00
% of other external Directors	25.00

REMUNERATION COMMITTEE		
Name	Position	Category
CRISTINA GARMENDIA MENDIZÁBAL	MEMBER	Independent
MARÍA AMPARO MORALEDA MARTÍNEZ	CHAIRWOMAN	Independent
JOAQUIN AYUSO GARCÍA	MEMBER	Independent
JOSÉ SERNA MASIÁ	MEMBER	Proprietary

% of executive Directors	0.00
% of proprietary Directors	25.00



% of independent Directors	75.00
% of other external Directors	0.00

RISK COMMITTEE					
Name	Position	Category			
KORO USARRAGA UNSAIN	MEMBER	Independent			
EDUARDO JAVIER SANCHIZ IRAZU	CHAIRMAN	Independent			
MARÍA VERÓNICA FISAS VERGÉS	MEMBER	Independent			
TOMÁS MUNIESA ARANTEGUI	MEMBER	Proprietary			
JOAQUIN AYUSO GARCÍA	MEMBER	Independent			
FERNANDO MARÍA COSTA DUARTE ULRICH	MEMBER	Other External			

% of executive Directors	0.00
% of proprietary Directors	16.67
% of independent Directors	66.67
% of other external Directors	16.67

EXECUTIVE COMMITTEE					
Name	Position	Category			
KORO USARRAGA UNSAIN	MEMBER	Independent			
MARÍA VERÓNICA FISAS VERGÉS	MEMBER	Independent			
TOMÁS MUNIESA ARANTEGUI	MEMBER	Proprietary			
MARÍA AMPARO MORALEDA MARTÍNEZ	MEMBER	Independent			
GONZALO GORTAZAR ROTAECHE	MEMBER	Executive			
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	CHAIRMAN	Executive			
EVA CASTILLO SANZ	MEMBER	Independent			

% of executive Directors	28.57
% of proprietary Directors	14.29
% of independent Directors	57.14
% of other external Directors	0.00



C.2.2 Complete the following table with information concerning the number of female board members on the committees of the Board of Directors at the close of the last four financial years:

	Number of female directors							
	Finar 2021	icial year	Financial year 2020		Financial year 2019		Financial year 2018	
	Number	%	Number	%	Number	%	Number	%
AUDIT AND CONTROL COMMITTEE	3	50.00	2	50.00	1	33.33	1	25.00
INNOVATION, TECHNOLOGY AND DIGITAL TRANSFORMATIO N COMMITTEE	3	60.00	2	50.00	2	40.00	0	0.00
APPOINTMENTS COMMITTEE AND SUSTAINABILITY	0	0.00	1	33.33	1	33.33	1	33.33
REMUNERATION COMMITTEE	2	50.00	2	66.67	2	66.67	1	33.33
RISK COMMITTEE	2	33.33	3	60.00	2	66.67	2	40.00
EXECUTIVE COMMITTEE	4	57.14	3	50.00	2	33.33	2	25.00



D. RELATED-PARTY AND INTRAGROUP TRANSACTIONS

D.2. Give individual details of operations that are significant due to their amount or of importance due to their subject matter carried out between the company or its subsidiaries and shareholders holding 10% or more of the voting rights or who are represented on the board of directors of the company, indicating which has been the competent body for its approval and if any affected shareholder or director has abstained. In the event that the board of directors has responsibility, indicate if the proposed resolution has been approved by the board without a vote against the majority of the independents:

	Name or corporate name of the shareholder or any of its subsidiaries	% Shareholding	Name or corporate name of the company or entity within its group	Amount (thousan ds of euros)	Approving body	Identity of the significant shareholder or director who has abstained	to the board, if applicable, has been approved by the board without a vote against the majority of
Ν	No data						
	Name or corporate name of the shareholder or any of its subsidiaries	Nature of the relationship	Type of operation and other information required for its evaluation				
Ν	No data						

D.3. Give individual details of the operations that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with the administrators or managers of the company, including those operations carried out with entities that the administrator or manager controls or controls jointly, indicating the competent body for its approval and if any affected shareholder or director has abstained. In the event that the board of directors has responsibility, indicate if the proposed resolution has been approved by the board without a vote against the majority of the independents:

	Name or corporate name of administrators or managers or their controlled o jointly controlled entities	Name or corporate name of the company or entity within its group	Relationship	Amount (thousan ds of €)	Approving body	Identity of the significant shareholder or director who would have abstained	The proposal to the board, if applicable, has been approved by the board without a vote against the majority of independents
No data							



	Name or corporate name of administrators or managers or their controlled o jointly controlled entities	Type of operation and other information required for its evaluation
Ν	o data	

D.4. Report individually on intra-group transactions that are significant due to their amount or relevant due to their subject matter that have been undertaken by the company with its parent company or with other entities belonging to the parent's group, including subsidiaries of the listed company, except where no other related party of the listed company has interests in these subsidiaries or that they are fully owned, directly or indirectly, by the listed company.

In any case, list any intragroup transactions carried out with entities in countries or territories considered to be tax havens.

Corporate name of the entity within the group	Brief description of the operation and other information necessary for its evaluation	Amount (thousands of euros)
No data		

D.5. Give individual details of the operations that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with other related parties pursuant to the international accounting standards adopted by the EU, which have not been reported in previous sections.

Corporate name of the related party	Brief description of the operation and other information necessary for its evaluation	Amount (thousands of euros)
No data		

37**/57 —**



G. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

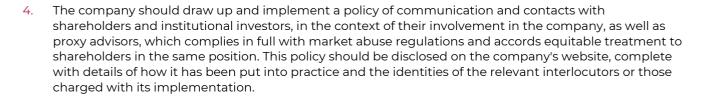
Compliant [X] Partially compliant []

Indicate the degree of the company's compliance with the recommendations of the Good Governance Code of Listed Companies.

explar	ation	of the reasons so t	oly with any of the recomme hat shareholders, investors a ur. General explanations are	and the market in general	n part, include a detailed have enough information to				
1.	 The By-laws of listed companies should not place an upper limit on the votes that can be cast by a shareholder, or impose other obstacles to the takeover of the company by means of share purchase the market. 								
		Compliant [X]	Explain []						
2.	2. When the listed company is controlled, pursuant to the meaning established in Article 42 of the Commercial Code, by another listed or non-listed entity, and has, directly or through its subsidiaries, business relationships with that entity or any of its subsidiaries (other than those of the listed company) carries out activities related to the activities of any of them, this is reported publicly, with specific information about:								
	a)	•	reas of activity and possible l or its subsidiaries and, on the	·					
	b)	The mechanisms	s established to resolve any o	conflicts of interest that m	nay arise.				
		Compliant []	Partially compliant []	Explain []	Not applicable [X]				
		mendation is not deeme cle 42 of the Commercia	rd to be applicable as CaixaBank is no Il Code.	ot a company controlled by anoth	er entity, listed or otherwise, in the				
3.	3. During the annual general meeting the chairman of the board should verbally inform shareholders in sufficient detail of the most relevant aspects of the company's corporate governance, supplementing the written information circulated in the annual corporate governance report. In particular:								
	a)	Changes taking	place since the previous ann	ual general meeting.					
	b)		ons for the company not foll n, and any alternative proced						

Explain []





Further, without prejudice to the legal obligations of disclosure of inside information and other regulated information, the company should also have a general policy for the communication of economic-financial, non-financial and corporate information through the channels it considers appropriate (media, social media or other channels) that helps maximise the dissemination and quality of the information available to the market, investors and other stakeholders.

Compliant [X	1 Partially	compliant [] Expla	in []

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 a Board 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.

Compliant [Partially compliant [X]	Explain []
Compliant	Fartially Compilatit [X]	

As of 3 May 2021, the Law includes as a general obligation the 20% limitation for the exclusion of pre-emptive subscription rights in capital increases, as well as in the case of credit institutions the possibility of not applying this 20% limit to convertible bond issues made by credit institutions, provided that such issues comply with the requirements under Regulation (EU) 575/2013.

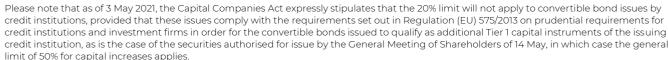
Therefore, CaixaBank, by its nature as a credit institution, is expressly authorised by law to not apply the 20% limit to the convertible bond issues it carries out, provided that these issues comply with the requirements set out in Regulation (EU) 575/2013.

In this regard and in line with what is currently set out in the regulations, already in 2020, the General Meeting of Shareholders of the Company on 22 May 2020 approved the authorisation of the Board of Directors to increase the share capital on one or more occasions and at any time, within a period of five years from that date, by the maximum nominal amount of 2,990,719,015 euros (equivalent to 50% of the share capital at the time of the authorisation), by issuing new shares –with or without premium and with our without voting rights–, the consideration for the new shares to be issued consisting of cash contributions, with the power to set the terms and conditions of the capital increase. This authorisation replaced and rendered ineffective, for the unused part, the previous delegation approved at the General Meeting of 23 April 2015.

The authorisation of the General Meeting of Shareholders of 22 May 2020, currently in force, provides for the delegation to the Board of the power to exclude, in whole or in part, pre-emptive subscription rights, although in this case, the amount of the capital increases will be limited, in general terms, to a maximum of 1,196,287,606 euros (equivalent to 20% of the share capital at the time of the authorisation). As an exception, the resolution of 22 May 2020 provides that this limit shall not apply to the increases in share capital that the Board may approve, with suppression of pre-emptive subscription rights, to cover the conversion of convertible securities that the Board of Directors resolves to issue pursuant to the authorisation of the General Meeting of Shareholders, with the general limit of 2,990,719,015 euros applying to such capital increases.

In this regard, the General Meeting of Shareholders held on 14 May 2021 approved the authorisation of the Board of Directors to issue convertible securities that allow or are intended to meet regulatory requirements for eligibility as additional Tier 1 regulatory capital instruments up to a maximum aggregate amount of 3,500,000,000 euros for a period of three years, with the power to exclude pre-emptive subscription rights if the corporate interest so justifies. Details of the instruments issued under this agreement are presented in Note 22.3 to the Annual Financial Statements. In accordance with the foregoing, the capital increases agreed by the Board of Directors to cover the conversion of these securities shall not be subject to the limit of 1,196,287,606 euros (equivalent to 20% of the share capital at the time of the authorisation).





cred cred	it institu: it institu:	tions and investment fir	ms in order for the convertible bonds iss securities authorised for issue by the G	set out in Regulation (EU) 575/2013 on prudential requirements for sued to qualify as additional Tier 1 capital instruments of the issuing eneral Meeting of Shareholders of 14 May, in which case the general		
6.	them	Listed companies drawing up the following reports on a voluntary or compulsory basis should publish them on their website well in advance of the annual general meeting, even if their distribution is not obligatory:				
	a)	Report on audito	r independence.			
	b)	o) Reviews of the operation of the Audit Committee and the Appointments and Remuneration Committee.				
	c)	Audit Committee	e report on third-party transact	ions.		
		Compliant [X]	Partially compliant []	Explain []		
7.	The c	company should b	roadcast its general meetings	ive on the corporate website.		
	meai	ns and even, in tl		ne delegation and exercise of votes by electronic nies and, to the extent that it is proportionate, areholders' meeting.		
		Compliant [X]	Partially compliant []	Explain []		
8.	to the cases	ents e general sharehol s where the audito a clear explanatior mary of that opinic	ders' meeting are drawn up in r includes any qualification in i at the general meeting of the	financial statements that the Board of Directors accordance to accounting legislation. And in those ts report, the chairman of the audit committee should ir opinion regarding the scope and content, making a s at the time of the publication of the notice of the of the board.		
		Compliant [X]	Partially compliant []	Explain []		
9.	atter	. •	·	ocedures for admitting share ownership, the right to ion of voting rights, and display them permanently on		
		conditions and pried in a non-discrir		nareholders to attend and exercise their rights and be		
		Compliant [X]	Partially compliant []	Explain []		



- 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.

Compliant []	Partially compliant [X]	Explain []	Not applicable []
---------------	-------------------------	-------------	--------------------

With regard to section c), the Board agrees that there are different presumptions about the direction of the vote for proposals submitted by shareholders and those submitted by the Board (as established in the Regulations of the Company's General Meeting), opting for the presumption of a vote in favour of agreements proposed by the Board of Directors (because the shareholders absent for the vote have had the opportunity to record their absence so their vote is not counted and they can also vote early in another direction through the mechanisms established for that purpose) and for the presumption of a vote against agreements proposed by shareholders (since there is a probability that the new proposals will deal with agreements that are contradictory to the proposals submitted by the Board of Directors and it is impossible to attribute opposite directions for their votes to the same shareholder. Additionally, shareholders who were absent have not had the opportunity to assess and vote early on the proposal).

Although this practice does not reflect the wording of Recommendation 10, it does better achieve the final objective of Principle 7 of the Good Governance Code which makes express reference to the Corporate Governance Principles of the OECD, which outline that the procedures used in Shareholders' Meetings must ensure the transparency of the count and the adequate registration of votes, especially in situations of voting battles, new items on the agenda and alternative proposals, because it is a measure of transparency and a guarantee of consistency when exercising voting rights.

11.	In the event that a company plans to pay for attendance at the general meeting, it should first establish a
	general, long-term policy in this respect.

Compliant [X]	Partially compliant []	Explain []	Not applicable []
---------------	-------------------------	-------------	--------------------



12.	The Board of Directors should perform its duties with unity of purpose and independent judgement,
	according the same treatment to all shareholders in the same position. It should be guided at all times by the
	company's best interest, understood as the creation of a profitable business that promotes its sustainable
	success over time, while maximising its economic value.

In pursuing the corporate interest, it should not only abide by laws and regulations and conduct itself according to principles of good faith, ethics and respect for commonly accepted customs and good practices, but also strive to reconcile its own interests with the legitimate interests of its employees, suppliers, clients and other stakeholders, as well as with the impact of its activities on the broader community and the natural environment.

Compliant [)	(] Partiall	y compliant [[] E>	kplain [1

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

Compliant [X] Explain []

- 14. The Board of Directors should approve a policy aimed at promoting an appropriate composition of the board that:
 - a) Is concrete and verifiable;
 - b) ensures that appointment or re-election proposals are based on a prior analysis of the competences required by the board; and
 - c) favours diversity of knowledge, experience, age and gender. Therefore, measures that encourage the company to have a significant number of female senior managers are considered to favour gender diversity.

The results of the prior analysis of competences required by the board should be written up in the Appointments Committee's explanatory report, to be published when the general shareholders' meeting is convened that will ratify the appointment and re-election of each director.

The nomination committee should run an annual check on compliance with this policy and set out its findings in the annual corporate governance report.

Compliant [X]	Partially compliant []	Explain []



15. Proprietary and independent Directors should constitute an ample majority on the Board of while the number of executive Directors should be the minimum practical bearing in mind of the corporate group and the ownership interests they control.				
			directors should represent at least and of 2022 and not being below 3	40% of the total number of members of the board 0% before that time.
		Compliant [X]	Partially compliant []	Explain []
16.	prop			cutive Directors should be no greater than the ders they represent and the remainder of the
	This	criterion can be rela	axed:	
	a)	In large cap comp shareholdings.	oanies where few or no equity stak	xes attain the legal threshold for significant
	b)	In companies wit related.	h a plurality of shareholders repres	sented on the board but not otherwise
		Compliant [X]	Explain []	
17.	Indep	pendent Directors	should be at least half of all Board	members.
	share		ly or concertedly controlling over 3	et capitalisation, or when a large cap company has 30 percent of capital, independent Directors should
		Compliant [X]	Explain []	
18.	Com	panies should post	the following Director particulars	on their websites, and keep them

permanently updated:

- Professional experience and background. a)
- b) Directorships held in other companies, listed or otherwise, and other paid activities they engage in, of whatever nature.
- Statement of the Director class to which they belong, in the case of proprietary Directors c) indicating the shareholder they represent or have links with.
- Dates of their first appointment as a board member and subsequent re-elections. d)
- Shares held in the company, and any options on the same. e)

Compliant [X] Partially compliant [] Explain	Compliant [X]	Partially compliant []	Explain []
---	---------------	-------------------------	------------



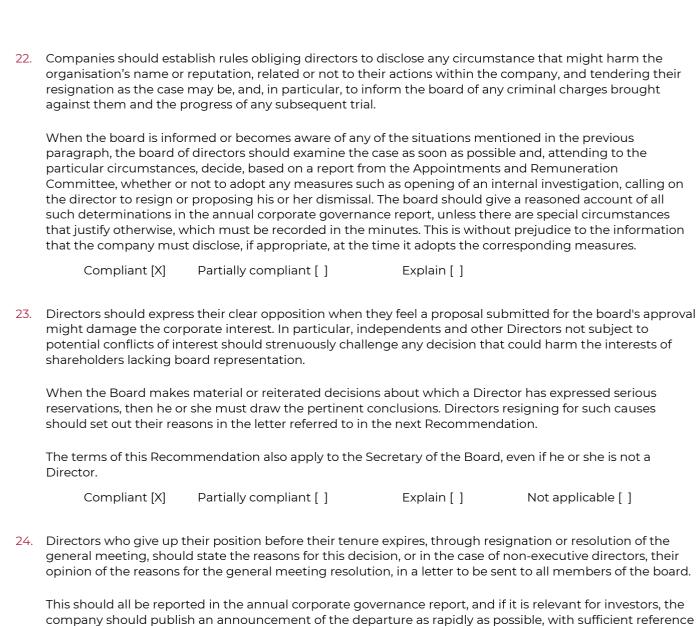
19.	Following verification by the nomination committee, the Annual Corporate Governance Report should disclose the reasons for the appointment of proprietary Directors at the request of shareholders controlling less than 3 percent of capital; and explain any rejection of a formal request for a Board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a proprietary directorship.				
	Compliant [X]	Partially compliant []	Explain []	Not applicable []	
20. Proprietary Directors should resign when the shareholders they represent dispose of their owners interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitle to proprietary Directors, the latter's number should be reduced accordingly.				ng some of their entitlement	
	Compliant [X]	Partially compliant []	Explain []	Not applicable []	
21.					
	Compliant [X]	Explain []			



to the reasons or circumstances provided by the director.

Compliant [X]

Partially compliant []



Not applicable []

Explain []



25.	The Appointments Committee should ensure that non-executive Directors have sufficient time available to discharge their responsibilities effectively.				
	The Board of Directors regulations should lay down the maximum number of company boards on which Directors can serve.				
	Compliant [X]	Partially compliant []	Explain []		
26.	The Board should meet with the necessary frequency to properly perform its functions, eight times a year a least, in accordance with a calendar and agendas set at the start of the year, to which each Director may propose the addition of initially unscheduled items.				
	Compliant [X]	Partially compliant []	Explain []		
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.				
	Compliant []	Partially compliant [X]	Explain []		
In the event of unavoidable absences, in order to prevent de facto changes to the balance of the Board of Directors, legislation allows for delegation to another director (non-executives only to other non-executives) - this is established in Principle 14 of the Good Governance Code and also envisaged in By-laws (article 37), as well as the Board's Regulations (article 17), which determine that Directors must personally attend Board meetings. However, when they are unable to do so in person, they shall endeavour to grant their proxy in writing, on a special basis for each meeting, to another Board member, including the appropriate instructions therein. Non-executive Directors may only delegate a proxy who is another non-executive Director, while independent Directors may only delegate to another independent Director.					
It should also be noted that CaixaBank's Corporate Governance Policy states that in relation to the duty of directors to attend Board meetings, if they cannot attend in person for justified reasons, they shall endeavour to grant their proxy in writing, and separately for each meeting, to a fellow Board member. Every attempt must be made to ensure that each and every director attends at least 80% of Board meetings. As such, proxies are a comparative rarity at CaixaBank.					
The Board of Directors considers, as good corporate governance practice, that when directors are unable to attend meetings, proxies are not generally delegated with specific instructions. This does not amend, de facto, the balance of the Board given that delegations may only be made by non-executive directors to other non-executive directors, and independent directors may only delegate to other independent directors, while directors are always required to defend the company's corporate interest regardless of their director status.					
Moreover, and reflecting the freedom of each director who may also delegate with the appropriate instructions as suggested in the Board's Regulations, the decision to delegate without instructions represents each director's freedom to consider what provides most value to their proxy, and they may finally decide on the grounds that they want to give their proxy freedom to adapt to the result of the Board meeting debate. This, in addition, is in line with the law on the powers of the Chairman of Board, who is given, among others, the responsibility of encouraging a good level of debate and the active involvement of all directors, safeguarding their right to adopt any position or stance they see fit.					
Therefore, the freedom to appoint proxies with or without specific instructions, at the discretion of each director, is considered good practice and, specifically, the absence of instructions is seen as facilitating the proxy's ability to adapt to the content of the debate.					
28.	28. When Directors or the Secretary express concerns about some proposal or, in the case of Directors, about the company's performance, and such concerns are not resolved at the meeting, the person expressing them can request that they be recorded in the minute book.				
	Compliant [X]	Partially compliant []	Explain []	Not applicable []	



29.	The company should provide suitable channels for Directors to obtain the advice they need to carry out their duties, extending if necessary to external assistance at the company's expense.				
	Compliant [X]	Partially compliant []	Explain []		
30.	Regardless of the knowledge Directors must possess to carry out their duties, they should also be offered refresher programmes when circumstances so advise.				
	Compliant [X]	Explain []	Not applicable []		
31.	The agendas of Board meetings should clearly indicate on which points directors must arrive at so they can study the matter beforehand or gather together the material they need.				
For reasons of urgency, the Chairman may wish to present decisions or resolutions for board approval to were not on the meeting agenda. In such exceptional circumstances, their inclusion will require the experior consent, duly minuted, of the majority of directors present.					
	Compliant [X]	Partially compliant []	Explain []		
32.	Directors should be regularly informed of movements in share ownership and of the views of major shareholders, investors and rating agencies on the company and its group.				
	Compliant [X]	Partially compliant []	Explain []		
33.	to the functions assigned schedule of meeting date where appropriate, the accountable for its prop	erson responsible for the efficient red by law and the company's By-lates and agendas; organise and cocompany's Chief Executive Officer functioning; ensure that sufficient review refresher courses for each	ws, should prepare a ordinate regular evalu ; exercise leadership o ent time is given to th	nd submit to the Board a uations of the board and, of the Board and be ne discussion of strategic	
	Compliant [X]	Partially compliant []	Explain []		
34.	should grant him or her Directors in the absence directors; maintain cont	irector has been appointed, the By r the following powers over and ab e of the Chairman or Vice-Chairme tact with investors and shareholde concerns, especially those to do w an's succession plan.	ove those conferred len; give voice to the cars to hear their views	by law: chair the Board of oncerns of non-executive and develop a balanced	
	Compliant [X]	Partially compliant []	Explain []	Not applicable []	



35.	The Board Secretary should strive to ensure that the Board's actions and decisions are informed by the governance recommendations of the Good Governance Code of relevance to the company.						
		Compliant [X]	Explain []				
36.	36. The Board in full should conduct an annual evaluation, adopting, where necessary, an action property weakness detected in:				sary, an action plan to		
	a)	The quality and e	fficiency of the Board's op	eration.			
	b)	The performance	and membership of its c	ommittees.			
	c)	The diversity of B	oard membership and co	mpetences.			
	d) The performance of the Chairman of the Board of Directors and the company's Chief Executive.						
e) The performance and contribution of individual directors, with particular attention to Board committees.					r attention to the chairs of	:	
	The evaluation of Board committees should start from the reports they send the Board of Directors, while that of the Board itself should start from the report of the Appointments Committee.						е
	Every three years, the Board of Directors should engage an external facilitator to aid in the evaluation process. This facilitator's independence should be verified by the Appointments Committee.						
	Any business dealings that the facilitator or members of its corporate group maintain with the company of members of its corporate group should be detailed in the Annual Corporate Governance Report.						or or
	The p	orocess followed ar	nd areas evaluated should	be detailed in t	the Annual Co	rporate Governance Repo	rt.
		Compliant []	Partially compliant [X]	Expla	nin []		
bene with	fit of the Bankia t	e assistance of an externa takes effect, and given th	r, the Board of Directors has carri al advisor, as given the partial ren e short period of time the curren nal collaboration to the next self	ewal process the Bo t Board had been co	ard will undertake onstituted after the		
		ne self-assessment proce y of the Board.	ss was carried out along the sam	e lines as the previou	us year with the ass	sistance of the General Secretary	
37.	When there is an Executive Committee, there should be at least two non-executive members, at least one of whom should be independent; and its secretary should be the secretary of the Board of Directors.						
		Compliant [X]	Partially compliant []	Expla	nin []	Not applicable []	



38.	The Board should be kept fully informed of the business transacted and decisions made by the Executive Committee. To this end, all Board members should receive a copy of the committee's minutes.				
	Compliant [X]	Partially compliant []	Explain []	Not applicable []	
39.	All members of the Audit Committee, particularly its chairman, should be appointed with regard to their knowledge and experience in accounting, auditing and risk management matters, both financial and non-financial.				
	Compliant [X]	Partially compliant []	Explain []		
40.	Listed companies should have a unit in charge of the internal audit function, under the supervision of the Audit Committee, to monitor the effectiveness of reporting and control systems. This unit should report functionally to the Board's Non-Executive Chairman or the Chairman of the Audit Committee.				
	Compliant [X]	Partially compliant []	Explain []		
41.	The head of the unit handling the internal audit function should present an annual work programme to the Audit Committee, for approval by this committee or the board, inform it directly of any incidents or scope limitations arising during its implementation, the results and monitoring of its recommendations, and submit an activities report at the end of each year.				
	Compliant [X]	Partially compliant []	Explain []	Not applicable []	



- 42. The Audit Committee should have the following functions over and above those legally assigned:
 - 1. With respect to internal control and reporting systems:
 - a) Monitor and evaluate the preparation process and the integrity of the financial and non-financial information, as well as the control and management systems for financial and non-financial risks related to the company and, where appropriate, to the group –including operating, technological, legal, social, environmental, political and reputational risks or those related to corruption– reviewing compliance with regulatory requirements, the accurate demarcation of the consolidation perimeter, and the correct application of accounting principles.
 - b) Monitor the independence of the unit handling the internal audit function; propose the selection, appointment and removal of the head of the internal audit service; propose the service's budget; approve or make a proposal for approval to the board of the priorities and annual work programme of the internal audit unit, ensuring that it focuses primarily on the main risks the company is exposed to (including reputational risk); receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.
 - c) Establish and supervise a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report irregularities of potential significance, including financial and accounting irregularities, or those of any other nature, related to the company, that they notice within the company or its group. This mechanism must guarantee confidentiality and enable communications to be made anonymously, respecting the rights of both the complainant and the accused party.
 - d) In general, ensure that the internal control policies and systems established are applied effectively in practice.
 - 2. With respect to the external auditor:
 - a) Investigate the issues giving rise to the resignation of the external auditor, should this come about.
 - b) Ensure that the remuneration of the external auditor does not compromise its quality or independence.
 - c) Ensure that the company notifies any change of external auditor through the CNMV, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.
 - d) Ensure that the external auditor has a yearly meeting with the Board in full to inform it of the work undertaken and developments in the company's risk and accounting positions.
 - e) Ensure that the company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and other requirements concerning auditor independence.

Compliant [X	Partially compliant [] Explain []



43.	43. The Audit Committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior officer.			oyee or manager, even	
		Compliant [X]	Partially compliant []	Explain []	
44.	comp	any is planning, so	nould be informed of any fundam the committee can analyse the c and accounting impact and, whe	peration and report	to the Board beforehand on
		Compliant [X]	Partially compliant []	Explain []	Not applicable []
45.	The ri	sk control and mar	nagement policy should identify o	or establish at least:	
	a) The different types of financial and non-financial risk the company is exposed to (including operation technological, financial, legal, social, environmental, political and reputational risks, and risks relating corruption), with the inclusion under financial or economic risks of contingent liabilities and other of balance-sheet risks.				
 A risk control and management model based on different levels, of which a sp committee will form part when sector regulations provide or the company deems it 					
	c)	The level of risk th	at the company considers accept	cable.	
	d)	Measures in place	to mitigate the impact of risk eve	ents should they occu	ır.
	e)		ting and control systems to be us ent liabilities and off-balance-she		nage the above risks,
		Compliant [X]	Partially compliant []	Explain []	
46.	intern	nal department or ι	olish a risk control and managem units and under the direct superv ittee. This function should be exp	ision of the Audit Cor	nmittee or some other
	a)		ontrol and management systems mpany is exposed to are correctly		
	b)	Participate activel	y in the preparation of risk strate	gies and in key decisi	ons about their management.
	c)		ontrol and management systems up by the Board of Directors.	are mitigating risks e	effectively in the frame of
		Compliant [X]	Partially compliant []	Explain []	



47.	Remuneration Committee, if separately constituted - should have the right balance of knowledge, skills and experience for the functions they are called on to discharge. The majority of their members should be independent Directors.				
		Compliant [X]	Partially compliant []	Explain []	
48.	_	e cap companies sh mittees.	nould operate separately constitut	ed Appointments and Remuneration	
		Compliant [X]	Explain []	Not applicable []	
49.		appointments Com atters relating to ex		ompany's chairman and chief executive, especially	
			es on the Board, any Director may t it might consider suitable.	approach the Appointments Committee to	
		Compliant [X]	Partially compliant []	Explain []	
50.		demuneration Com ose assigned by lav		ently and have the following functions in addition	
	a)	Propose to the Bo	pard the standard conditions for se	enior officer contracts.	
	b)	Monitor complian	ce with the remuneration policy	set by the company.	
c) Periodically review the remuneration policy for Directors and senior officers, including share-between remuneration systems and their application, and ensure that their individual compensation is proportionate to the amounts paid to other Directors and senior officers in the company.					
	d)	Ensure that conflictions committee engage		the independence of any external advice the	
	e) Verify the information on Director and senior officers' pay contained in corporate documents, including the Annual Directors' Remuneration Statement.				
		Compliant [X]	Partially compliant []	Explain []	
51.			nmittee should consult with the C utive Directors and senior officers	nairman and Chief Executive, especially on	
		Compliant [X]	Partially compliant []	Explain []	



1

ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

- 52. The terms of reference of supervision and control committees should be set out in the Regulations of the Board, and aligned with those applicable to legally mandatory Board committees as specified in the preceding sets of recommendations. They should include at least the following terms:
 - a) Committees should be formed exclusively by non-executive Directors, with a majority of independents.
 - b) Committees should be chaired by an independent Director.
 - c) The board should appoint the members of such committees with regard to the knowledge, skills and experience of its directors and each committee's missions, discuss their proposal sand reports; and provide report-backs on their activities and work at the first board plenary following each committee meeting.
 - d) They may engage external advice, when they feel it necessary for the discharge of their functions.

e)	Meeting proceedings should be minuted and a copy made available to all Board					
	members.					
	Compliant [X]	Partially compliant []	Explain []	Not applicable [

53. The task of supervising compliance with the policies and rules of the company in the environmental, social and corporate governance areas, and internal rules of conduct, should be assigned to one board committee or split between several, which could be the audit committee, the nomination committee, a committee specialised in sustainability or corporate social responsibility, or a dedicated committee established by the board under its powers of self-organisation. Such a committee should be made up solely of non-executive directors, the majority being independent and specifically assigned the following minimum functions.

Compliant [X]	Partially compliant []	Explain []
---------------	-------------------------	-------------



- 54. The minimum functions referred to in the previous recommendation are as follows:
 - a) Monitor compliance with the company's internal codes of conduct and corporate governance rules, and ensure that the corporate culture is aligned with its purpose and values.
 - b) Monitor the implementation of the general policy regarding the disclosure of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, proxy advisors and other stakeholders. Similarly, the way in which the entity communicates and relates with small and medium-sized shareholders should be monitored.
 - c) Periodically evaluate the effectiveness of the company's corporate governance system and environmental and social policy, to confirm that it is fulfilling its mission to promote the corporate interest and catering, as appropriate, to the legitimate interests of remaining stakeholders.
 - d) Ensure the company's environmental and social practices are in accordance with the established strategy and policy.
 - e) Monitor and evaluate the company's interaction with its stakeholder groups.

Compliant [X] Partially compliant [] Explain []

- 55. Environmental and social sustainability policies should identify and include at least:
 - a) The principles, commitments, objectives and strategy regarding shareholders, employees, clients, suppliers, social welfare issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of corruption and other illegal conducts
 - b) The methods or systems for monitoring compliance with policies, associated risks and their management.
 - c) The mechanisms for supervising non-financial risk, including that related to ethical aspects and business conduct.
 - d) Channels for stakeholder communication, participation and dialogue.
 - e) Responsible communication practices that prevent the manipulation of information and protect the company's honour and integrity.

Compliant [X] Partially compliant [] Explain []

56. Director remuneration should be sufficient to attract individuals with the desired profile and compensate the commitment, abilities and responsibility that the post demands, but not so high as to compromise the independent judgement of non-executive Directors.

Compliant [X] Explain []

54**/57**



57.	optio move	Variable remuneration linked to the company and the Director's performance, the award of shares, options or any other right to acquire shares or to be remunerated on the basis of share price movements, and membership of long-term savings schemes such as pension plans should be confined to executive Directors.					
	retair	n such shares until	sider the share-based remune the end of their mandate. Th ose of to defray costs related t	e above condition will r			
		Compliant [X]	Partially compliant []	Explain []			
58. In the case of variable awards, remuneration policies should include limits and technical ensure they reflect the professional performance of the beneficiaries and not simply the the markets or the company's sector, or circumstances of that kind.						s of	
	In pa	rticular, variable re	muneration items should me	eet the following condit	ions:		
	a)	Be subject to pre obtain a given ou	determined and measurable itcome.	performance criteria th	at factor the risk assumed to		
	b)	relevant for the c	g-term sustainability of the co ompany's long-term value, su ol and management policies.			ıres	
	c)	objectives, such t sufficient time to	hieving a balance between the charted pay appreciate its contribution to asurement is not based solely	rewards ongoing achie long-term value creati	evement, maintained over ion. This will ensure that		
		Compliant [X]	Partially compliant []	Explain []	Not applicable []		
59.	previo	ously established peir annual directors	iable components of remune performance, or other, conditi s' remuneration report the cri nding on the nature and chara	ions have been effective teria relating to the tim	ely met. Entities should include e required and methods for	de	
	suffic	ient period of the	ould consider establishing a r payment of part of the variab ent that prior to the time of p	le components that im	plies total or partial loss of this	S	

Compliant [X] Partially compliant [] Explain [] Not applicable []



60.	60. In the case of remuneration linked to company earnings, deductions should be computed for any qualifications stated in the external auditor's report.			
	Compliant [X]	Partially compliant []	Explain []	Not applicable []
61.		ve Directors' variable remuner vhose value is linked to the sha		d to the award of shares or
	Compliant [X]	Partially compliant []	Explain []	Not applicable []
62.				ling to the remuneration o or exercise them until a period
	exposure to the variation		r a market value equiv	efer or exercise, a net economic valent to an amount of at least es, options or other financial
	related to their acquisi	: apply to the shares that the d tion or, upon favourable assess an extraordinary situation.		
	Compliant []	Partially compliant []	Explain [X]	Not applicable []
corre provi expre	sponding to the remuneration sion governing this matter, alth	ring ownership (or exercising them as t schemes until a period of at least three ough executive directors (who are the o og shares received under their remuner	years has elapsed is not app only directors entitled to rece	lied as such at CaixaBank. There is no eive share-based remuneration) are
intererent remu lock- fully	ests is also achieved through th Ineration in shares (correspond up period but is also deferred. N	ing to half their variable remuneration a Noreover, this variable remuneration co	ses, and via the remuneration and in relation to long-term Institutes a limited part of the	on structure for executive directors, whose incentive plans) is not only subject to a
		s held on 14 May 2021 approved the am clusive. The amended text of this policy		on Policy for the members of the Board of ext approved by the Annual General

Furthermore, it is important to note that the Board of Directors is expected to submit to the next Ordinary General Meeting a proposal to amend its Remuneration Policy extending the limitation period for executive directors (who are the only directors entitled to receive share-based remuneration) to transfer the shares received under their remuneration package to 3 years, according to the terms of this Recommendation.

The proposed amendment to the Remuneration Policy approved on 22 May 2020 is justified, among others, by the following reasons: the change in the Chairman of the Board, following the merger by absorption of Bankia, S.A. by CaixaBank, who has become an executive director; the modification of the maximum annual amount of directors' remuneration in their capacity as such; the definition of the maximum number of shares that executive directors may receive in the event that all the objectives corresponding to the third cycle of the Conditional Annual Incentive Plan linked to the 2019-2021 Strategic Plan are met; the introduction of a new paragraph on "purpose and scope of application of the Policy"; the modification of the paragraph on "Instrument-based long-term incentives"; the introduction of a new sub-section with the procedure and criteria to be followed for the approval of the contract of an executive director; and the adaptation to best practices regarding

Meeting of CaixaBank on 22 May 2020, without prejudice to the effects produced and consolidated under its validity.

remuneration in credit institutions.



63.	63. Contractual arrangements should include provisions that permit the company to reclaim variable components of remuneration when payment was out of step with the Director's actual performance or based on data subsequently found to be misstated.					
	Compliant [X]	Partially compliant []	Explain []	Not applicable []		
64.		should not exceed a fixed amound should not be paid until the nance criteria.				
	whose accrual or paym contractual relationship	s recommendation, payments ent obligation arises as a cons p that linked the Director with savings schemes and the amo	equence of or on the o	occasion of the termination of the ng previously unconsolidated		
	Compliant []	Partially compliant [X]	Explain []	Not applicable []		
relati		of the Chairman's and CEO's contracts, in post-contractual non-competition agree of them.				
		l a social security supplement for the CE an to cover death and permanent total,		and permanent total, absolute or		
	e case of the commitment to co al contributions to be made are		a system established under a	defined contribution plan, for which the		
bene not te	fit will be the result of the sum o	of the contributions made by the Bank i ithout prejudice to the applicable treatr	and their corresponding retu	ne legally established retirement age. This Irns up to that date, provided that he/she is n benefits in accordance with the		
attrib paym	utable to the CEO) but in no ca	ontract, the contributions would be consisted in the possibilities any provision for the possibilities and at the time of retirement (or secontract.	ity of receiving an early retire	ment benefit, since its accrual and		
they a	are configured as a savings syst	is not to indemnify or compensate for t em that is endowed over time with peri the Executive Directors; unlike indemnit	odic contributions and whicl			
actua				of savings scheme entitlements, without on payments or termination of contract		
State v	whether any Directors vo	oted against or abstained from	voting on the approva	al of this Report.		
		ded in this statistical annex coi Corporate Governance Report				

57**/57**



This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Auditor's report on "Information regarding the Internal Control System over Financial Reporting (ICSFR)"

To the administrators of CaixaBank, S.A.:

In accordance with the request of the Board of Directors of CaixaBank, S.A. ("the Company") and our engagement letter dated 27 September 2021, we have applied certain procedures in respect of the attached "Information regarding the Internal Control System over Financial Reporting" ("ICSFR"), included in Annual Corporate Governance Report in section "F. Internal control and risk management systems in relation to the process of issuing financial information (ICSFR)" of CaixaBank, S.A. for the 2021 financial year, which includes a summary of the Company's internal control procedures relating to its annual financial information.

The administrators are responsible for adopting the necessary measures to reasonably ensure the implementation, maintenance and supervision of an appropriate internal control system, and for developing improvements to that system and preparing and establishing the content of the accompanying Information regarding the ICSFR.

In this regard, it should be borne in mind that, regardless of the quality of the design and operating efficiency of the internal control system used by the Company in relation to its annual financial information, only a reasonable, but not absolute, degree of assurance may be obtained in relation to the objectives it seeks to achieve, due to the limitations inherent in any internal control system.

In the course of our audit work on the consolidated annual accounts and in accordance with Spanish Auditing Standards, the sole purpose of our evaluation of the Company's internal control system is to enable us to establish the scope, nature and timing of our audit procedures in respect of the Company's annual accounts. Accordingly, our internal control evaluation, performed for the purposes of our audit, is not sufficient in scope to enable us to issue a specific opinion on the effectiveness of such internal control over the regulated annual financial information.

For the purposes of the present report, we have exclusively applied the specific procedures described below, as indicated in the "Guidelines concerning the auditor's Report on the Information regarding the Internal Control System over Financial Reporting for listed entities" published by the National Securities Market Commission (hereinafter NSMC) on its web site, which sets out the work to be performed, the scope of such work and the content of this report. In view of the fact that, in any event, the scope of the work resulting from these procedures is reduced and substantially less than the scope of an audit or review of the internal control system, we do not express an opinion on the effectiveness thereof, its design or operational efficiency, in relation to the Company's annual financial information for the 2021 financial year described in the accompanying Information regarding the ICSFR. Had we applied additional procedures to those determined by the aforementioned Guidelines, or had we performed an audit or review of the internal control system in relation to the regulated annual financial information, other matters could have come to light in respect of which you would have been informed.



In addition, provided that this special work neither constitutes an account audit it is not even submitted to the governing regulations of audit, we do not express an opinion of audit in the terms foreseen in the mentioned regulation.

The Procedures applied were as follows:

- 1. Reading and understanding the information prepared by the Company in relation to the ICSFR as disclosed in the Directors' Report and the evaluation of whether such information includes all the information required as per the minimum content set out in Section F regarding the description of the ICSFR, in the model of the Annual Corporate Governance Report, as established in Circular 5/2013 of the NSMC, dated June 12, 2013, and subsequent amendments, the most recent being Circular 3/2021, of September 28, of the NSMC (from now on the Circulars of NSMC).
- 2. Making enquiries of personnel in charge of preparing the information mentioned in point 1 above in order to: (i) obtain an understanding of the preparation process; (ii) obtain information that enables us to assess whether the terminology used is in line with the framework of reference; (iii) obtain information as to whether the control procedures described have been implemented and are functioning in the Company.
- 3. Review of supporting documentation explaining the information described in point 1 above and which mainly comprises the information made directly available to the persons responsible for preparing the information on the ICSFR. Such documentation includes reports prepared by the internal audit function, senior management and other internal and external specialists in support of the functions of the Audit and Control Committee.
- 4. Comparison of the information described in point 1 above with our knowledge of the Company's ICSFR, obtained by means of the application of the procedures performed within the framework of the audit engagement on the consolidated annual accounts.
- Reading the minutes of meetings of the Board of Directors, Audit and Control Committee and other committees of the Company, for the purposes of evaluating the consistency between the matters dealt with therein in relation to the ICSFR and the information described in point 1 above.
- 6. Obtaining a representation letter concerning the work performed, duly signed by the persons responsible for the preparation and drafting of the information mentioned in point 1 above.

As a result of the procedures applied in relation to the Information regarding the ICSFR, no inconsistencies or incidents have been identified which could affect such information.

This report has been prepared exclusively within the framework of the requirements of article 540 of the revised Spanish Companies Act and by the Circulars of de NSMC, for the purposes of describing the ICSFR in Annual Corporate Governance Reports.

PricewaterhouseCoopers Auditores, S.L.

PRICEWATERHOUSECOOPERS AUDITORES, S.L.

Original in Spanish signed by Raúl Ara Navarro

February 18, 2022



> 2021

Annual **Remuneration**Report







O 1 Introduction

Governing principles and responsibilities when managing the Remuneration Policy Report

03

▶ PG **10**

Remuneration Policy 2021

04

▶ PG **31**

Terms and conditions of the general contracts and those of the CEO and Executive Chairman

- ▶ Remuneration of Directors_7
- Remuneration Committee_8

- Remuneration of directors in their capacity as such_10
- Remuneration of directors discharging executive functions_11
- ▶ General terms and conditions of contracts_31
- Special terms and conditions of the contracts of the CEO and Executive Chairman _33

05_{• PG 34}

Director Remuneration Policy for 2022

06 o PG 44

Table of reconciliation of content with the CNMV remuneration report template

07

▶ PG 46

Statistical information on remuneration required by the CNMV

- Remuneration of directors in their capacity as such_35
- Remuneration of directors discharging executive functions_36

Fixed components of remuneration 36

Variable components of remuneration 37

Remuneration to Board members as consideration for representing CaixaBank_43

Remuneration aside from responsibilities as directors_43





1. Introduction

This Annual Report on Directors' Remuneration for the financial year 2021 (hereinafter, Report or ARR) is prepared by the Remuneration Committee of CaixaBank, S.A. (hereinafter, CaixaBank, Company or Entity) in accordance with the provisions of article 541 of the Capital Companies Act (hereinafter, LSC), following the content and instructions established in Circular 3/2021 of the Spanish National Securities Market Commission (hereinafter, $CNMV)^{1}$.

In this regard, the Entity has opted to prepare the report in free format, as in previous years, including the content required by regulations, the statistical appendix set out in Circular 3/2021, as well as other relevant information for understanding the remuneration system for the directors of CaixaBank. The purpose of this report is to provide transparency around director remuneration schemes and to facilitate shareholder understanding of the remuneration practices in place at the Bank.

2021 was particularly critical for the Entity owing to the merger through the absorption of Bankia, S.A. into CaixaBank (hereinafter, the "Merger"), among other aspects. This event has had a significant impact on the composition and remuneration of the Board of Directors.

- As at 1 January 2021, the Directors' Remuneration Policy applicable to the Entity (hereinafter, Remuneration Policy or Policy) was that approved by the Annual General Meeting on 22 May 2020 for the financial years 2020 to 2022, both inclusive.
- On 26 March, the Merger was registered in the Commercial Register. To this end, the Extraordinary General Shareholders'

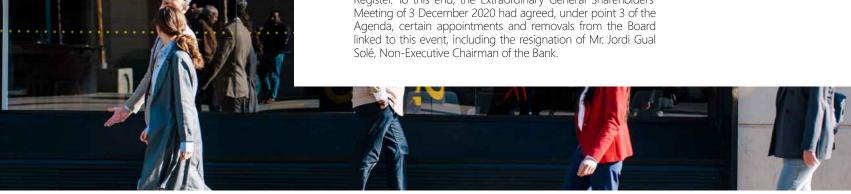
On 30 March, the Board of Directors approved the appointment of Mr. José Ignacio Goirigolzarri as Executive Director, thus becoming Executive Chairman of CaixaBank.

As a result of the above, the Annual General Meeting held on 14 May 2021 resolved to approve an amendment to the Remuneration Policy 2020-2022. The amended text replaced in its entirety the text adopted on 22 May 2020, without prejudice to the effects produced and consolidated under its validity.

This Remuneration Policy can be consulted on the CaixaBank website through the following link:

https://www.caixabank.com/deployedfiles/caixabank_com/Estaticos/PDFs/Accionistasinversores/Gobierno Corporativo/Politica de Remuneracion del Consejo de Administracion CAST.pdf

Notwithstanding the above, a new Directors Policy is expected to be submitted for approval at the next Annual General Meeting in 2022, which would fully replace, from 1 January 2022, the amendment approved by the CaixaBank Annual General Meeting on 14 May 2021.



1 Circular 3/2021, of 28 September, of the National Securities Market Commission, amending Circular 4/2013, of 12 June, which establishes models for annual remuneration reports for directors of listed public limited companies and members of the board of directors and the control committee of savings banks that issue securities admitted to trading on official securities markets; and Circular 5/2013 of 12 June, which establishes models for the annual corporate governance report of listed public limited companies, savings banks and other entities that issue securities admitted to trading on official securities markets.





The main reasons for the need to approve a new Policy are:

- O1. The approval of Law 5/2021 of 12 April, which amends the revised text of the Spanish Corporate Enterprises Act, approved by Royal Legislative Decree 1/2010 of 2 July, and other financial regulations, with regard to the promotion of long-term shareholder involvement in listed companies. Specifically, in accordance with Transitional Provision 1 of this Act, companies must submit the Remuneration Policy adapted to these amendments for approval at the first general meeting held after 6 months from its publication in the Official State Gazette.
- The regulatory developments regarding remuneration at credit institutions that have occurred over the course of 2021, as part of the transposition into Spanish law of Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 (hereinafter CRD V).
- The change in the variable incentive model by unifying the annual and long-term variable remuneration system into a single remuneration scheme (hereinafter, Variable Remuneration Scheme with Multiannual Metrics or Scheme), maintaining maximum concession levels for the total.

Thus, section 5 of this Report describes the characteristics of the Policy that, as of the date of preparation of this Report, is expected to be submitted to the Annual General Meeting in 2022.

As stipulated in article 541 of the Corporate Enterprises Act, this report, which was unanimously approved by the Board of Directors at its meeting of 17 February 2022, will be submitted to a consultative vote of the shareholders at the General Shareholders' Meeting in 2022, as a separate item on the agenda.



01

Governing principles and responsibilities when managin the Remuneration Policy

Remuneration police

Terms and conditions of general contracts and of those of the CEC and Chairman

Director Remuneration Policy for 2022

Table of reconciliation of content with the CNMV remuneration report template Statistical information on remuneration required by the CNMV



Remuneration



The following sections make up the Annual Report on the Remuneration of Directors, which the Board of Directors must draw up and lay before the Annual General Meeting for a consultative vote among shareholders.





Introduction

Governing principles and responsibilities when managi the Remuneration Policy

General principles of the policy

Remuneration police 2021

Terms and conditions of general contracts and of those of the CEC and Chairman

Director Remuneration Policy for 2022

Table of reconciliation of conte with the CNMV remuneration report template

Statistical information remuneration require by the CNMV

Executive Directors



Non-executive directors

2. Governing principles and responsibilities when managing the Remuneration Policy

CaixaBank establishes its Remuneration Policy on the basis of general remuneration policies, committed to a market position that allows it to attract and retain the talent needed and to encourage behaviour that ensures long-term value generation and the sustainability of results over time. Market practices are analysed each year with wage surveys and specific studies conducted as and when needed by top tier companies, based on a comparable sample of peer financial institutions operating in the markets in which CaixaBank is present and a sample of comparable İBEX 35 companies.



Creating value	Variable remuneration takes into consideration not only the achievement of targets but also the way in which they are achieved, ensuring prudent risk management.	•	
Linking targets and commitment	The individual targets of staff are defined on the basis of the commitment they establish with their managers.	•	
Professional development	Remuneration policy bases its strategy of attracting and retaining talent on providing professional people with a distinctive corporate business project, the possibility of professional development and enjoyment of competitive overall remuneration.	•	
Competitive positioning of total compensation	Within these conditions of total compensation, the Remuneration Policy is committed to a competitive positioning in terms of the sum of fixed remuneration and social benefits, basing its capacity to attract and retain talent mainly on both remuneration components.	•	
Corporate pension plan	The main element of the benefits offer is the corporate welfare programme offered to professionals, which stands out in comparison with other financial institutions in the Spanish market, constituting a key element in the remuneration offer.	•	
Remuneration mix	The fixed remuneration and benefit components constitute the dominant part of the remuneration package where, in general, the variable remuneration concept tends to be conservative due to its potential role as a risk generator.	•	
Linkage to the General Remuneration Policy	In setting the Remuneration Policy, and in establishing the remuneration conditions for Executive Directors in particular, CaixaBank has taken into account the remuneration policy for the Entity's employees.	•	•
Sustainability	The Policy is consistent with the management of sustainability risks, incorporating metrics linked to this aspect in the variable remuneration component, and taking into account responsibilities and assigned functions.	•	
Non-discrimination	The Policy seeks to ensure non-discrimination and to promote equal pay with regard to gender.	•	•
Professional promotion	The promotion system is based on the assessment of the skills, performance, commitment and professional merits of the professionals on a sustained basis over time.	•	•
Best practices in director remuneration	The remuneration of the members of the CaixaBank Board of Directors, established within the general framework defined in this Remuneration Policy, is approved by the competent board and delegated committees of CaixaBank.	•	•



Introduction

Governing principles and responsibilities when managir the Remuneration Policy

Remuneration police 2021

Terms and conditions of general contracts and of those of the CEC and Chairman

Director Remuneration Policy for 2022

Table of reconciliation of conte with the CNMV remuneration report template Statistical information remuneration required by the CNMV



In the financial year 2021, the amendment of the Remuneration Policy submitted by the Board to the binding vote of the General Shareholders' Meeting of 14 May 2021 received a percentage of votes in favour of 75.76%. This result was conditioned by a significant shareholder with a 16.1% stake, who voted against amending the Policy. The consultative vote on the Annual Remuneration Report for the previous year obtained 72.31% of votes in favour, due primarily to this same shareholder abstaining from this agenda item. The remaining items involving remuneration proceeded in similar fashion, with the shareholder also abstaining.

Excluding this sole shareholder from the votes, the change to the Remuneration Policy would have obtained a 96.3% approval, and the Annual Remuneration Report 91.9%. Similarly, the remaining proposals relating to remuneration would have been approved with percentages in excess of 96%. Moreover, all of these proposals received support from the main voting advisers of institutional investors.

The new Remuneration Policy proposed at the 2022 General Shareholders' Meeting, in addition to including regulatory adjustments, includes, among others, improvements in matters of transparency involving the push to sustain value over the long-term, a new variable incentive system with annual and multiannual targets set beforehand and aimed at prudent risk management, with more importance assigned to sustainability metrics, as well as an increase in the holding period of shares delivered to Directors Executives, in compliance with recommendation 62 of the Code of Good Governance of Listed Companies. The new Policy does not entail an increase to the overall remuneration limits of the directors as a whole.

2.1 Remuneration of **Directors**

In accordance with the Regulations of the Board of Directors, all decisions on director remuneration made within the framework of the By-laws and the Remuneration Policy are non-delegable and must always be taken by the Board of Directors sitting in plenary session (the "Board").

Directors in their capacity as such

The system provided for in the By-laws establishes that the remuneration of CaixaBank directorships should consist of a fixed annual amount to be determined by the General Shareholders' Meeting, which remains in force until the 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.

Remuneration of directors discharging executive duties

In relation to members of the Board with executive duties (hereinafter, Executive Directors), the By-laws 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 based on the level of responsibility and professional trajectory, which constitutes a major portion of the total remuneration.
- Variable remuneration tied to the achievement of previously-established annual and long-term targets and prudent risk management.
- Pension scheme and other social benefits.

CaixaBank, S.A. is subject to Law 10/2014² (hereinafter referred to by its Spanish acronym of "LOSS"), particularly in relation to the remuneration policy of professionals whose activities have a material impact on the Company's risk profile (hereinafter referred to as "Identified Staff"). In line with the objective of achieving a reasonable and prudent balance between fixed and variable remuneration components, the amounts of fixed remuneration paid to Executive Directors are considered sufficient, while the percentage of variable remuneration in the form of a bonus above and beyond their annual fixed remuneration is comparatively low and does not exceed 100% of their fixed remuneration, unless the General Shareholders' Meeting approves a higher level, limited to 200% thereof.

No guaranteed variable remuneration is included in the remuneration package of Executive Directors. However, the Company may offer this guaranteed variable remuneration for new hires in exceptional cases, provided it has a healthy and solid capital base and the remuneration is applied to the first year of their contract only. As a general rule, the guaranteed variable remuneration should not exceed the amount of one annuity of the fixed remuneration components.

² Law 10/2014, of 26 June, on the organisation, supervision and solvency of credit institutions, as amended by Royal Decree Law 7/2021, of 27 April, transposing certain EU directives, including the CRD V



2.2 Remuneration Committee

Composition

As at 31 December 2021, the Remuneration Committee was composed of three (3) Independent Directors and one (1) Proprietary Director, as well as a non-member secretary and deputy secretary. All members of the Commission have extensive experience, skills and knowledge commensurate with its tasks.



Full name	Position	Category	Date of first appointment
María Amparo Moraleda	Chairwoman	Independent	25-09-2014
Joaquín Ayuso	Member	Independent	30-03-2021
Cristina Garmendia	Member	Independent	22-05-2020
José Serna	Member	Proprietary	30-03-2021
Óscar Calderón	Secretary (non-director)		01-01-2017
Óscar Figueres	First Deputy Secretary (non-director)		23-10-2017

Functions

Meanwhile, the Remuneration Committee advises the Board and submits proposals and motions for its scrutiny and approval in relation to those matters that fall within the committee's remit by virtue of article 15 of the Regulations of the Board of Directors, including:

- Preparing decisions regarding remuneration, and in coordination with the Risk Committee, including those with implications for the Company's risk and risk management, to be taken by the Board of Directors. In particular, it shall inform and propose to the Board of Directors the remuneration policy, the system and amount of the annual remuneration of Directors and Senior Executives, and the individual remuneration of executive Directors and Senior Executives and the other conditions of their contracts, especially of a financial nature, and without prejudice to the powers of the Appointments and Sustainability Committee with regard to conditions proposed by the latter and unrelated 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 and prepare the Bank's general remuneration policy and in particular the policies relating to the categories of personnel whose professional activities have a significant impact on the Bank's risk profile and those that are intended to prevent or manage conflicts of interest with the Bank's customers.
- Analysing, formulating and periodically reviewing remuneration programmes, weighing their adequacy and performance and ensuring compliance.



ntroduction —

responsibilities when managi the Remuneration Policy

Remuneration policy 2021 Terms and conditions of general contracts and of those of the CEC and Chairman

Director Remuneration Policy for 2022

Table of reconciliation of conte with the CNMV remuneration report template Statistical information of remuneration required by the CNMV



- Propose to the Board the approval of the remuneration reports or policies that it is required to submit to the General Shareholders' Meeting, as well as reporting to the Board on any remuneration-related proposals or motions the Board may intend to lay before the General Meeting.
- Ensuring that any conflicts of interest do not impair the independence of the external advice given to the Committee related to the exercise of its functions.
- Considering the suggestions it receives from the Company's Chairman, Board members, executives, and shareholders.

In accordance with the above, the preparation, reporting and proposal of decisions regarding the remuneration of Board members is the responsibility of the Remuneration Committee, with the support of the General Secretariat in the case of Non-Executive Directors and of the Human Resources Department in the case of Executive Directors.

The proposals of the Remuneration Committee are elevated to the Board of Directors of CaixaBank for its consideration and, where applicable, approval. If the decisions correspond to the CaixaBank General Shareholders' Meeting, in accordance with its powers, the Board of Directors of CaixaBank approves their inclusion on the agenda and the proposals for the corresponding agreements, accompanied by the necessary reports.

Any services rendered for a significant amount (other than those inherent to the position) or any transactions that may be carried out between CaixaBank and members of the Board of Directors or related parties shall be subject to the regime of communication, exception, individual exemption, and publicity provided for in the regulations applicable to CaixaBank as a listed credit institution.

With respect to other remunerative items such as the granting of advance payments, loans, guarantees or any other remuneration, CaixaBank does not currently envisage the assignment of financial facilities as a means of remunerating its directors.

External advisors

The Remuneration Committee has been advised by Ernst & Young Abogados S.L.P. ("EY") in the preparation of this Report, in the preparation of the Policy that will be submitted for approval by the Annual General Meeting in 2022, and in particular in the design of a new variable remuneration scheme linked to the achievement of annual and multiannual targets, among others.

Commission activities during 2021

In 2021, CaixaBank's Remuneration Committee met 10 times and carried out, among other tasks, the following activities relating to remuneration:

MONTH	ACTIVITIES
January	In its proposal to the Board, CaixaBank's Remuneration Committee determined the impact of renewing the Employment Pension Plan risk policy, as well as the outcome of the individual and corporate challenges of the previous year's Bonus scheme and the proposed bonus and corporate challenges for 2021.
February	The Bonus proposal for some members of Senior Management was modified, and the Annual Remuneration Report for the Board of Directors and the bonus scheme and corporate challenges 2021 were proposed.
March	CaixaBank's Remuneration Committee approved the modification of the Remuneration Policy of the Board of Directors and drafted the proposed resolutions for the delivery of shares to Executive Directors as part of the Company's variable remuneration programme and the number of Beneficiaries of the Third Cycle of the Annual Incentive Plan Conditional on the 2019-2021 Strategic Plan. It also requested the authorisation of a maximum variable remuneration ratio of more than 100% for certain positions of the Identified Staff.
April	Senior Management Remuneration was reviewed and the conditions for the financial year 2021 were proposed. In addition, individual challenges for senior management for 2021 were approved, as were the Corporate Challenges 2021 and the Long-Term Incentive.
June	The Remuneration Committee proposed updating of the Remuneration Policy for Identified Staff, and the amendment of the Regulations of the Conditional Annual Incentive Plan linked to the Strategic Plan 2019-2021 and Identified Staff for the current financial year.
July	The HR Directorate General's Transition Protocol was reviewed and conclusions and progress of the 2021 remuneration audits were determined.
September	CaixaBank's Remuneration Committee approved the modification of the General Remuneration Policy and its adaptation to ESG metrics, adopted the individual business challenges for 2021, assessed the impact of the Integration Labour Agreement regarding members of the Bankia Management Committee, and approved the appointment of CaixaBank's new Human Resources Director.
October	CaixaBank's Remuneration Committee approved the removal of the Head of Compliance and the appointment of the new head.
November	CaixaBank's Remuneration Committee approved the remuneration management calendar 2021-2022, as well as the proposal for the new Variable Remuneration model with multi-year metrics.
December	CaixaBank's Remuneration Committee approved the modification of the Remuneration Policies to include the Entity's new Variable Remuneration model.

3. Remuneration policy 2021

3.1 Remuneration of directors in their capacity as such

The remuneration accrued by all directors acting in their capacity as such consists of a fixed annual amount set by the General Shareholders' Meeting. This amount will remain in force until shareholders agree to modify it.

The amount established by the General Shareholders' Meeting shall be used to remunerate the Board of Directors and its committees, and shall be distributed among members as the Board sees fit, though based on a recommendation from the Remuneration Committee. In apportioning the remuneration, the Board shall pay due regard to the duties and dedication of each member and any seats they occupy on the various committees. It shall also determine the frequency and method of payment, whether through attendance allowances, bylaw-stipulated remuneration, and so forth. The 2017 Annual General Meeting agreed that the maximum annual amount payable to all directors would be EUR 3,925,000, without counting remuneration payable for executive functions.

In this regard, at the 2021 Annual General Meeting held on 14 May, the reduction of this maximum remuneration from 3,925,000 euros to 2,925,000 euros was approved. This decrease was motivated by a change in the category of the Chairman of the Board of Directors. This function, previously performed by a non-executive director (Mr. Jordi Gual Solé), was remunerated at 1,000,000 euros. To the extent that this function has become exercised by an executive director (Mr. José Ignacio Goirigolzarri), this amount is no longer included for the purpose of the remuneration of directors as such.

This new maximum limit is without prejudice to the part of the non-executive chairman's additional remuneration accrued up to the date of termination of his duties, validly paid in accordance with the Remuneration Policy of the Board of Directors in force up to that time.

Accordingly, the amounts approved for membership of the Board and its Committees in 2021 and 2020 are as follows:

The remuneration accrued by all directors acting in their capacity >> REMUNERATION FOR BOARD MEMBERSHIP AND MEMBERSHIP OF BOARD COMMITTEES

(thousands of euros)	Total 2021	Total 2020
Base remuneration of each Board member	90	90
Additional remuneration of the Chairman of the Board (not applicable since 26 March 2021)	0	1,000
Additional remuneration of the Coordinating Director	38	38
Additional remuneration of each member of the Executive Committee	50	50
Additional remuneration of the Chairman of the Executive Committee	10	10
Additional remuneration of each member of the Risks Committee	50	50
Additional remuneration of the Chairman of the Risks Committee	10	10
Additional remuneration of each member of the Audit and Control Committee	50	50
Additional remuneration of the Chairman of the Audit and Control Committee	10	10
Additional remuneration of each member of the Appointments Committee	30	30
Additional remuneration of the Chairman of the Appointments Committee	6	6
Additional remuneration of each member of the Remuneration Committee	30	30
Additional remuneration of the Chairman of the Remuneration Committee	6	6
Additional remuneration of each member of the Innovation, Technology and Digital Transformation Committee ¹	30	30

¹ The Chairman and the Chief Executive Officer do not receive additional remuneration for their membership of the Innovation, Technology and Digital Transformation Committee, which is included in their overall remuneration as members of the Board.

(thousands of euros)	Total 2021*	Total 2020
Remuneration distributed to directors in their capacity as such	2,854	3,337

^(*) The remuneration distributed in 2021 takes into account the part of the non-executive chairman's additional remuneration accrued up to the date of termination of office

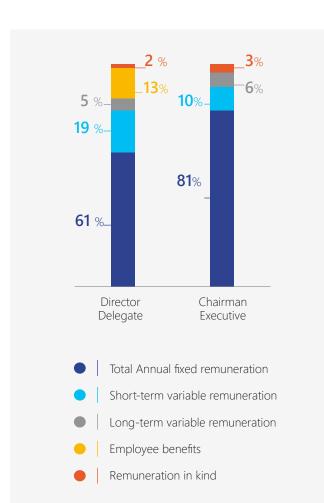
All directors are covered by the terms of a civil liability policy arranged for directors and senior managers to cover any third-party liability they may incur when discharging their duties. The Remuneration Policy does not envisage any long-term savings systems for non-executive directors.





3.2 Remuneration of directors discharging executive functions

By way of summary, the remuneration mix corresponding to the remuneration earned by CaixaBank's executive directors in 2021 is as follows:



Fixed items of remuneration

Fixed remuneration for Executive Directors is largely based on the level of responsibility and the professional career of each Director, combined with a market approach taking account of salary surveys and specific ad hoc studies. The salary surveys and specific ad hoc studies used by CaixaBank are performed by top-tier companies, based on comparable samples of the financial sector in the market where CaixaBank operates and that of comparable IBEX 35 companies.

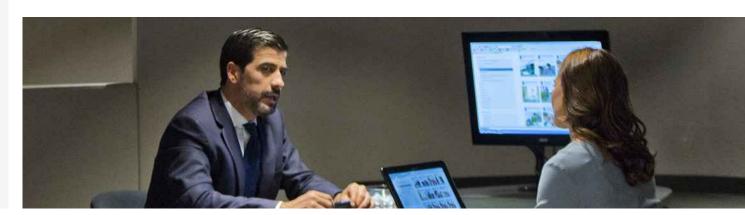
Peer Group of reference for the remuneration of executive directors

Santander	BBVA	Banco Sabadell	Bankinter	ABN Amro	Commerzbank
Crédit Agricole	Deutsche Bank	Erste Group	KBC Groep	Lloyds Banking Group	Natixis
Raiffeisen	Natwest	SwedBank			

CaixaBank also takes into account a multi-sector sample obtained from publicly available information on the executive directors of a representative number of companies whose size (market capitalisation, assets, turnover and number of employees) is comparable to that of CaixaBank.

As a general rule, the fixed remuneration accrued by Executive Directors includes remuneration received in connection with duties carried out at CaixaBank Group entities or other entities in the interests of CaixaBank. This further remuneration is deducted from the net amount of fixed remuneration to be paid by CaixaBank.

In addition, as a fixed component of remuneration, the contracts of executive directors may include pre-determined contributions to pension and savings schemes, which are described in the corresponding section.



Accrued remuneration linked to fixed components for Executive Directors is presented below:

Fixed remuneration accrued by Executive Directors

(thousands of euros)	Position	Salary	Remuneration for board membership	Remuneration for membership on board committees	Remuneration for positions held at Group companies	Remuneration for membership of boards outside the Group	Total Annual fixed remuneration
Gonzalo Gortázar	CEO	1,917	90	50	204		2,261
José Ignacio Goirigolzarri ¹	Executive Chairman	1,122	69	45		11	1,247
Total by item 2021	I	3,039	159	95	204	11	3,508
Gonzalo Gortazar	CEO	1,561	90	50	560		2,261
Total by item 2020	0	1,561	90	50	560		2,261

¹ The amounts accrued by the Executive Chariman have been calculated on a pro-rata basis for his time in office during the financial year 2021 (from 30 March 2021 to 31 December 2021). The Total fixed annual remuneration agreed for 2021 was 1,650,000 euros.

The annual Total Fixed Remuneration of the CEO was maintained for the year 2021 compared to 2020.

Executive Directors may also receive remuneration in kind in the form of health insurance for themselves and their immediate family, the use of a vehicle or family home, or similar benefits that are common within the sector and commensurate to their professional status, in keeping with the standards established by CaixaBank at any given time for the professional segment to which they belong. Remuneration in kind earned by Executive Directors is presented below:

Remuneration in kind of Executive Directors

(thousands of euros)	Position	Own and family medical care ²	Use of car and housing	Other	Total
Gonzalo Gortazar	CEO	5		2	7
José Ignacio Goirigolzarri	Executive Chairman	2			2
Total by item 2021		7		2	9
Gonzalo Gortazar	CEO	6			6
Total by item 2020		6			6

² Medical insurance for the CEO, spouse, and all children aged under 25.





Introduction

responsibilities when managin the Remuneration Policy

Remuneration police 2021

Terms and conditions of general contracts and of those of the CEC and Chairman

Director Remuneration Policy for 2022 Table of reconciliation of conte with the CNMV remuneration report template Statistical information or remuneration required by the CNMV



Variable components of remuneration

The following table shows the variable components of remuneration for Executive Directors:

A. Short-term variable components under the remuneration systems

Executive Directors were entitled in 2021 to variable remuneration in the form of a specific bonus based on target remuneration established by the Board on the recommendation of the Remuneration Committee, with the level of attainment to be risk-adjusted (ex-ante and ex-post) and pegged to performance, which will be assessed on the basis of quantitative criteria (financial) and qualitative aspects, all duly specified and documented.

For financial year 2021, the CEO has been assigned an annual variable target remuneration equivalent to 31% of his Annual Fixed Total Remuneration, in the event of 100% compliance with the targets set at the beginning of the year by the Board, which may reach up to a maximum of 38% of the Annual Fixed Total Remuneration.

On the other hand, the Chairman of the Board has been assigned a variable annual target remuneration equivalent to 12% of his Total Annual Fixed Remuneration, in the event of 100% compliance with the targets set at the beginning of the year by the Remuneration Committee, which may reach up to a maximum of 15% of the Total Annual Fixed Remuneration.

Variable bonus remuneration for the CEO and for the Chairman, set for 2021, is based on the achievement of a combination of corporate challenges weighing 50% of their total annual variable remuneration, as well as the achievement of individual challenges weighing 50% of their total annual variable remuneration, as follows:

Corporate targets of variable bonus remuneration for executive directors in 2021

The corporate targets, with a weighting of 50%, are set annually by the Board on the recommendation of the Remuneration Committee, subject to a degree of achievement [80%-120%], which is determined on the basis of the following concepts aligned with the strategic objectives:

Metric	Weighting	Performance range	Objective	Result	achievement of the challenge (%)	Recognition of the challenge (%)
ROTE	10%	80% - 120%	6.2	7.6	120	120
Core cost-to- income ratio	10%	80% - 120%	56.6	56	110.5	110.5
Variation in problematic assets	10%	80% - 120%	10,953	6,813	120	120
Risk Appetite Framework (RAF)	10%	80% - 120%	Six amber	Five amber	110	110
Quality	5%	80% - 120%	84.3	86.3	120	120
Conduct and Compliance	5%	80% - 120%	97	98.06	107.1	107.1
					114.8	114.8

The established metrics and targets pursued with each of them are defined in detail below:

ROTE (10%)

Definition: Measures the profitability index of the tangible assets and is calculated as the Profit/ (loss) attributable to the Group (adjusted by the amount of the Additional Tier 1 and deducting the extraordinary items associated with the merger) and net equity plus valuation adjustments for the last 12 months, minus the intangible assets or goodwill. The degree of compliance with ROTE in 2021 was calculated as shown in the following table: 2,115 (result net of AT1 coupon) / 27,879 (average equity excluding intangibles).

The target for the challenge was 6.2, and a result of 7.6 has been achieved, so the degree of fulfilment of the challenge in the year 2021 is a maximum of 120%.





Introduction

Governing principles and responsibilities when managing the Remuneration Policy

Remuneration policy 2021

Terms and conditions of general contracts and of those of the CEC and Chairman

Director Remuneratio Policy for 2022 Table of reconciliation of cont with the CNMV remuneration report template Statistical information remuneration required by the CNMV



Core Efficiency Ratio (CER) (10%)

Definition: This is the percentage of recurring expenses in relation to the income from the company's core business. It is calculated as the ratio of the Group's recurring expenses to core revenues (net interest income, net fee and commission income and insurance-related revenues).

The degree of compliance with the ROTE in 2021 has been calculated as follows: 5,930 (recurring expenses) / 10,597 (core income).

The target for the challenge was 56.6, with a result of 56.0 having been achieved, meaning the degree of compliance with the challenge in the year 2021 is 110.5%.

Variation in problematic assets (10%)

Definition: This is the change, in absolute terms, in the Group's problematic assets (defined as non-performing and foreclosed loans and auction rights), isolating the effect of Bankia's integration, whose contribution is already considered as part of the target variation.

The degree of compliance with this metric in 2021 has been calculated as follows: the target for the challenge was a variation of 10,953, with a result of 6,813 achieved, meaning the degree of compliance with the challenge in 2021 is a maximum of 120%.

Risk Appetite Framework (RAF): (10%)

Definition: To calculate the fulfilment of the objective related to the RAF metric, an aggregate level of the scorecard of the Company's Risk Appetite Framework is used. This scorecard consists of quantitative metrics that measure the different types of risk, and the Board of Directors establishes areas of appetite (green), tolerance (amber) or non-compliance (red), and determines the scale of fulfilment that establishes penalisation or bonus percentages according to the variation of each metric, between the actual situation at the end of the year and that initially forecast for the same year in the budget.

The degree of compliance with this metric in 2021 has been calculated as follows: Two groupings of metrics at amber tolerance level, according to budget, one metric at red tolerance level (equal to three ambers) according to budget, and one metric upgrade from amber to green tolerance level.

The target of the challenge was 6 ambers, and a result of 5 ambers has been achieved, meaning the degree of compliance with the challenge in 2021 is 110%.

Quality (5%)

Definition: Calculated as a moving average for the past 12 months, comprising experience ratios of each of the businesses (Individual, Premier, BusinessBank, Business, Private, Companies, Institutions and Corporate), weighted by its contribution to the ordinary margin of CaixaBank.

The target for the challenge was 84.3, and a result of 86.3 has been achieved, meaning the degree of compliance with the challenge in the year 2021 is a maximum of 120%.

Conduct and Compliance (5%)

Definition: Definition This index aggregates process monitoring metrics linked to the Prevention of Money Laundering, MiFID and Correct marketing of products and services.

The target for the challenge was 97, and a result of 98.06 was achieved, meaning the degree of achievement of the challenge in 2021 is 107.1%.

Based on the above results, the Board of Directors, at the recommendation of the Remuneration Committee, has approved the recognition of 114.8% of variable remuneration in the form of bonus targets linked to corporate challenges (50%).





ntroduction

Governing principles and responsibilities when managing the Remuneration Policy

Remuneration police 2021

Terms and conditions of general contracts and of those of the CEO and Chairman

Director Remuneration Policy for 2022 Table of reconciliation of corwith the CNMV remuneration report template

Statistical information remuneration require by the CNMV



Individual targets of variable bonus remuneration for executive directors in 2021

Individual targets, with a weighting of 50% and a degree of achievement in the range of [60%-120%], which is distributed globally among challenges linked to CaixaBank's strategy. In 2021, these challenges were mainly focused on the following metrics:

CEO

For the CEO, the individual targets for 2021 have focused on the organisational, operational and technological integration of Bankia into Caixabank, the negotiation and realisation of staff restructuring and the new labour agreement, the reduction of costs and the achievement of synergies derived from the merger, the renegotiation of the different strategic distribution agreements, as well as the promotion of sustainability, developing the role within the Management Committee, and promoting the implementation of a sustainability master plan for the entire CaixaBank Group.

Executive Chairman

For the period from his appointment on 30 March 2021 to 31 December 2021:

In 2021, the Chairman's individual targets focused mainly on aspects related to the integration of CaixaBank and Bankia, and on strengthening corporate governance in his role as Chairman of the Board of Directors, ensuring excellent coordination between the Board itself, its committees and the Board Secretariat. The measurement of these challenges has been assessed by the Board through a process of evaluation by all Board members. Also included among the Chairman's individual challenges is a target ensuring the proper functioning of the Internal Audit function, achieving a rapid and adequate adaptation of the function after the integration process, and improving the valuation and contribution of value to the main stakeholders.

The Remuneration Committee considered the degree of compliance for the CEO and Chairman to be 118% in both cases.

The Board of Directors shall ratify the final degree of attainment of the variable remuneration as an accrued bonus based at the recommendation of the Remuneration Committee.

After assessing the total set of targets above, the Board of Directors has considered the following:

>> % TARGET ACHIEVEMENT FOR THE PURPOSE OF AWARDING VARIABLE BONUS REMUNERATION

CEO

Variable remuneration in the form of 2021 bonus target (I) (thousands of euros)	% achievement of corporate targets (II)	% achievement of individual targets (III)	Variable remuneration in the form of bonus target 2021 (IV=I*II*50%+I*III*50%) (thousands of euros)
709	114.8%	118%	825

The variable remuneration in the form of a bonus accrued by the CEO in 2021 amounts to 825,079 euros, which corresponds to 36.5% of their Total Annual Fixed Remuneration.

EXECUTIVE CHAIRMAN

Variable remuneration in the form of 2021 bonus target (I) (thousands of euros)	% achievement of corporate challenges (II)	% achievement of individual challenges (III)	Variable remuneration in the form of bonus target 2021 (IV=I*II*50%+I*III*50%) (thousands of euros)
200	114.8%	118%	233

The variable bonus remuneration accruing to the Chairman in 2021 amounts to EUR 232,810, which corresponds to 14% of his Total Annual Fixed Remuneration.





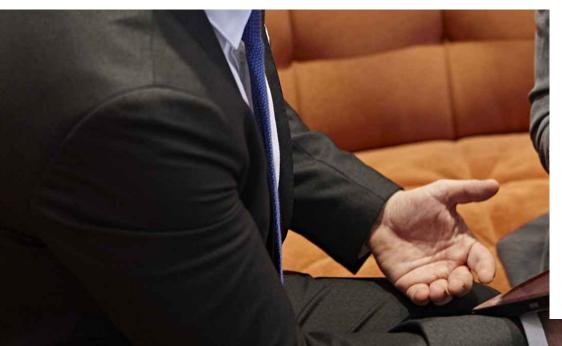
Deferral and payment in instruments

Once the amount of variable remuneration has been determined, 40% of the variable remuneration is paid during the first quarter of the year following accrual, 50% in cash and the remainder in instruments, after any applicable taxes (withholdings or payments on account) have been paid.

Assuming no cases of reduction in remuneration, 60% of the deferred payment must be paid in 5 instalments, respectively 12, 24, 36, 48 and 60 months after the initial payment, with each of these payments being 50% in cash and the remainder in instruments, after payment of the applicable taxes (withholdings or payments on account).

Permanency requirement

For an executive director to be eligible for variable remuneration in the form of a bonus, their relationship with the Company must continue as at 31 December of the year in which the variable remuneration is to accrue.



GONZALO GORTÁZAR - CEO

Variable remuneration components accrued in 2021 in the form of a bonus for the Chief Executive Officer

Variable remuneration in form of bonus	Settlement instrument	% of variable remuneration in form of bonus for the financial year in question	Equivalent gross number of shares	Cumulative amount paid (%) of variable remuneration in the form of a bonus for each year	Equivalent remuneration	Unrealised deferred remuneration
Upfront payment of	Shares	20%	60,467	- 40%	165	- 495
variable upfront remuneration for 2021	Cash on hand	20%			165	- 453
Upfront payment of deferred variable remuneration – 2019	Shares	6%	16,256	- 64%	46	- 275
	Cash on hand	6%			46	
Deferred payment of bonus variable	Shares	6%	15,613	76%	47	188
remuneration – 2018	Cash on hand	6%			47	
Deferred payment of bonus variable remuneration – 2017	Shares	6%	7,824	– 88%	31	62
	Cash on hand	6%		- 0070	31	02

^(*) In 2020, the CEO voluntarily waived the annual variable remuneration in the form of a bonus for that year as an act of responsibility for the exceptional economic and social situation generated by COVID-19.

Interest and returns on deferred variable remuneration accrued in the year by the CEO in the form of a bonus amounted to 100 EUR.



JOSÉ IGNACIO GOIRIGOLZARRI – EXECUTIVE CHAIRMAN

Variable remuneration components accrued in 2021 in the form of a bonus for the for the Executive Chairman

(thousands of euros)							
Variable remuneration in form of bonus	Settlement instrument	% of variable remuneration in form of bonus for the financial year in question	Equivalent gross number of shares	Cumulative amount paid (%) of variable remuneration in the form of a bonus for each year	Equivalent remuneration	Unrealised deferred remuneration	
Payment of variable upfront pyment of remuneration for 2021	Shares	20%	17,061	— 40%	47	- 140	
	Cash on hand	20%		4070	47	- 140	

In addition, the Chairman has certain deferred amounts pending payment as a result of his services at Bankia.

(thousands of euros)

Variable remuneration in form of bonus	Settlement instrument	% of variable remuneration in form of bonus for the financial year in question	Equivalent gross number of shares	Cumulative amount paid (%) of variable remuneration in the form of a bonus for each year	Equivalent remuneration	Unrealised deferred remuneration
RVA 2018	Shares	25%	13,482	- 50%	57	- 114
IVA 2010	Cash on hand	25%		5070	57	
RVA 2017	Shares	12.5%	5,350	– 75%	31	- 62
KVA 2017	Cash on hand	12.5%		- 73%	31	
DVA 2016	Shares	12.5%	6,726	31	0	
RVA 2016	Cash on hand	12.5%		- 100%	31	- 0

B. Long-term variable components of the remuneration systems

Conditional Annual Incentives Plan linked to the 2019-2021 Strategic Plan

On 5 April 2019, the Annual General Meeting approved the implementation of a Conditional Annual Incentives Plan ("CAIP") linked to the 2019-2021 Strategic Plan, whereby eligible subjects may receive a number of CaixaBank shares once a certain period of time has elapsed and provided the strategic objectives and a set of specific requirements are met.

Under the CAIP, units ("**Units**") will be assigned to each beneficiary in 2019, 2020 and 2021. The units will be used as the basis on which to establish the number of CaixaBank shares to be delivered to each beneficiary. The allocation of Units does not confer any shareholder voting or dividend rights on the beneficiary, who will eventually become a shareholder once the Company shares have been delivered and not before. The rights conferred are non-transferable, without prejudice to any special circumstances envisaged in the Regulations of the CAIP.

With regard to the second cycle of the Plan, as a measure of responsibility on the part of CaixaBank management in view of the exceptional economic and social situation generated by COVID-19, the Board of Directors, at its meeting of 16 April 2020, approved the non-allocation of shares to the Beneficiaries of the second cycle of the Plan.

Detailed information on the CAIP in force during 2021 is described below.

Beneficiaries

CAIP beneficiaries will be the Executive Directors, the members of the Management Committee and the other members of the senior management and any other key Group employees whom the Board may expressly invite to take part in the plan. Although the maximum number of beneficiaries initially authorised by the 2019 General Meeting was 90 persons, the General Shareholders' Meeting of 14 May 2021 approved an increase in the estimated number of Beneficiaries to 130 persons. This increase is a consequence of the Merger, with the aim of bringing the group of Beneficiaries up to date with CaixaBank's new organisational structure.





Introduction

Governing principles and responsibilities when managing the Remuneration Policy

Remuneration policy 2021 Terms and conditions of general contracts and of those of the CEO and Chairman

Director Remuneration Policy for 2022

Table of reconciliation of conte with the CNMV remuneration report template

Statistical information remuneration required by the CNMV



Duration, target measurement periods and liquidation dates of the CAIP

The CAIP has three cycles, each of three years, with three Unit assignments. Each of the allocations took place in 2019 (period 2019-2021), 2020 (period 2020-2022) and 2021 (period 2021-2023). Each cycle includes two target measurement periods:

- The first measurement period ("First Measurement Period") will pertain to year one of each cycle, in which certain targets linked to the metrics described in due course must be met. Depending on the extent of attainment of targets at the First Measurement Period, and based on the Units assigned at the start of each cycle, the beneficiaries will be granted a provisional incentive ("Provisional Incentive") in year two of each cycle (the "Award Date"), equivalent to a certain number of shares ("Award of the Provisional Incentive"). This will not entail the actual delivery of shares at that time.
- The second measurement period ("Second Measurement Period") will cover the three-year duration of each of the cycles, in which the targets linked to the described metrics must also be met. The final number of shares to be effectively delivered (the "Final Incentive") following the end of each Plan cycle, and will be subject to and dependent on the attainment of targets at the Second Measurement Period for each cycle ("Determination of the Final Incentive"). Under no circumstances may this exceed the number of shares deliverable under the Provisional Incentive.

For the CEO and members of the Management Committee, the shares corresponding to the Final Incentive of each cycle will be delivered in three instalments on the third, fourth and fifth anniversary of the Award Date (the "Settlement Dates"). For the remaining beneficiaries who are not part of the Identified Staff in 2021, the shares are delivered in full on a single Settlement Date, on the third anniversary of the Award Date. For beneficiaries who are part of the 2021 Identified Staff, the shares will be delivered in halves in full on a single Settlement Date, on the third and fourth anniversary of the Award Date.

The Plan was formally launched on 5 April 2019 (the "Start Date"), except for those beneficiaries subsequently added to the CAIP. The CAIP will end on the last Settlement Date for shares pertaining to the third cycle, i.e. in 2027 for Executive Directors and members of the Management Committee, and in 2025 for all other beneficiaries (the "End Date").

Reference share value

The share value to be used as a reference when assigning the Units will be the arithmetic mean price, rounded to three decimal places, of the CaixaBank share price at close of trading during the trading sessions in January of each year in which a Plan cycle begins (i.e., 01/2019, 01/2020 and 01/2021).

The value of the shares pertaining to any Final Incentive that may be finally delivered will be equivalent to the listed CaixaBank share price at the close of trading on each Settlement Date for each Plan cycle.

Number of Units to be assigned

The Board shall use the following formula to determine the Units to be assigned to each beneficiary:

NU = TA / AMP

- NU = Number of units to be assigned to every beneficiary, rounded up to the closest whole number.
- TA = Reference Target Amount for the beneficiary, based on their position.
- AMP = Arithmetic mean price, rounded to three decimal places, of the CaixaBank share at close of trading during the stock market trading sessions of January of each year in which a cycle begins.





Introduction

Governing principles and responsibilities when managing the Remuneration Policy

Remuneration policy 2021

Terms and conditions of general contracts and of those of the CEC and Chairman

Director Remuneratio Policy for 2022 able of reconciliation of cont with the CNMV remuneration eport template

Statistical information remuneration required by the CNMV



Number of shares pertaining to the award of the Provisional and Final Incentive

The following formula will be used to determine the total number of shares pertaining to the Award of the Provisional Incentive:

$NSA = NU \times DIA$

- NSA = Number of shares pertaining to the Award of the Provisional Incentive for each beneficiary rounded up to the nearest whole number.
- NU = Number of Units assigned to the beneficiary at the start each cycle.
- DIA = Degree of Incentive Attainment, showing the extent to which the targets pegged to CAIP metrics are met during the first year of each cycle (see section on "Metrics").

The following formula will be used to determine the number of shares pertaining to the Final Incentive:

$NS = NSA \times Ex-post Adj. Ex-post adj.$

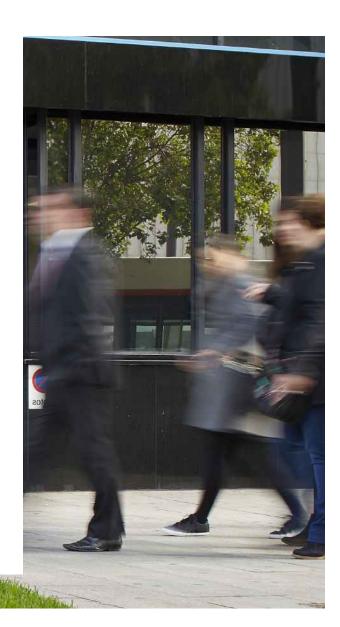
- NSA = Number of shares pertaining to the Final Incentive to be delivered, rounded up to the nearest whole number.
- Ex-post adj. = Ex-post adjustment of the Provisional Incentive for each cycle, depending on attainment of the target for each cycle.

Maximum number of shares to be delivered

For the first cycle of the CAIP, the maximum total number of shares to be delivered to the Beneficiaries of the CAIP in the years 2023, 2024 and 2025, in the event of maximum achievement in which all the targets corresponding to the first cycle of the CAIP are exceeded, in all cases, over and above those budgeted, amounts to a total of 1,242,768 shares, of which 73,104 shares correspond, as a maximum, to the CEO.

With regard to the second cycle of the CAIP, as a measure of responsibility on the part of CaixaBank management in view of the exceptional economic and social situation generated by COVID-19, the Board of Directors, at its meeting of 16 April 2020, approved the non-allocation of shares to the Beneficiaries of the second cycle of the CAIP.

For the third cycle of the CAIP, the maximum total number of shares that the Beneficiaries of the Plan may receive in the years 2025, 2026 and 2027, in the event of maximum achievement in which all the corresponding targets are exceeded, in all cases, over and above those budgeted, amounts to a total of 4,094,956 shares, of which 176,309 shares will correspond, as a maximum, to the CEO and 105,786 shares will correspond, as a maximum, to the Chairman.



Metrics

a. Determination of the Degree of Achievement of the Provisional Incentive

The Degree of Provisional Incentive Attainment (DIA) will depend on the extent to which the targets are met during the First Measurement Period for each cycle, as per the following metrics:

Metric	of incentive attainment (DIA)	Minimum degree of attainment	Maximum degree of attainment
CIR (Cost Income Ratio)	40%	80%	120%
ROTE (Return on Tangible Equity)	40%	80%	120%
CX (Customer Experience Index)	20%	80%	120%

CIR (Cost Income Ratio)

Achievement scale

CER	Coefficient
≤ 55.5%	1.2
56.60%	1
57.80%	0.8
> 57.8%	0



ROTE (Return on Tangible Equity)

Achievement scale

ROTE	Coefficient
≥ 7.1%	1.2
6.20%	1
5.30%	0.8
< 5.3%	0

CX (Customer Experience Index)

Achievement scale

ROTE	Coefficient	
≥ 84.5	1.2	
84.3	1	
84.1	0.8	
< 84.1	0	

The following formula is used to determine the Degree of Incentive Attainment:

GCI = CCER x 40% + CROTE x 40% + CCEI x 20%

- DIA = Degree of Incentive Attainment for the Provisional Incentive, expressed as a percentage rounded to one decimal place.
- CCER = Coefficient attained in relation to the CER target.
- **CROTE** = Coefficient attained in relation to the ROTE target.
- CCEI = Coefficient attained in relation to the CEI target.

The Award of the Provisional Incentive in each cycle will be conditional on the ROTE metric exceeding, at the end of the First Measurement Period, a specific minimum value to be set by the Board.

Multiplier coefficient

When determining the shares pertaining to the Award of the Provisional Incentive on the Award Date of the third cycle, an additional multiplier of up to 1.6 will be applied to the DIA, depending on the change in CaixaBank's TSR indicator in comparison with the 17 peer banks during the first cycle. However, if CaixaBank ranks below the median on the ranking table at the end of the first cycle, no additional multiplying factor will be applied to the DIA.

The achievement scale of this multiplier is as follows:

Position in the comparison group	Multiplier coefficient
1st to 3rd	1.6
4th to 6th	1.4
7th to 9th	1.2
10th to 18th	1





Introduction —

Governing principles and responsibilities when managing the Remuneration Policy

Remuneration policy 2021

Terms and conditions of general contracts and of those of the CEC and Chairman

Director Remuneration Policy for 2022

Table of reconciliation of conte with the CNMV remuneration report template

Statistical informatio remuneration require by the CNMV



b. Calculation of the Final Incentive

The Ex-post Adjustment will be calculated on the basis of the targets reached in relation to the following metrics at the end of each cycle. The Ex-post Adjustment may have the effect of lowering the final number of shares to be delivered when compared with the number of shares pertaining to the Provisional Incentive at each Award Date but shall never increase that number:

>> PARAMETERS USED FOR THE EX-POST ADJUSTMENT WHEN DETERMINING THE FINAL INCENTIVE UNDER THE PLAN

Metric	Weighting	Minimum degree of attainment	Maximum degree of attainment
RAF	60%	0%	100%
TSR (Total Share Return)	30%	0%	100%
GRI (Global Reputation Index of the CaixaBank Group)	10%	0%	100%

To be calculated as follows:

Ex-post Ex-post = CRAF x 60% + CTSR x 30% + CGRI x 10%

- Ex-post adj. = Ex-post adjustment to be applied to the Provisional Incentive awarded, expressed as a percentage [capped at 100%].
- CTSR = Coefficient attained in relation to the TSR target.
- CRAF = Coefficient attained in relation to the RAF target.
- CGRI = Coefficient attained in relation to the GRI target.

CTSR

The change in the TSR in each cycle will be measured by comparison between CaixaBank and 17 reference banks. A coefficient of between 0 and 1 will be used, depending on where CaixaBank ranks. The coefficient will be 0 when CaixaBank is ranked below the median.

To ensure that there are no atypical movements when determining the TSR, the reference values to be used at the start and end date of the Second Measurement Period for each cycle will be the arithmetic mean price —rounded to three decimal places— of the closing price of the CaixaBank share over 31 calendar days. These 31 days will include 31 December and the 15 days preceding and following the date in question. An independent expert will be asked to calculate the TSR metric at

the end of each cycle.

Furthermore, if, on the end date of each cycle, the TSR ranks between 16 and 18 (both inclusive) in the ranking, the Final Incentive after applying the Ex-post Adjustment will be reduced by 50%.

CRAF

When calculating attainment of the RAF target, the Bank shall use the aggregate scorecard for the Risk Appetite Framework, comprising quantitative metrics that measure the different risks, classified into appetite zones (green), tolerance zones (amber) and breach zones (red). The Board shall establish the scale of attainment, generating certain penalty or bonus percentages based on the change in each metric between the initial RAF situation and the final RAF situation.

CGRI

GRI attainment will be calculated on the basis of the change in this metric in each cycle. For the first cycle, the change between the values calculated at 31/12/2018 and at 31/12/2021 will be measured; for the second cycle, the change between 31/12/2019 and 31/12/2022 will be calculated; and for the third cycle, the change between 31/12/2020 and 31/12/2023 will be measured. If the change is negative, the degree of attainment will be 0%. Otherwise, it will be 100%.

The GRI indicator includes metrics related to reputational risk, which measure social, environmental and climate-change-related aspects, among others. Any negative impact for any of these issues would trigger an adjustment to the total number of shares under the Final Incentive.

Requirements for delivery of the shares

Aside from attainment of the targets to which the CAIP is pegged, as explained in its Regulations, the following requirements must also be met in order to receive shares for each cycle:

- The beneficiary must remain at the Company through to the Settlement Date for each cycle, unless certain special circumstances apply, such as death, permanent disability or retirement.
 The beneficiary will forfeit their entitlement to the shares in the event of their resignation or fair dismissal.
- Shares will be delivered only to the extent that doing so is sustainable and justified given Caixa-Bank's prevailing situation and earnings. If, at the end of the 2019-2021 Strategic Plan, CaixaBank reports losses, decides not to distribute dividends or fails the stress tests required by the European Bank Authority (EBA), the shares that would otherwise have been delivered will not be delivered and the beneficiaries will forfeit their right to receive them.



First CAIP Cycle - Final Incentive Calculation

CEC

>> PARAMETERS LINKED TO THE CALCULATION OF THE FINAL VARIABLE REMUNERATION INCENTIVE - CAIP

In accordance with the information published in the 2019 CaixaBank Annual Remuneration Report for Directors, the Provisional Incentive determined in the First Cycle for the CEO is as follows:

Variable remuneration CAIP target 2021 (I) (thousands of euros)	PMA (II) (euros)	Assigned units (III = I/II) (unit)	Degree of Achievement of the Provisional Incentive (IV) (%)	Shares provisionally granted (V=III*IV) (unit)
200	3.283	60,920	85%	51,782

The Provisional Incentive determined after the completion of the first measurement period of the first cycle of the CAIP (2019) was subject to a second measurement period based on an ex-post adjustment based on the fulfilment of multi-year objectives over a period of three years (2019-2021). Once the Second Measurement Period has been completed, the Final Incentive will be calculated.

The multi-year targets include previously established achievement scales, meaning that if the thresholds set for each of them are not effectively met, the Provisional Incentive could be reduced, even to its full extent, but never increased.

The calculation of the Final First Cycle Incentive for the CEO is related to the following parameters:

Metric	Weighting	Target for non-reduction	Ratio achieved	Reduction (%)
RAF (Risk Appetite Framework)	60%	7 amber	5 amber	0
TSR (Total Shareholder Return)	30%	10th	14th	100
GRI (Global Reputation Index)	10%	711	740	0

RAF:

CaixaBank's RAF reached 5 ambars, which is why a reduction of 0% is applied.

TSR:

With regard to the TSR indicator, the development of the TSR indicator has been tested over the three-year period from the beginning to the end of the Second Measurement Period with a comparison group of 17 banks of reference.

CaixaBank has reached the 14th position.

The achievement scale for the additional multiplying factor approved by the Board, at the proposal of the Remuneration Committee, was as follows:

Position in the comparison group	Multiplier coefficient
1 to 9	1
10 to 18	0





In this regard, it has been verified that CaixaBank has finished in 14th position, so a 100% reduction of this factor will be applied:

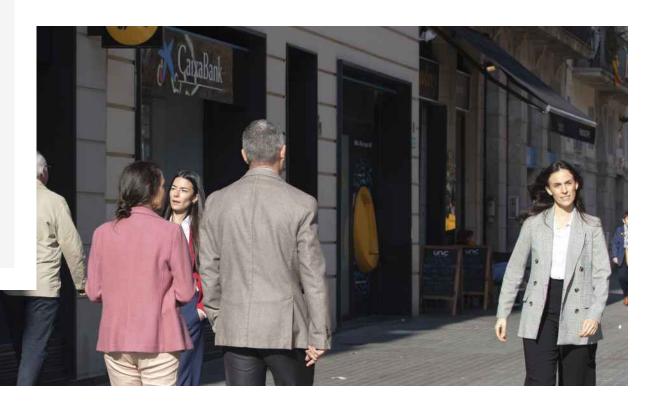
TSR comparison group	TSR result	Overview
BNP	72.30%	1
DEUTSCHE BANK	60.10%	2
CREDIT AGRICOLE	51.30%	3
ERSTE GROUP	50.30%	4
KBC GROEP	47.40%	5
ING	46.30%	6
INTESA SANPAOLO	43.00%	7
UNICREDIT	38.80%	8
BBVA	27.60%	9
RAIFFEISEN	24.30%	10
SOCIETE GENERALE	23.00%	11
COMMERZBANK	19.40%	12
BANKINTER	1.20%	13
CAIXABANK	- 16.0%	14
SANTANDER	- 17.7%	15
ABN ANRO	- 28.0%	16
AIB GROUP	- 35.2%	17
BANCO SABADELL	- 35.6%	18

GRI:

CaixaBank's GRI reached 740 and therefore a reduction of 0% is applied.

>> FINAL INCENTIVE FOR THE FIRST CYCLE OF VARIABLE REMUNERATION - CAIP

Shares provisionally granted (unit)	% Reduction in Provisional Incentive	Shares finally granted (unit)
51,782	30%	36,248





Third CAIP cycle - Provisional incentive determination

>> PARAMETERS SHOWING DEGREE OF ATTAINMENT OF THE PROVISIONAL INCENTIVE FOR VARIABLE REMUNERATION - CAIP

As explained above, the third and last cycle of the CAIP linked to the Strategic Plan 2019-2021 starts in 2021.

The degree of achievement of the Provisional Incentive has been determined based on the degree of achievement of the following targets linked to the following metrics during the financial year 2021:

Metric	Weighting	Objective	Result	Degree of achievement of the target (%)	Degree of Achievement of the Provisional Incentive (%)
REC (Core Efficiency Ratio)	40%	56.6	56	110.5	44.2
ROTE (Return on Tangible Equity)	40%	6.2	7.6	120	48
CX (Customer Experience Index)	20%	84.3	86.3	120	24
				116.2%	



To determine the degree of achievement of the Provisional Incentive of the variable remuneration corresponding to financial year 2021, the Remuneration Committee has taken into account the degree of achievement of the targets and their associated scales of achievement with their corresponding gradients (relationship between degree of achievement of the target and degree of achievement of the provisional incentive):

REC

CaixaBank's REC achieved a compliance rate of 110.5% in 2021, which means a provisional incentive achievement rate of 44.2%.

ROTE

CaixaBank's ROTE reached a compliance level of 120% in 2021, which represents a 48% achievement of the provisional incentive.

IEX

CaixaBank's IEX reached a compliance level of 120% in 2021, which represents a 24% achievement In this respect, it has been verified that CaixaBank has finished in 14th position, so a multiplier coeof the provisional incentive.

Multiplier coefficient

For the Awarding of the Provisional Incentive on the Third Cycle Award Date, a multiplier of up to 1.6 was included, to be applied to the GCI, depending on the performance of CaixaBank's TSR indicator compared to the 20 comparable banks over the period 2019-2021.

The achievement scale for the additional multiplying factor approved by the Board, at the proposal of the Remuneration Committee, was as follows:

Position in the comparison group	Multiplier coefficient
1st to 3rd	1.6
4th to 6th	1.4
7th to 10th	1.2
11th to 18th	1

fficient of 1 will be applied.



>> % DETERMINATION OF THE DEGREE OF ACHIEVEMENT OF THE INTERIM VARIABLE REMUNERATION INCENTIVE - CAIP

GONZALO GORTÁZAR - CEO

Variable remuneration CAIP target 2021 (I) (thousands of euros)	PMA (II) (euros)	Assigned units (III = I/II) (unit)	Degree of Achievement of the Provisional Incentive (IV) (%)		Shares provisionally granted (VI=(III*IV)*V) (unit)
200	2.178	91,828	116.2%	1	106,705

With respect to the first cycle of the CAIP, the measurement period of the ex-post adjustment, as detailed previously in this report, has not yet been completed. Therefore, the final incentive has not yet been calculated and no shares have been delivered.

JOSÉ IGNACIO GOIRIGOLZARRI - EXECUTIVE CHAIRMAN

Variable remuneration CAIP target 2021 (I) (thousands of euros)	PMA (II) (euros)	Assigned units (III = I/II) (unit)	Degree of Achievement of the Provisional Incentive (IV) (%)	Multiplier coefficient applied (V)	Shares provisionally granted (VI=(III*IV)*V) (unit)
120	2.178	55.097	116.2%	1	64.023

With respect to the first cycle of the CAIP, the measurement period of the ex-post adjustment, as detailed previously in this report, has not yet been completed. Therefore, the final incentive has not yet been calculated and no shares have been delivered.





01

Governing principles and responsibilities when managing the Remuneration Policy

Remuneration policy 2021 — Terms and conditions of general contracts and of those of the CEC and Chairman

Director Remunerati Policy for 2022 able of reconciliation of cont with the CNMV remuneration eport template Statistical information remuneration required by the CNMV



(i) Long-Term Incentive linked to the 2015-2018 Strategic Plan

The General Shareholders' Meeting held on 23 April 2015 approved the implementation of a four-year Long-Term Incentive (LTI) for 2015-2018, pegged to compliance with the Strategic Plan in effect at that time. At the end of the four years, the participants would be entitled to receive a number of CaixaBank shares, providing certain strategic objectives and requirements were met. Plan participants included serving Executive Directors at that time.

During 2021, the second deferral in shares was paid to the beneficiaries of this plan.

The remuneration paid during the year, which has been deferred from previous years under the long-term plans, is detailed below:

GONZALO GORTÁZAR - CEO

	Variable long-term remuneration	Settlement instrument	% of variable remuneration under the LTI for the year in question		Total amount paid (%) to variable remuneration under the LTI for each year	-
	Payment of long-term remuneration (2015-2018 LTI)	Shares	12%	13,553	76%	27,106

JORDI GUAL – NON-EXECUTIVE CHAIRMAN

As consideration for the managerial functions he used to discharge, the Chairman of the Board is entitled to the following amounts of deferred long-term variable remuneration yet to be delivered, such amounts having accrued through to 14/09/2016 (the date on which he took office as non-executive Chairman):

-	Variable long-term remuneration	Settlement instrument	% of variable remuneration under the LTI for the year in question		Total amount paid (%) to variable remuneration under the LTI for each year	remuneration in gross
	Payment of long-term remuneration (2015-2018 LTI)	Shares	17%	1,005	100%	0





Introduction

Governing principles and responsibilities when managing the Remuneration Policy

Remuneration policy 2021

Terms and conditions of general contracts and of those of the CEC and Chairman

Director Remuneration Policy for 2022 Table of reconciliation of conte with the CNMV remuneration report template

Statistical information remuneration required by the CNMV



TOMÁS MUNIESA NON-EXECUTIVE DEPUTY CHAIRMAN

As consideration for the managerial functions he used to discharge, the non-executive Deputy Chairman of the Board of Directors is entitled to the following amounts of deferred long-term variable remuneration yet to be delivered, such amounts having accrued through to 22/11/2018 (the date on which he took office as Deputy Chairman):

Variable long-term remuneration	Settlement instrument	% of variable remuneration under the LTI for the year in question	Number of gross shares	Total amount paid (%) to variable remuneration under the LTI for each year	
Payment of long-term remuneration (2015-2018 LTI)	Shares	12%	8,247	76%	16,494

Common requirements applicable to variable remuneration

Retention policy.

All shares to be delivered will be subject to a lock-up period of one year running from their delivery, during which time the subject may not sell or otherwise dispose of their shares. During this period, the executive director who owns the shares will be entitled to exercise the shareholder rights attaching to those instruments.

CaixaBank shall retain ownership of all deferred shares and cash payments.

Considering the bilateral nature of contracts and fair accrual of reciprocal benefits, deferred cash payments will accrue interest in favour of the executive director, to be calculated at the interest rate for the first tranche of the employee's wage or salary account. This interest will be paid at the end of each payment date and applied to the cash amount of the variable remuneration that is to be effectively received, net of any reductions that may apply

In compliance with the European Banking Authority's Guidelines on Sound Remuneration Policies (hereinafter referred to as **EBA Guidelines**), with reference to returns on deferred instruments accrued on or after 1 January 2017, the Company will not pay them either during or after the deferral period.

Situations warranting recovery of variable remuneration

Variable remuneration accrued by Executive Directors, including deferred remuneration, may be reduced to zero or reduced partially in the event of poor financial performance by CaixaBank overall or by one of its divisions or areas, or because of any material exposure generated. For such purposes, CaixaBank must compare the assessed performance with the subsequent performance

⁴ Guidelines of the European Banking Authority ("EBA") on appropriate remuneration policies (EBA/GL/2021/04.).

of the variables that helped attain the targets. The following scenarios may entail a reduction in variable remuneration:

- Material failures in risk management committed by CaixaBank, or by a business unit or risk control unit, including the existence of qualified opinions in the external auditor's report or other circumstances that have the effect of impairing the financial para meters used to calculate the variable remuneration.
- An increase in capital requirements for CaixaBank or one of its business units that was not envisaged at the time the exposure was generated.
- Regulatory sanctions or adverse legal rulings attributable to the unit or the employee responsible for those proceedings and to the executive director.
- Non-compliance with internal regulations or codes of conduct within the Group, including:
- **a.** Serious or very serious breaches of regulations attributable to them.
- **b.** Serious or very serious breaches of internal regulations.
- c. Failure to comply with applicable suitability and behavioural requirements.
- d. Regulatory breaches for which they are responsible, irrespective of whether they cause losses that jeopardise the solvency of a business line, and, in general, any involvement in, or responsibility for, behaviour that causes significant losses.
- Any improper conduct, especially in relation to the adverse effects of the marketing and sale of unsuitable products and the responsibility of Executive Directors in taking such decisions.



Governing principles and responsibilities when managing the Remuneration Policy

Remuneration policy 2021

Terms and conditions of general contracts and of those of the CEC and Chairman

Director Remuneration Policy for 2022

Table of reconciliation of conti with the CNMV remuneration report template

Statistical information remuneration require by the CNMV



- Justified disciplinary dismissal carried out by the Company (in which case the remuneration will be reduced to zero). Just cause shall be understood to be any serious and culpable breach of the duties of loyalty, diligence and good faith with which the Executive Director must perform his duties in the Group, as well as any other serious and culpable breach of the obligations assumed under his contract or any other organic or service relationships that may be established with the Group when their payment or consolidation is not sustainable in accordance with CaixaBank's financial situation or is not justified on the basis of the results of CaixaBank, the business unit and the Director.
- Any other situation or circumstance that may be expressly included in the contract or imposed by applicable law and regulations.
- Variable remuneration shall be reduced if, at the time of the performance assessment, CaixaBank is subject to any requirement or recommendation issued by a competent authority to restrict its dividend distribution policy, or if this is required by the competent authority under its regulatory powers.

Situations warranting recovery of variable remuneration (clawback)

- If any of the above situations occurred prior to payment of any amount of variable remuneration but comes to light after payment has been made, and if it that situation would have led to the non-payment or all or part of that remuneration had it been known, then the executive director must repay CaixaBank the part of the variable remuneration that was unduly received, along with any interest or return the director may have earned on that undue payment.
- Situations in which the executive director made a major contribution to poor financial results or losses will be treated as being particularly serious, as shall cases of fraud or other instances of wilful misconduct or gross negligence leading to significant losses.

The Remuneration Committee shall advise the Board of Directors on whether to reduce or abolish the director's right to receive deferred amounts, or whether to insist on the full or partial clawback of those amounts, depending on the circumstances of each case. Situations involving a reduction in variable remuneration will apply over the entire deferral period for that variable remuneration. Meanwhile, situations involving the clawback of variable remuneration will apply over the term of one year running from payment of that remuneration, except where there has been wilful misconduct or gross negligence, in which case applicable law and regulations governing prescription periods will apply.

Termination or suspension of professional relations

Termination or suspension of professional relations, and departures due to invalidity, early retirement, retirement or partial retirement shall not interrupt the payment cycle of variable remuneration, notwithstanding the provision made for deductions and recovery of variable remuneration. In

the event of the director's death, the Human Resources Division and the General Risks Division shall work together to determine and, as the case may be, propose a suitable calculation and payment process for pending payment cycles under criteria compatible with the general principles contained in the LOSS, its implementing regulations and CaixaBank's own Remuneration Policy.

Special situations

In the event of any unexpected special situation (meaning corporate operations that affect ownership of shares to have been delivered or deferred), specific solutions must be applied in accordance with the LOSS and the principles set out in the Remuneration Policy, so as not to artificially alter or dilute the value of the consideration in question.

Incompatibility with personal hedging strategies or circumvention mechanisms

Executive Directors undertake not to engage in personal hedging or insurance strategies related to their remuneration that might undermine the sound risk management practices the Company is attempting to promote. Furthermore, CaixaBank shall pay no variable remuneration through instruments or methods that aim to breach or result in a breach of the remuneration requirements applicable to Executive Directors.

Contributions to pension schemes and other coverages

Executive Directors may have a social prevision system recognised in addition to the ordinary employee pension scheme. If they hold a commercial contract, they may be eligible for pension schemes equivalent to the complementary pension scheme.

The commitments assumed with the Executive Directors can be of a defined contribution for the cases of retirement, disability and death, and, additionally, coverage for service can be defined for the cases of disability and death. These commitments will be instrumented through an insurance contract.

Non-discretionary character

With the exception of the mandatory variable-base contributions, the benefit or contribution system for the pension scheme does not qualify as a discretionary benefit system. It must be applied to the person, meaning that the individual will be eligible upon becoming an executive director or otherwise qualifying for a change in their remuneration, whether as a lump sum or an amount linked to their fixed remuneration, depending on the terms of their contract.

The amount of the contributions or the degree of coverage of the benefits: (i) must be pre-defined at the start of the year and clearly set out in the contract; (ii) may not originate from variable parameters; (iii) may not take the form of extraordinary contributions (e.g., bonuses, awards or





extraordinary contributions made in the years leading up to retirement or departure); and (iv) must >> REMUNERATION OF EXECUTIVE DIRECTORS THROUGH LONG-TERM SAVINGS SYSTEMS not be related to substantial changes in the terms of retirement (including any changes arising from merger processes or business combinations).

Elimination of duplicities

The contributions paid to pension schemes shall be reduced the amount of any contributions made under equivalent instruments or policies that may be established as a result of positions held at Group companies or at other companies on CaixaBank's behalf. This procedure shall also be followed for benefits, which must be adjusted accordingly to avoid any overlap or duplication.

Vesting of rights

Under the pension and benefits scheme for Executive Directors, economic rights will become vested in the event that the professional relationship is terminated or ends before the date the covered contingencies occur unless that termination is due to disciplinary dismissal declared fair or with just cause, or for any other specific causes explicitly set out in the relevant contract. There is no provision for payments on the effective date of termination or extinction of the employment relationship.

Mandatory variable-base contributions

15% of the contributions paid to complementary pension schemes will be considered an on-target amount (while the remaining 85% is treated as a fixed component). This amount is determined following the same principles as for variable remuneration in the form of a bonus (based solely on individual assessment parameters) and is contributed to a discretionary pension benefit scheme.

The contribution shall be considered deferred variable remuneration. Accordingly, the Discretionary Benefits Pension Policy shall contain clauses ensuring that the contribution is explicitly subject to the malus and clawback events described above for variable remuneration. It shall also count towards the relevant limits on the total amount of variable remuneration.

If the executive director leaves CaixaBank to take up retirement or leaves prematurely for any other reason, the discretionary pension benefits shall be subject to a lock-up period of 5 years from the date on which the director ceases to provide services at the Bank. During the lock-up period, Caixa-Bank shall apply the same requirements in relation to the malus and clawback clauses described above.

The following table shows the accrued remuneration of Executive Directors in 2021 through longterm savings systems:

Long-term savings system (defined contribution)

Position	Fixed component (85%)	Variable component (15%)	Coverage for death, permanent disability, and severe disability	Total
CEO	425	80	65	570
Executive Chairman			71	71
Total per item 2021				
CEO	425	86	58	569
	CEO Executive Chairman	CEO 425 Executive Chairman	Position (85%) component (15%) CEO 425 80 Executive Chairman	Position Pos

Total per item 2020



Governing principles and responsibilities when managing the Remuneration Policy

Remuneration policy 2021

Terms and conditions of general contracts and of those of the CEC and Chairman

Director Remuneration Policy for 2022 able of reconciliation of cont with the CNMV remuneration eport template

remuneration required by the CNMV



The following table shows contributions in the form of variable remuneration made to the pension system of the CEO during the year ended.

Contribution to the total social prevision system for the financial year 2021 (I) (thousands of euros)	Contribution on a variable basis (15%)	Result of individual challenges 2020 (II)	system on a variable basis for the financial year 2020 (III=I*15%*II) (thousands of euros)
500	75	107%	80

Remuneration accrued by Board members as consideration for representing CaixaBank at other companies

The following remuneration is payable for seats held on the Boards of Directors of Group companies or of other companies when acting on CaixaBank's behalf, as per the amounts currently set as remuneration payable for representing CaixaBank at other companies (which forms part of the director's Total annual fixed remuneration):

>> REMUNERATION FOR POSITIONS HELD AT GROUP COMPANIES AND AT OTHER COMPANIES ON CAIXABANK'S BEHALF

(thousands of euros)	Position	Investee	Total
Jordi Gual	Director	Erste Group Bank	18
Jordi Gual	Director	Telefónica	41
Jose Ignacio Goirigolzarri Tellaeche	Director	CECA	11
Gonzalo Gortazar	Chairman	VidaCaixa.	144
Gonzalo Gortazar	Director	Banco BPI, S.A.	60
Tomás Muniesa	Deputy Chairman	VidaCaixa	435
Tomás Muniesa	Deputy Chairman	SegurCaixa Adeslas	11
Total per item 2021			720

Remuneration of Board members aside from their responsibilities as directors

Cristina Garmendia is a member of the CaixaBank Private Banking Advisory Board. Remuneration received for membership of Advisory Board in 2021 totals 15,000 euros, not considered significant.

Fernando Maria Ulrich Costa Duarte is the non-executive Chairman of the Board of Directors of Banco BPI. His remuneration for seating on said board is 750,000 euros.





Introduction

Governing principles and responsibilities when managing the Remuneration Policy

Remuneration poli 2021 Terms and conditions of general contracts and of those of the CEO and Chairman

Director Remuneratio Policy for 2022 Table of reconciliation of conte with the CNMV remuneration report template

Statistical information remuneration require by the CNMV



4. Terms and conditions of the general contracts

and that of the CEO and Chairman

4.1 General conditions of the contracts

Nature of contracts: The type of contract will be determined by the managerial functions (if any) performed by the subject above and beyond those of director, pursuant to the case law of the Supreme Court concerning the so-called "one link theory".

Duration: In general, contracts shall be drawn up for an indefinite term.

Description of duties, dedication, exclusivity and incompatibilities: The contract shall provide a clear description of the duties and responsibilities to be undertaken and the functional location of the subject and to whom he/she reports within the organisational and governance structure of CaixaBank. It must likewise stipulate the duty of exclusive dedication to the Group, without prejudice to other authorised activities in the interests of the CaixaBank Group or occasional teaching activities and participation in conferences or responsibilities at own or family-run businesses, provided these activities do not prevent the director from discharging their duties diligently and loyally at CaixaBank and do not pose a conflict of interest with the Company.

Executive Directors will be subject to the legal system governing incompatibilities from serving as director.

The contract may also include other permanency obligations that are in CaixaBank's best interests.

Compliance with duties and confidentiality: The contract shall contain certain obligations requiring the director to discharge the duties inherent to the role of director, as well as non-disclosure obligations in respect of the information to which the director becomes privy while holding office.

Civil liability coverage and compensation: Executive Directors and all other directors are named as the insured parties under the civil liability insurance policy taken out for Group directors and managers.

Likewise, the contracts may state that CaixaBank shall hold Executive Directors harmless for any losses or damages arising from claims by third parties, unless the Executive Directors have acted negligently or with wilful deceit.

Post-contractual non-competition agreements: The contracts will include post-contractual non-compete obligations in relation to financial activities, to remain binding and in effect for no less than one year following the termination of the contract. Unless otherwise justified, consideration for non-compete undertakings shall be set as the sum of all fixed components of remuneration that the executive director received over the term of that undertaking. The amount of the consideration will be divided into equal instalments and paid at regular intervals over the non-compete period.

Breach of the post-contractual non-compete agreement will entitle CaixaBank to seek and obtain from the executive director compensation in an amount proportionate to the compensation paid amount.

Early termination clauses: Contracts shall set out the situations in which Executive Directors may terminate their contract with the right to compensation. These may include breach of contract on the part of CaixaBank, wrongful or unfair dismissal, or a change of control at the Company.

Likewise, the contracts must recognise CaixaBank's right to terminate the contract in the event of breach by the executive director, in which case no compensation will be payable to the director.

In the event of any contract termination, CaixaBank shall be entitled to demand the resignation of the Executive Directors from any





contracts and of those of the CEO

04



positions or functions performed in companies in the interest of CaixaBank.

Contracts shall provide for a notice period of at least three months and adequate compensation in case of non-performance, proportionate to the fixed remuneration to be earned during periods foregone.

The amount of compensation payable for contract termination will be established at all times such that it does not exceed legal limits on the maximum ratio of variable remuneration, as per EBA criteria. Payments for early termination must be based on the results secured over time, and must not compensate poor results or undue conduct.

Payments for early termination that qualify as variable remunerapreviously in relation to malus and clawback.

long-term interests of the Entity by applying the limits and requirements set out in the LOSS and the EBA Guidelines, with pay cycle provisions similar to those set out in the Remuneration Policy for variable remuneration.

Other contractual conditions: The contracts may contain standard contractual clauses compatible with the Act on the Organisation, Supervision and Solvency of Credit Institutions, the Capital Enterprises Act, other applicable law and regulations and the Remuneration Policy.





ntroduction

Governing principles and responsibilities when managing the Remuneration Policy

Remuneration poli 2021 Terms and conditions of general contracts and of those of the CE and Chairman

Director Remuneratio Policy for 2022 Table of reconciliation of conte with the CNMV remuneration report template

remuneration required by the CNMV



4.2 Special conditions of the contracts for the CEO and Chairman

Appointment	Special conditions of the CEO's contract	Special conditions of the Executive Chairman's contract					
Type of contract	Commercial contract						
Duration	Open-ended contract						
Description of duties, dedication, exclusivity and incompatibilities	The contract shall provide a clear description of the duties and responsibilities and of the obligation to work exclusively for CaixaBank. It does not contain any minimum term conditions and includes provisions to ensure that the contract is consistent with the Remuneration Policy.						
Compliance with duties and confidentiality obligation	It also contains clauses regarding compliance with duties, confidentiality a	nd liability coverage.					
Civil liability coverage and compensation	Executive Directors and all other directors are named as the insured part	Executive Directors and all other directors are named as the insured parties under the civil liability insurance policy taken out for Group directors and managers.					
	The contract contains a post-contractual non-compete clause of one year	running from termination of the contract, covering any direct or indirect activities carried out within the financial sector.					
Post-contractual non-compete agreement	or other companies at which he or she represents CaixaBank as compens	ed components of the director's remuneration and the resulting amount will be reduced by any sums received from Group companies tion for other post-contractual non-compete agreements. This compensation shall be paid in 12 equal monthly instalments, the first irector's service contract terminates. If the CEO breaches his post-contractual non-compete undertaking, he shall pay CaixaBank an					
	Aside from the compensation payable under the non-compete clause, the CEO will be entitled to receive compensation amounting to one year of the fixed components of his remuneration if his services contract is terminated for any of the following reasons:						
	(i) unilateral termination by the CEO due to a serious breach by the Com	any of the obligations set out in the services contract;					
	(ii) unilateral termination by the Company without just cause;						
	(iii) removal from or non-renewal of his position as Board member and o	his duties as CEO without just cause; or					
	(iv) acquisition of a controlling stake in the Company by an entity other third party, or its integration within another business group that obtains α	an "la Caixa" Banking Foundation, or the transfer of all or a relevant part of the Company's business activities or assets and liabilities to a entrol of the Company					
	The resulting amount of compensation must be paid in accordance with companies described in the preceding paragraph.	ne law and the terms of the Remuneration Policy and shall also be reduced by any amounts of compensation received from the					
Early termination clauses	To be eligible for the compensation, the CEO must simultaneously stand down from all posts of representation and management at other Group companies where he is representing the Company and at any external companies at which he may be acting on CaixaBank's behalf.						
	Meanwhile, the Company may remove the CEO from his post and terminate his services contract with just cause in the following situations:						
	(i) any serious and culpable breach of the duties of loyalty, diligence and good faith under which the CEO is bound to discharge his duties at the Group;						
	(ii) where the CEO becomes unfit to hold office as such for reasons attributable to himself; or						
	(iii) any other serious and culpable breach of the obligations assumed under the services contract, or any other organic or service-based relationship that may be established between the CEO and the respective entities at which he represents CaixaBank.						
	If the services contract is terminated with just cause or voluntarily by the	EO for reasons other than those just described, he will not be entitled to the compensation described previously.					
	Voluntary resignation requires notice of at least three months. In the ever the time remaining for the completion of the corresponding term.	Voluntary resignation requires notice of at least three months. In the event of non-compliance, the CEO shall be obliged to pay the entity the amount of the fixed components of remuneration corresponding to the time remaining for the completion of the corresponding term.					
Other contractual conditions	The contract also contains provisions to ensure that it is consistent with the	e Remuneration Policy. The contract also contains provisions to ensure that it is consistent with the Remuneration Policy.					



1ntroduction

n t

responsibilities when managi the Remuneration Policy

Remuneration polic 2021 Terms and conditions of general contracts and of those of the CEC and Chairman

Policy for 2022

able of reconciliation of con rith the CNMV remuneration eport template Statistical information remuneration require by the CNMV

07



5. Director Remuneration Policy for 2022

At the date of publication of this Report, the Remuneration Policy in force is that which was amended by the Annual General Meeting of 14 May 2021, as a result of the merger with Bankia.

Notwithstanding the above, a new Director Remuneration Policy is expected to be submitted for approval at the next Annual General Meeting in 2022, which, if approved, would fully replace the previous policy, the last amendment to which was approved at the Annual General Meeting on 14 May 2021.

Reasons justifying the approval of a new remuneration policy

The proposed approval of a new Remuneration Policy is justified, inter alia, for the following reasons:

- **a.** The approval of Law 5/2021 of 12 April, which amends the revised text of the Spanish Corporate Enterprises Act, approved by Royal Legislative Decree 1/2010 of 2 July, and other financial regulations, with regard to the promotion of long-term shareholder involvement in listed companies. Specifically, in accordance with Transitional Provision 1 of this Act, companies must submit the Remuneration Policy adapted to these amendments for approval at the first general meeting held after 6 months from its publication in the Official State Gazette.
- **b.** The regulatory developments regarding remuneration at credit institutions that have occurred over the course of 2021, as part of the transposition into Spanish law of Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 (hereinafter CRD V).
- **c.** The change in the variable incentive model by unifying the annual and long-term variable remuneration system into a single remuneration scheme.

Main changes introduced in the new remuneration policy

The main features expected to be introduced in the new Remuneration Policy to be submitted to the Annual General Meeting can be summarised as follows:

- a. Update of the approval of the Policy in accordance with the new regulatory framework following the amendment of the Corporate Enterprises Act.
- **b.** Greater transparency on how the Policy drives behaviours that ensure the generation and sustainability of long-term value, taking into account the Employee Remuneration Policy.
- c. Modification of the variable incentive system through the implementation of a new Variable Remuneration Scheme with Multi-Year Metrics, linked to the achievement of pre-established annual and multi-year targets and prudent risk management.
- **d.** Extension of the retention period for shares delivered to executive directors to three years, in compliance with Recommendation 62 of the Good Governance Code of Listed Companies (hereinafter, "GGC").
- **e.** Further regulation of the remuneration conditions applicable to possible new Executive Directors.
- f. Establishment of a discount percentage during the period of application of the Policy for certain remuneration items and a reference for the purpose of granting guaranteed variable remuneration.
- **g.** Establishment of a notice period for Executive Directors' contracts of at least three months.
- h. Introduction of a section enabling the possibility of applying temporary exceptions to the Policy, in the terms set out in section 6 of article 529 of the LSC.





Introduction

Governing principles and responsibilities when managin the Remuneration Policy

Remuneration poli 2021 Terms and conditions of general contracts and of those of the CEC and Chairman

Director Remuneration Policy for 2022

able of reconciliation of cont with the CNMV remuneration eport template

remuneration requi



5.1 Remuneration of directors in their capacity as such

The maximum remuneration figure for all Directors, without taking into account remuneration for executive functions (€2,925,000) was set at the 2021 General Shareholders' Meeting and its distribution may give rise to different remuneration for each of the Directors. Amounts for the current financial year are shown below:

>> REMUNERATION FOR BOARD MEMBERSHIP AND MEMBERSHIP OF BOARD COMMITTEES

(thousands of euros)	Total 2022
Base remuneration of each Board member	90
Additional remuneration for the Chairman	-
Additional remuneration of the Coordinating Director	38
Additional remuneration of each member of the Executive Committee	50
Additional remuneration of the Chairman of the Executive Committee	10
Additional remuneration of each member of the Risks Committee	50
Additional remuneration of the Chairman of the Risks Committee	10
Additional remuneration of each member of the Audit and Control Committee	50
Additional remuneration of the Chairman of the Audit and Control Committee	10
Additional remuneration of each member of the Appointments and Sustainability Committee	30
Additional remuneration of the Chairman of the Appointments and Sustainability Committee	6
Additional remuneration of each member of the Remuneration Committee	30
Additional remuneration of the Chairman of the Remuneration Committee	6
Additional remuneration of each member of the Innovation, Technology and Digital Transformation Committee	30
(thousands of euros)	Total 2022
Remuneration to be distributed in 2022 under the maximum remuneration approved in 2022	2,925



Introduction —

Governing principles and responsibilities when managing the Remuneration Policy

Remuneration police 2021

Terms and conditions of general contracts and of those of the CEC and Chairman

Director Remuneration

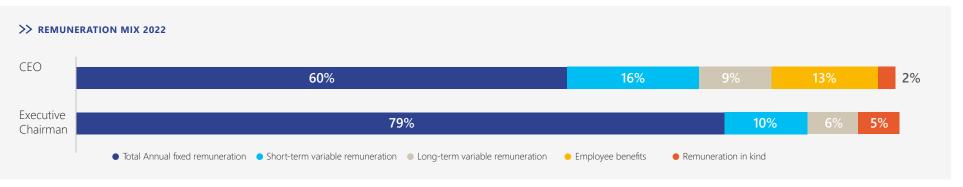
Table of reconciliation of contr with the CNMV remuneration report template

Statistical information remuneration required by the CNMV



5.2 Remuneration of directors discharging executive functions

By way of summary, the remuneration mix corresponding to the remuneration earned by CaixaBank's executive directors in 2022 is as follows:



5.2.1 Fixed items of remuneration

The maximum amount of the variable components of remuneration accruable to Executive Directors in 2022 is as follows:

>> FIXED REMUNERATION ACCRUED BY EXECUTIVE DIRECTORS

(thousands of euros)	Position	Wages	Remuneration for being a member of the Board	Remuneration for membership in Board committees	Remuneration for positions in group companies	Remuneration for membership in boards outside the Group	Total Remuneration Total projected for 2022
Gonzalo Gortazar	CEO	2,061	90	50	60	0	2,261
Jose Ignacio Goirigolzarri	Executive Chairman	1,483	90	60	0	17	1,650
Total executive directors		3,544	180	110	60	17	3,911

The fixed components of remuneration of CEO have not compared to 2021.



Governing principles and responsibilities when managing the Remuneration Policy

Remuneration polic 2021 Terms and conditions of general contracts and of those of the CEC and Chairman

Director Remunerati Policy for 2022 ole of reconciliation of conte th the CNMV remuneration port template Statistical information recommendation recommendation recommendation to the commendation of the commendation in the commendation in the commendation of the commendation in the commendation of the commendation in the commendati

o7



Executive Directors are also due to accrue the following amounts of remuneration in kind during the year:

>> REMUNERATION IN KIND OF EXECUTIVE DIRECTORS

(thousands of euros)	Position	Own and family medical care*	Use of car and home	Other	Total projected for 2022
Gonzalo Gortazar	CEO	5			5
Jose Ignacio Goirigolzarri	Executive Chairman	2			2
Total executive directors		7			7

^{*} Medical insurance for the CEO, spouse, and all children aged under 25



5.2.2 Variable components of remuneration

Variable Remuneration Scheme with Multi-year Metrics

From January 2022, the variable remuneration of Executive Directors, similar to the model applicable to the other members of the Group's Identified Staff, consists of a risk-adjusted variable remuneration scheme based on performance measurement that is awarded annually on the basis of annual metrics with a long-term adjustment through the establishment of multi-year metrics.

This scheme is determined on the basis of a target variable remuneration established for each of the Executive Directors by the Board of Directors, at the recommendation of the Remuneration Committee, which represents the amount of variable remuneration to be received in the event of 100% compliance with the established targets. In the case of overachievement, a maximum achievement rate of 120% can be reached.

The remuneration for 2022 of Executive Directors will not vary with respect to 2021. Thus, the target amount of the new variable remuneration scheme with multi-year metrics, in accordance with the new Director Remuneration Policy, is the sum of the target amounts for 2021 of the annual bonus and the long-term incentive (PIAC).

The target amounts for this item determined in 2022 are as follows:

(thousands of euros)	Position	Variable target remuneration (thousands of €)
Gonzalo Gortazar	CEO	909
Jose Ignacio Goirigolzarri	Executive Chairman	320

Annual factors, with quantitative corporate (financial) and qualitative corporate (non-financial) criteria, which must be specified and clearly documented, are used for performance measurement and for the evaluation of individual results.

Multi-year factors with only corporate criteria which adjust, as a reduction mechanism, the payment of the deferred portion subject to multi-year factors are also used.



Governing principles and responsibilities when managing the Remuneration Policy

Remuneration police 2021

Terms and conditions of general contracts and of those of the CE and Chairman

Director Remuneration Policy for 2022

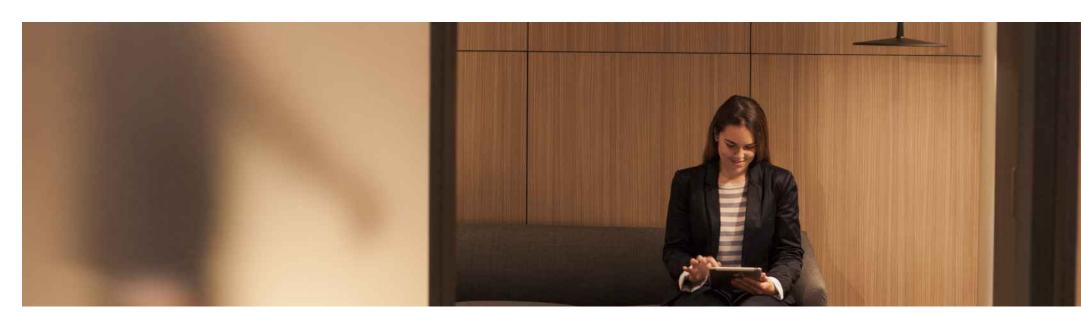
ole of reconciliation of conte th the CNMV remuneration port template

remuneratio by the CNM



>> ANNUAL FACTOR MEASUREMENT METRICS

Criteria		Metric	Weighting	Degree of compliance	Degree of achievement
		rote		> 7.77 = 120%	120%
	20%		Between 7.7 and 5.7	Between 120 and 80%	
			< 5.7 = 0%	0	
	Corporate Financial	CER	20%	< 53.4 = 120%	120%
Corporate				Between 53.4 and 56.1	Between 120 and 80%
				> 56.1 = 0%	0
	NPAs 10%		<-1,054 = 120%	120%	
		10%	Between -1,054 and 0	Between 120 and 80%	
				>=0 = 0%	0



 * Achievement may be adjusted downwards to 100% in the event that any metric included in the RAF is in recovery.

^{**} The NPS branch and IEX segments are weighted based on the percentage of each business in the Ordinary Margin.



Governing principles and responsibilities when managing the Remuneration Policy

Remuneration police 2021

Terms and conditions of general contracts and of those of the CEC and Chairman

Director Remuneration Policy for 2022

ble of reconciliation of conter th the CNMV remuneration port template

07

e CNMV



Criteria		Metric	Weighting	Degree of compliance	Degree of achievement
			< = 3 amber	120%	
			3.5 amber	115%	
			4 amber	110%	
				4.5 amber	105%
		RAF	20%	5 amber	100%
		KAF	20%	5.5 amber	95%
				6 amber	90%
				6.5 amber	85%
				7 amber	80%
Company	Non-Engarial			7.5 amber	0
Corporate	Non-financial	Quality	10%	Each target individually on scales between 0% and below 80% and up to a maximum of 120%	Maximum of 120%
				Weighted average (NPS branch and IEX segments) 70% and 30% digital NPS	and a minimum of 80% below 0
		COMPLIANCE(**)	10%	> 96.25 and corrective factor 0 = 100%	Between 120% and 0
				Between 96.25 and 95 = 90%	Between 108% and 0
				Between 95 and 94 = 80%	Between 96% and 0
				< 94 = 0%	0
				> 22,962 = 120%	120%
		Sustainability	10%	Between 22,962 and 15,308	Between 120 and 80%
			< 15,308 = 0%	0	

^{*}Achievement may be adjusted downwards to 100% in the event that any metric included in the RAF is in recovery.

 $^{^{\}star\star}\,\text{The NPS branch and IEX segments are weighted based on the percentage of each business in the Ordinary Margin.}$

^{** 10%} of the Bonus will be affected by a corrective factor depending on the resolution or re-evaluation of CaixaBank's High and Medium criticality GAPs.



Policy for 2022



The degree of achievement for the annual factor measurement metrics is determined solely on the basis of corporate criteria and includes the upfront payment of the variable remuneration as well as the first two deferred payments (i.e. 64% of the variable remuneration).

The corporate criteria are set for each year by the CaixaBank Board of Directors, at the recommendation of the Remuneration Committee, and their weighting is distributed among objective items based on the Entity's main targets.

The corporate financial criteria have been aligned with the most relevant management metrics of the Entity, adapting their weighting for the executive directors according to their functions. These are related to the following metrics:

ROTE (20%)

Definition: Measures the profitability index of the tangible assets and is calculated as the Profit/(loss) attributable to the Group (adjusted by the amount of the Additional Tier 1 coupon) and net equity plus valuation adjustments for the last 12 months, minus the intabgible assets or goodwill.

REC (20%)

Definition: This is the percentage of recurring expenses in relation to the income from the company's core business. It is calculated as the ratio of the Group's recurring expenses to core revenues (net interest income, net fee and commission income and insurance-related revenues).

NPAs (10%)

Definition: This is the change, in absolute terms, in the Group's problematic assets (defined as non-performing and foreclosed loans and auction rights).

Non-financial corporate criteria relate to the following metrics:

RAF (20%)

Definition: The target linked to the RAF metric is set from an aggregate level of the Entity's Risk Appetite Framework scorecard. This scorecard consists of quantitative metrics that measure the different types of risk, and the Board of Directors establishes areas of appetite (green), tolerance (amber) or non-compliance (red), and determines the scale of fulfilment that establishes penalisation or bonus percentages according to the variation of each metric, between the actual situation at the end of the year and that initially forecast for the same year in the budget.

Quality (10%)

Definition: This metric combines the Net Promoter Score index (customers who recommend us) with a customer experience index.

This is the percentage of recurring expenses in relation to the income from the company's core business. It is calculated as the ratio of the Group's recurring expenses to core revenues (net interest income, net fee and commission income and insurance-related revenues).

Compliance (10%)

Definition: Aggregate index of metrics that measure processes for the Prevention of Money Laundering, MiFID and correct commercialisation of products and services.

Sustainability (10%)

Definition: Mobilising sustainable finance, this measures the new production of sustainable finance

For the purpose of determining variable remuneration for the annual factors (financial and non-financial) described above, once the 2022 financial year has ended, the result of each metric will be compared with its target value, and depending on the degree of compliance therewith, variable remuneration to be received will be calculated by applying the corresponding scales of degree of achievement, according to the weighting associated with each indicator, on the basis of the target value.

The resulting amount shall constitute the annual factor-linked variable remuneration of each Executive Director, which shall be subject to the terms of the vesting, consolidation and payment system set out below.





ntroduction
01

Governing principles and responsibilities when managing the Remuneration Policy

Remuneration poli 2021 Terms and conditions of general contracts and of those of the CE and Chairman

Director Remuneration

ble of reconciliation of conter th the CNMV remuneration port template

Statistical remunera by the CN



>> MULTI-YEAR FACTOR MEASUREMENT METRICS

Criteria	Metric	Weighting	Objective value	Degree of compliance	Degree of penalty
				Red = 0%	100%
	CET1	25%	RAF measure for risk tolerance in green	Amber = 50%	50%
				Green = 100%	0
	TCD	250/	Value of the EUROSTOXX	> = index = 100%	0
	TSR	25%	Banks – Gross Return index	< index = 0%	100%
	Multi-year ROTE	25%	Average amounts repaid annually in the measurement period	> Average = 100%	0
Corporate				Between 80% and 100%	Between 0 and 100%
				< 80% = 0%	100%
		25%		> = 63,785 = 100%	0
	Sustainability		63,785	Between 63,785 and 47,838 = between 75 and 100%	Between 0 and 100%
				< 47,838 = 0%	100%

The level of achievement for the multi-year factor metrics is set solely on the basis of corporate criteria and determines the adjustment of payments from the third year of deferral (i.e. 36 per cent of the remaining variable remuneration).

The metrics associated with the multi-year factors are described below:

CET1 (25%)

Definition: It is set as a metric linked to the colour (tolerance level) of the indicator in the CET1 RAF at the end of the multi-year period.

TSR (25%)

Definition: Comparison with the average of the EUROSTOXX Banks – Gross Return index.

Multi-year ROTE (25%)

Definition: This is set as the average achievement of the ROTE challenge for each of the years of the multi-vear measurement period.

Sustainability (25%)

Definition: This is set to reach a cumulative sustainable finance mobilisation figure in the period 2022-2024 defined in the sustainability master plan.

The aforementioned metrics will have associated compliance scales so that if the targets established for each are not met within the three-year measurement period, the deferred portion of the variable remuneration pending payment can be reduced but never increased.

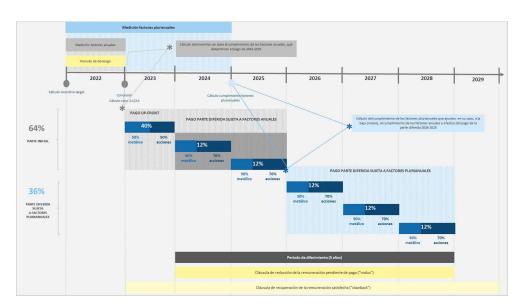
In addition, the remaining conditions of the system for granting, vesting and payment of variable remuneration to Executive Directors provided for in the Remuneration Policy shall apply to the variable remuneration.

>> TERMS AND CONDITIONS OF THE VARIABLE REMUNERATION AWARD, VESTING AND PAYMENT SYSTEM

In accordance with the vesting, consolidation and payment system applicable to variable remuneration under the Variable Remuneration Scheme with Multi-Year Metrics for the Entity's Executive Directors, 40% of the variable remuneration corresponding to the current year will be paid, if the conditions are met, in equal parts in cash and CaixaBank shares, while the remaining 60% will be deferred, 30% in cash and 70% in shares, over a period of five years. In this regard, the payment for the first two years of deferral is subject to annual factors, while the payment for the following three years will be subject to compliance with the approved multi-year factors.

The following is a graphic example of the system for granting, vesting and payment of variable remuneration to Executive Directors, taking the financial year 2022 as a reference.





Contributions to pension schemes and other cover

In the case of the CEO, a total defined contribution of €425,000 will be made each year to cover the contingencies of retirement, death and total, absolute or severe permanent disability.

The annual target amount corresponding to the Discretionary Pension Benefits Policy, in accordance with the provisions of section 5.8.e), is €75,000 in the case of Mr. Gonzalo Gortázar Rotaeche.

In addition to the defined contribution described above, coverage will be established for death and permanent, total, absolute and severe disability for the amount of two annuities of the Total Fixed Annual Remuneration at the time the contingency occurs. The estimated premium for this cover is €72,547.

Coverage in favour of Mr José Ignacio Goirigolzarri Tellaeche for death and permanent, total, absolute and severe disability for the amount of two annuities of the Total Annual Fixed Remuneration at the time the contingency occurs is recognised. The estimated premium for this cover is €100,862 for each year that this Remuneration Policy is in effect.

>> REMUNERATION OF EXECUTIVE DIRECTORS THROUGH LONG-TERM SAVINGS SYSTEMS

(thousands of euros)	Coverage for death, permanent disability, and severe disability

	Position	Fixed component (85%)	Variable component (15%) ¹	Coverage for death, permanent disability, and severe disability	Total expected 2022
Gonzalo Gortazar	CEO	425	88	73	586
Jose Ignacio Goirigolzarri	Executive Chairman			101	101
Total Executive Directors		425	88	174	687

¹ Information provided on contributions made to the employee pension system (variable remuneration) envisioned for the year in progress. Based on 118% attainment of the individual challenges by the CEO in the 2021 assessment.





ntroduction

Governing principles and responsibilities when managin the Remuneration Policy

Remuneration police 2021

Terms and conditions of general contracts and of those of the CEC and Chairman

Director Remunerati Policy for 2022 ole of reconciliation of conte th the CNMV remuneration port template Statistical information or remuneration required by the CNMV



5.2.3 Remuneration accrued by Board members as consideration for representing CaixaBank at other companies

The following remuneration is payable for seats held on the Boards of Directors of Group companies or of other companies when acting on CaixaBank's behalf, as per the amounts currently set as remuneration payable for representing CaixaBank at other companies (which forms part of the director's Total annual fixed remuneration):

>> REMUNERATION OF EXECUTIVE DIRECTORS THROUGH LONG-TERM SAVINGS SYSTEMS

(thousands of euros)	Position	Investee	Total projected for 2022
Jose Ignacio Goirigolzarri	Director	CECA	17
Gonzalo Gortazar	Director	Banco BPI	60
Tomás Muniesa	Deputy Chairman	VidaCaixa	435
Tomás Muniesa	Deputy Chairman	SegurCaixa Adeslas	11
Total per item 2022			523

5.2.4 Remuneration aside from responsibilities as directors

Fernando Maria Ulrich Costa Duarte is the non-executive Chairman of the Board of Directors of Banco BPI. The remuneration planned for 2022 for his membership in this board is 750,000 euros.

Retention policy.

The instruments delivered are subject to a three-year retention period, during which time they may not be disposed of by the Director.

However, one year after the delivery of the instruments, the Director may dispose of the instruments if he/she maintains, after the disposal or exercise, a net economic exposure to the change in the price of the instruments for a market value equivalent to an amount of at least twice his/her Total Annual Fixed Remuneration through the ownership of shares, options, rights to deliver shares or other financial instruments reflecting the market value of CaixaBank.

In addition, after the first year of holding, the Director may dispose of the instruments to the extent necessary to meet the costs related to their acquisition or, subject to the favourable opinion of the Remuneration Committee, to meet any extraordinary situations that may arise.

During the retention period, the exercise of the rights conferred by the instruments is vested in the Director as the holder of the instruments.



6. Table of conciliation of content

with the CNMV remuneration report template

Section of the CNMV	template	Included in the statistical report					
A. REMUNERATION PO	OLICY APPROVI	D FOR THE CURRENT YEAR					
A.1 and subsections		No Section 2 and Section 5 in relation to the remuneration policy. Section 5 in relation to the fixed components of remuneration for directors in their capacity as such Section 5 in relation to the different components of remuneration for directors discharging executive functions Section 4 in relation to the characteristics of contracts entered into with directors discharging executive functions Section 5 in relation to proposed changes in remuneration for 2022 and its quantitative valuation					
A.2		Section 5 in relation to proposed changes in remuneration for 2022 and its quantitative valuation					
A.3 Section 5		Section 5 and Introduction in relation to the remuneration policy					
A.4 Introd		Introduction, Section 2 and Section 5 in relation to the IARC vote and the remuneration policy					
B. OVERALL SUMMAR' B.1 and subsections	Y OF HOW REN	IUNERATION POLICY WAS APPLIED DURING THE YEAR ENDED Section 2 and Section 3					
B.2	No	Section 2 and Section 3					
B.3	No	Section 2, Section 3 and Section 5					
B.4	Yes	Section 2 and Section 6					
B.5	No	Section 3					
B.6	No	Section 3					
B.7	No	Section 3					
B.8	No	Not applicable					
B.9	No	Section 3					
B.10	No	Not applicable					
B.11	No	Section 3 and Section 4					



Introduction

Governing principles and responsibilities when managir the Remuneration Policy

Remuneration poli 2021 Terms and conditions of general contracts and of those of the CEC and Chairman

Director Remuneration Pol for 2022 Table of reconciliation of conte with the CNMV remuneration report template

Statistical information o remuneration required by the CNMV



Section of the CNMV template Included in the statistical report B. OVERALL SUMMARY OF HOW REMUNERATION POLICY WAS APPLIED DURING THE YEAR ENDED Section 5 B.12 No At present, the Entity is not considering offering Directors financial assistance as remuneration. B.13 No Note 41 of the consolidated annual financial statements explains the financing extended to directors and other key personnel. B.14 No Section 3 B.15 No Not currently provided B.16 No Section 3 C. ITEMISED INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR C Yes Section 7 C.1 a) i) Yes Section 7 C.1 a) ii) Yes Section 7 C.1 a) iii) Yes Section 7 C.1 a) iv) Yes Section 7 C.1 b) i) Yes Section 7 C.1 b) ii) Yes Not applicable C.1 b) iii) Yes Not applicable C.1 b) iv) Yes Not applicable C.1 c) Yes Section 7 C.2 Yes Section 7 D. OTHER USEFUL INFORMATION D Yes





7. Statistical information on remuneration

required by the CNMV

>> ISSUER IDENTIFICATION



Financial year-end: 31/12/2021



Corporate name: CAIXABANK, S.A.



Tax code: A-08663619



Business address:

Cl. Pintor Sorolla N.2-4 (Valencia)

>> B. GLOBAL SUMMARY OF THE APPLICATION OF REMUNERATION POLICY DURING THE FINANCIAL YEAR

B.4. REPORT ON THE RESULT OF THE ADVISORY VOTE AT THE ANNUAL GENERAL MEETING ON THE ANNUAL REPORT ON REMUNERATION FOR THE PREVIOUS FINANCIAL YEAR, INDICATING THE NUMBER OF ANY NEGATIVE VOTES CAST:

	Number	% of total
Votes cast	6,078,499,100	75.41
	Number	% of votes cast
Votes against	86,672,915	1.43
Votes in favour	4,395,663,744	72.31
Blank votes	0	0
Abstentions	1,596,162,441	26.26

>> C. DETAILS OF THE INDIVIDUAL REMUNERATION OF EACH OF THE BOARD MEMBERS

Name	Туре	Accrual period 2021 fiscal year
Ayuso, Joaquin	Independent Director	From 26/03/2021 to 31/12/2021
Bassons, M.Teresa	Proprietary Director	From 01/01/2021 to 26/03/2021
Campo, Francisco Javier	Independent Director	From 26/03/2021 to 31/12/2021
Castillo, Eva	Independent Director	From 26/03/2021 to 31/12/2021
Fisas, M.Veronica	Independent Director	From 01/01/2021 to 31/12/2021
Garcia-Bragado, Alejandro	Proprietary Director	From 01/01/2021 to 26/03/2021
Garmendia, Cristina	Independent Director	From 01/01/2021 to 31/12/2021
Garralda, Ignacio	Proprietary Director	From 01/01/2021 to 26/03/2021
Goirigolzarri, Jose Ignacio	Executive Chairman	From 26/03/2021 to 31/12/2021
Gortázar, Gonzalo	CEO	From 01/01/2021 to 31/12/2021
Gual, Jordi	Proprietary Chairman	From 01/01/2021 to 26/03/2021
Moraleda, M. Amparo	Independent Director	From 01/01/2021 to 31/12/2021
Muniesa, Tomas	Proprietary Director	From 01/01/2021 to 31/12/2021
John S. Reed	Lead Independent Director	From 01/01/2021 to 31/12/2021
Sanchiz, Eduardo Javier	Independent Director	From 01/01/2021 to 31/12/2021
Santero, Maria Teresa	Proprietary Director	From 26/03/2021 to 31/12/2021
Serna, José	Proprietary Director	From 01/01/2021 to 31/12/2021
Ulrich, Fernando Maria	Other External Director	From 26/03/2021 to 31/12/2021
Usarraga, Koro	Independent Director	From 01/01/2021 to 31/12/2021
CajaCanarias Foundation	Proprietary Director	From 01/01/2021 to 26/03/2021







C.1. COMPLETE THE FOLLOWING TABLES REGARDING THE INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR (INCLUDING REMUNERATION FOR THE PERFORMANCE OF EXECUTIVE FUNCTIONS) DURING THE YEAR

A) REMUNERATION FROM THE REPORTING COMPANY:

i) Remuneration in cash (thousands of EUR)

Name	Fixed remuneration	Attendance fees	Remuneration for membership on board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Compensation	Other items	Total for 2021 financial year	Total for 2020 financial year
Ayuso, Joaquin	69		60						129	
Bassons, M.Teresa	21		7						28	120
Campo, Francisco Javier	69		60						129	
Castillo, Eva	69		60						129	
Fisas, M.Veronica	90		100						190	183
Garcia-Bragado, Alejandro	21		7						28	120
Garmendia, Cristina	90		110						200	169
Garralda, Ignacio	21								21	90
Goirigolzarri, Jose Ignacio	69		45	1,122	117				1,353	
Gortázar, Gonzalo	90		50	1,917	413				2,470	1,701
Gual, Jordi	258		14						272	1,150
Moraleda, M. Amparo	90		116						206	206
Muniesa, Tomas	90		100						190	171
John S. Reed	128		36						164	149
Sanchiz, Eduardo Javier	90		140						230	218
Santero, Maria Teresa	69		38						107	
Serna, José	90		73						163	140
Ulrich, Fernando Maria	69		60						129	
Usarraga, Koro	90		160						250	231
CajaCanarias Foundation	21		12						33	140



ntroduction —

Governing principles and responsibilities when managin the Remuneration Policy

Remuneration polic 2021 Terms and conditions of general contracts and of those of the CEC and Chairman

Director Remuneration Policy for 2022

Table of reconciliation of content with the CNMV remuneration reportemplate

Statistical information on remuneration required by the CNMV





ii) Breakdown of movements of the share-based remuneration systems and gross profit of the consolidated shares or financial instruments

			Financial instruments at start of 2021		Financial instruments granted during 2021 Consolidate		olidated financial instruments in the fiscal year			Instruments matured but not exercised	Financial instruments at end of 2021	
Name Plan name	No. of instruments	No. equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. equivalent/ consolidated shares	Price of consolidated shares	Gross profit of consolidated shares or financial instruments (thousands of EUR)	No. of instruments	No. of instruments	No. equivalent shares	
Goirigolzarri, Jose Ignacio	bonus plan 2021						42,653	2.73	116			
	3rd cycle CAIP 2019-2021				64,023							
	2021 Bonus Plan						151,168	2.73	412			
Gortázar, Gonzalo	1st cycle CAIP 2019-2021		51,782							15,534		36,248
	3rd cycle CAIP 2019-2021				106,705							

>> OBSERVATIONS

In the financial year 2021, Mr. Goirigolzarri has accrued 42,653 shares corresponding to 50% of the annual bonus plan 2021, which he will receive as follows: 40% (17,061 shares) delivered in February 2022. The remaining 60%, provided that none of the reduction scenarios foreseen occur, will be delivered in 5 parts in 2023, 2024, 2025, 2026 and 2027. From the third cycle of the Annual Incentive Plan Conditional on the Strategic Plan 2019-2021, 64,023 shares have been provisionally granted, subject to expost adjustment.

Mr. Gortazar has accrued, in the financial year 2021, 151,168 shares corresponding to 50% of the annual bonus plan 2021, which he will receive as follows: 40% (60,467 shares) delivered in February 2022. The remaining 60%, provided none of the reduction scenarios foreseen occur, will be delivered in 5 parts in 2023, 2024, 2025, 2026 and 2027. At the end of the measurement period of the expost adjustment of the first cycle of the CAIP 2019-2021, a 30% adjustment has been applied on the provisional incentive (15,534 shares) and 36,248 shares have been consolidated and will be delivered in 3 parts in 2023, 2024 and 2025. From the third cycle of the CAIP 2019-2021, 106,705 shares have been provisionally granted, subject to expost adjustment.

All shares delivered are subject to a holding period of one year from delivery.

In 2021, the total number of shares generated by incentive plans for executive officers, senior management and all other employees that are pending delivery account for 0.16% of the total share capital.





iii) Long-term saving schemes.

	Contribution by the o	Contribution by the company in the year (thousands of EUR)					Cumulative amount of funds (thousands of EUR)			
	Savings systems with consolidated financial rights				Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights			
	Financial year 2021	Financial year 2020	Financial year 2021	Financial year 2020	Financial year 2021	Financial year 2020	Financial year 2021	Financial year 2020		
Name										
Gortázar, Gonzalo			505	511	2,768	2,502	2,690	2,176		
Muniesa, Tomas					29	30				

>> OBSERVATIONS

The general approach for accrued fund amounts is that accrued balances are shown for the function of Director. For Executive Directors this includes in addition to the balances accrued for previous functions in the Company.

iv) Details of other items

Name	Item	Remuneration amount
Goirigolzarri, Jose Ignacio	Health Insurance	2
Goirigolzarri, Jose Ignacio	Life insurance risk premium	71
Gortázar, Gonzalo	Health Insurance	5
Gortázar, Gonzalo	Life insurance risk premium	65
Gortázar, Gonzalo	Remuneration in kind medical check-up	2





ntroduction

Governing principles and responsibilities when managing the Remuneration Policy

Remuneration policy 2021 Terms and conditions of general contracts and of those of the CEC and Chairman

Director Remuneration Policy for 2022

able of reconciliation of content with the CNMV remuneration repor emplate Statistical information on remuneration required by the CNMV





B) REMUNERATION PAID TO DIRECTORS OF THE LISTED COMPANY FOR THEIR MEMBERSHIP OF THE GOVERNING BODIES OF ITS SUBSIDIARIES i) Remuneration in cash (thousands of EUR) Remuneration for Short-term Long-term Total Total membership on board variable variable 2020 financial Salary Name Other items remuneration Attendance fees remuneration remuneration Compensation year Gortázar, Gonzalo 204 204 560 435 435 435 Muniesa, Tomas Ulrich, Fernando María 750 750 ii) Breakdown of movements of the share-based remuneration systems and gross profit of the consolidated shares or financial instruments Financial instruments at the Financial instruments granted Instruments matured Financial instruments start of 2021 Consolidated financial instruments in the fiscal year at end of 2021 Gross profit of shares or financial No. No. of No. of Price of No. equivalent/ equivalent/ No. of No. of (thousands of equivalent equivalent No. of No. of Name Plan name instruments shares instruments instruments shares shares EUR) No. of instruments instruments shares



ntroduction

Governing principles and responsibilities when managing the Remuneration Policy

Remuneration policy 2021 Terms and conditions of general contracts and of those of the CEC and Chairman

Director Remuneration Policy for 2022

lable of reconciliation of content with the CNMV remuneration reportemplate

Statistical information on remuneration required by the CNMV





					Remuneration from o	consolidation of rights to	savings systems	
	Contribution by the c	company in the year (th	ousands of EUR)		Cumulative amount	of funds (thousands of E	UR)	
	Savings systems with consolidated financial rights		Savings systems with unconsolidated financial rights		Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights	
	Financial year 2021	Financial year 2020	Financial year 2021	Financial year 2020	Financial year 2021	Financial year 2020	Financial year 2021	Financial year 2020
Name								



iv) Details of other items

Name	Item	Remuneration amount
José Ignacio Goirigolzarri	Item	
Tomás Muniesa	Item	
Gonzalo Gortazar	Item	
John S. Reed	Item	
Joaquín Ayuso	Item	
Francisco Javier Campo	Item	
Eva Castillo	Item	
Fernando María Ulrich	Item	
Verónica Fisas	Item	
Cristina Garmendia	Item	
Amparo Moraleda	Item	
Eduardo Javier Sanchiz	Item	
María Teresa Santero	Item	
José Serna	Item	
Koro Usarraga	Item	
Jordi Gual	Item	
Caja Canarias Foundation	Item	
Maria Teresa Bassons	Item	
Alejandro García-Bragado	Item	
Ignacio Garralda	Item	



Governing principles and responsibilities when managing the Remuneration Policy

Remuneration police 2021

Terms and conditions of general contracts and of those of the CEC and Chairman

Director Remuneration Policy for 2022 able of reconciliation of content with the CNMV remuneration repor emplate Statistical information on remuneration required by the CNMV





C) SUMMARY OF REMUNERATION (THOUSANDS OF EUR): THE SUMMARY SHOULD INCLUDE AMOUNTS FOR ALL REMUNERATION COMPONENTS REFERRED TO IN THIS REPORT ACCRUED BY THE DIRECTOR (IN THOUSANDS OF EUR).

	Remuneration	accrued in the co	ompany			Remuneration accrued in Group Companies						
Name	Total Cash remuneration	Gross profit of consolidated shares or financial instruments	Remuneration under savings systems	Remuneration for other items	Company total 2021	Total Cash remuneration	Gross profit of consolidated shares or financial instruments	Remuneration under saving systems	Remuneration for other items		Total for 2021 financial year company + group	
Ayuso, Joaquin	129				129						129	
Bassons, M.Teresa	28				28						28	
Campo, Francisco Javier	129				129						129	
Castillo, Eva	129				129						129	
Fisas, M.Veronica	190				190						190	
Garcia-Bragado, Alejandro	28				28						28	
Garmendia, Cristina	200				200						200	
Garralda, Ignacio	21				21						21	
Goirigolzarri, Jose Ignacio	1,353	116		73	1,542						1,542	
Gortázar, Gonzalo	2,470	412		72	2,954	204				204	3,158	
Gual Jordi	272				272						272	
Moraleda, M. Amparo	206				206						206	
Muniesa, Tomas	190				190	435				435	625	
John S. Reed	164				164						164	
Sanchiz, Eduardo Javier	230				230						230	
Santero, Maria Teresa	107				107						107	
Serna, José	163				163						163	
Ulrich, Fernando Maria	129				129	750				750	879	
Usarraga, Koro	250				250						250	
CajaCanarias Foundation	33				33						33	
Total	6,421	528		145	7,094	1,389				1,389	8,483	



Governing principles and responsibilities when managing the Remuneration Policy

Remuneration police 2021

Terms and conditions of general contracts and of those of the CEC and Chairman

Director Remuneration Policy for 2022

Table of reconciliation of content with the CNMV remuneration repotemplate

Statistical information on remuneration required by the CNMV





C.2) INDICATE THE CHANGES OVER THE LAST FIVE YEARS IN THE AMOUNT AND PERCENTAGE OF THE REMUNERATION EARNED BY EACH OF THE LISTED COMPANY'S DIRECTORS DURING THE YEAR, IN THE CONSOLIDATED RESULTS OF THE COMPANY, AND IN THE AVERAGE REMUNERATION ON A FULL-TIME EQUIVALENT BASIS OF THE EMPLOYEES OF THE COMPANY AND ITS SUBSIDIARIES WHO ARE NOT DIRECTORS OF THE LISTED COMPANY.

	Total amounts accru	ed and % annual	variation						
	Financial year 2021	% Variation 2021/2020	Financial year 2020	% Variation 2020/2019	Financial year 2019	% Variation 2019/2018	Financial year 2018	% Variation 2018/2017	Financial yea 2017
Executive Directors									
osé Ignacio Goirigolzarri	1,542								
Gonzalo Gortazar	3,158	35.83	2,325	-24.56	3,082	4.05	2,962	6.13	2,791
External Directors									
oaquin Ayuso	129	-	0	-	0	-	0	-	0
M. Teresa Bassons	28	-76.67	120	0.00	120	-2.44	123	-13.99	143
rancisco Javier Campo	129	-	0	-	0	-	0	-	0
Eva Castillo	129	-	0	-	0	-	0	-	0
M. Veronica Fisas	190	3.83	183	12.96	162	15.71	140	26.13	111
Alejandro Garcia-Bragado	28	-76.67	120	0.00	120	1.69	118	31.11	90
Cristina Garmendia	200	18.34	169	177.05	61	-	0	-	0
gnacio Garralda	21	-76.67	90	-12.62	103	-24.26	136	147.27	55
ordi Gual	272	-76.35	1,150	0.00	1,150	0.00	1,150	0.00	1,150
M. Amparo Moraleda	206	0.00	206	6.19	194	6.01	183	-28.52	256
omás Munisa	625	3.14	606	5.39	575	-43.68	1.021	-	0
ohn S. Reed	164	10.07	149	18.25	126	2.44	123	36.67	90
Eduardo Javier Sanchiz	230	5.50	218	10.66	197	8.24	182	628.00	25
M. Teresa Santero	107	-	0	-	0	-	0	-	0
osé Serna	163	16.43	140	0.00	140	0.00	140	8.53	129
ernando María Ulrich	879	-	0	-	0	-	0	-	0
oro Usarraga	250	8.23	231	17.26	197	5.91	186	32.86	140
Caja Canarias Foundation	33	-76.43	140	0.00	140	2.94	136	83.78	74
Company Results	5,315	232%	1,601	-23%	2,077	-26%	2,807	34%	2.098
Average Employee Remuneration	58	-1%	59	-3%	60	3%	59	2%	57

>> OBSERVATIONS

The average remuneration of the staff from 2019 to 2020 was impacted by the effect of the voluntary departures associated with the 2019 layoffs and the incentivised departures in 2020 of older employees, and due to temporary redundancies resulting from the pandemic. The 2020-2021 variation in Mr. Gortazar's accrued remuneration is due to the voluntary renunciation in 2020 of his variable remuneration, both annual and multi-year, as an act of responsibility for the exceptional economic and social situation generated by COVID-19, since his remuneration conditions did not change. The average remuneration of the staff from 2020 to 2021 was also affected by the merger with Bankia and by the voluntary departures of the 2021 layoffs.

A new CEO and five Non-Executive Directors were appointed on 26/03/2021, on the same date five Non-Executive Directors left the Board.

With regard to the change in the company's results in 2021, the merger of CaixaBank and Bankia must be taken into account.

For the information on average employee remuneration, the salary and average number of employee figures for the year were used, as detailed in the management report.



on remuneration required by the CNMV 07





>> D. OTHER USEFUL INFORMATION



This annual remuneration report has been approved by the company's Board of Directors, in its meeting on:

State whether any Directors voted against or abstained from voting on the approval of this Report.









ISSUER'S PARTICULARS		
Financial year-end:	31/12/2021	
Tax code:	A08663619	
Corporate name:		
CAIXABANK, S.A.		_
Registered office:		
CL. PINTOR SOROLLA N.2-4 (VALENCIA)		

1



B. OVERALL SUMMARY OF HOW REMUNERATION POLICY WAS APPLIED DURING THE YEAR ENDED

B.4. Report on the result of the advisory vote at the General Shareholders' Meeting on the annual report on remuneration for the previous financial year, indicating the number of abstentions and the number of negative, blank and affirmative votes cast:

	Number	% of total
Votes cast	6,078,499,100	75.41
	Number	% of votes cast
Votes against	86,672,915	1.43
Votes in favour	4,395,663,744	72.31
Blank votes		0.00
Abstentions	1,596,162,441	26.26

2



C. ITEMISED INDIVIDUAL REMUNERATIONS ACCRUED BY EACH DIRECTOR

Name	Туре	Accrual period 2021 fiscal year
MR JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Chairman	From 26/03/2021 to 31/12/2021
MR TOMÁS MUNIESA ARANTEGUI	Proprietary Director	From 01/01/2021 to 31/12/2021
MR GONZALO GORTAZAR ROTAECHE	CEO	From 01/01/2021 to 31/12/2021
MR JOHN S. REED	Lead Director	From 01/01/2021 to 31/12/2021
MR JOAQUIN AYUSO GARCÍA	Independent Director	From 26/03/2021 to 31/12/2021
MR FRANCISCO JAVIER CAMPO GARCÍA	Independent Director	From 26/03/2021 to 31/12/2021
MS EVA CASTILLO SANZ	Independent Director	From 26/03/2021 to 31/12/2021
MR FERNANDO MARÍA COSTA DUARTE ULRICH	Other External Director	From 26/03/2021 to 31/12/2021
MS MARÍA VERÓNICA FISAS VERGÉS	Independent Director	From 01/01/2021 to 31/12/2021
MS CRISTINA GARMENDIA MENDIZÁBAL	Independent Director	From 01/01/2021 to 31/12/2021
MS MARÍA AMPARO MORALEDA MARTÍNEZ	Independent Director	From 01/01/2021 to 31/12/2021
MR EDUARDO JAVIER SANCHIZ IRAZU	Independent Director	From 01/01/2021 to 31/12/2021
MS MARÍA TERESA SANTERO QUINTILLÁ	Proprietary Director	From 26/03/2021 to 31/12/2021
MR JOSÉ SERNA MASIÁ	Proprietary Director	From 01/01/2021 to 31/12/2021
MS KORO USARRAGA UNSAIN	Independent Director	From 01/01/2021 to 31/12/2021
MR JORDI GUAL SOLE	Proprietary Chairman	From 01/01/2021 to 26/03/2021
CAJA CANARIAS FOUNDATION	Proprietary Director	From 01/01/2021 to 26/03/2021
MS MARÍA TERESA BASSONS BONCOMPTE	Proprietary Director	From 01/01/2021 to 26/03/2021





- C.1. Complete the following tables regarding the individual remuneration accrued by each director (including remuneration received for the performance of executive functions) during the year.
 - a) Remunerations at the reporting company:
 - i) Remuneration in cash (in thousands of EUR)

Name	Fixed remuner ation	Attendanc e fees	Remuneration for membership on board	Salary	Short-term variable remunerati	Long-term variable remunerati	Compensation	Other items	Total for 2021 financial year	Total for 2020 financial year
MR JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	69		45	1,122	117				1,353	
MR TOMÁS MUNIESA ARANTEGUI	90		100						190	171
MR GONZALO GORTAZAR ROTAECHE	90		50	1,917	413				2,470	1,701
MR JOHN S. REED	128		36	I.					164	149
MR JOAQUIN AYUSO GARCÍA	69		60						129	
MR FRANCISCO JAVIER CAMPO GARCÍA	69		60						129	
MS EVA CASTILLO SANZ	69		60						129	
MR FERNANDO MARÍA COSTA DUARTE ULRICH	69		60						129	
MS MARÍA VERÓNICA FISAS VERGÉS	90		100						190	183
MS CRISTINA GARMENDIA MENDIZÁBAL	90		110						200	169
MS MARÍA AMPARO MORALEDA MARTÍNEZ	90		116						206	206
MR EDUARDO JAVIER SANCHIZ IRAZU	90		140						230	218
MS MARÍA TERESA SANTERO QUINTILLÁ	69		38						107	
MR JOSÉ SERNA MASIÁ	90		73						163	140
MS KORO USARRAGA UNSAIN	90		160						250	231
MR JORDI GUAL SOLE	258		14						272	1,150



Name	Fixed remuner ation	Attendanc e fees	Remuneration for membership on board	Salary	Short-term variable remunerati on	Long-term variable remunerati on	Compensation	Other items	Total for 2021 financial year	Total for 2020 financial year
CAJA CANARIAS FOUNDATION	21		12						33	140
MS MARÍA TERESA BASSONS BONCOMPTE	21		7						28	120
MR ALEJANDRO GARCÍA-BRAGADO DALMAU	21		7						28	120
MR IGNACIO GARRALDA RUIZ DE VELASCO	21								21	90

ii) Breakdown of movements of the share-based remuneration systems and gross profit of the consolidated shares or financial instruments.

		Financial inst the start of 20		Financial instruments granted during in 2021		Consolida	ted financial inst	ruments in the f	Instruments matured but not	Financial ins the end of 2	truments at 021	
Name	Plan name	No. instruments	No. of equivalent shares	No. instruments	No. of equivalent shares	No. instruments	No. equivalent/c onsolidated shares	Price of consolidated shares	Gross profit of consolidated shares or financial instruments (thousands of	No. instruments	No. instruments	No. of equivalent shares
MR JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	3rd cycle CAIP 2019- 2021				64,023			0.00				
MR JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Bonus plan 2021						42,653	2.73	116			
MR. TOMÁS MUNIESA	Plan							0.00				
MR GONZALO GORTAZAR ROTAECHE	1st cycle CAIP 2019- 2021		51,782					0.00		15,534		36,248
MR GONZALO GORTAZAR ROTAECHE	3rd cycle CAIP 2019- 2021				106,705			0.00				



		Financial instruments at the start of 2021		granted	Financial instruments granted during in 2021		ted financial inst	ruments in the f	ïscal year	Instruments matured but not	Financial ins the end of 2	
Name	Plan name	No. instruments	No. of equivalent shares	No. instruments	No. of equivalent shares	No. instruments	No. equivalent/c onsolidated shares	Price of consolidated shares	Gross profit of consolidated shares or financial instruments (thousands of	No. instruments	No. instruments	No. of equivalent shares
MR GONZALO GORTAZAR ROTAECHE	2021 Bonus Plan						151,168	2.73	412			
MR JOHN S. REED	Plan							0.00				
MR JOAQUIN AYUSO	Plan							0.00				
MR FRANCISCO JAVIER CAMPO GARCÍA	Plan							0.00				
MS EVA CASTILLO SANZ	Plan							0.00				
MR FERNANDO MARÍA COSTA DUARTE ULRICH	Plan							0.00				
MS MARÍA VERÓNICA FISAS VERGÉS	Plan							0.00				
MS CRISTINA GARMENDIA MENDIZÁBAL	Plan							0.00				
MS MARÍA AMPARO MORALEDA MARTÍNEZ	Plan							0.00				
MR EDUARDO JAVIER SANCHIZ IRAZU	Plan							0.00				
MS MARÍA TERESA SANTERO QUINTILLÁ	Plan							0.00				



		Financial inst the start of 20		granted	nstruments d during 2021	Consolida	ted financial inst	truments in the f	ïscal year	Instruments matured but not	Financial ins the end of 2	
Name	Plan name	No. instruments	No. of equivalent shares	No. instruments	No. of equivalent shares	No. instruments	No. equivalent/c onsolidated shares	Price of consolidated shares	Gross profit of consolidated shares or financial instruments (thousands of	No. instruments	No. instruments	No. of equivalent shares
MR JOSÉ SERNA MASIÁ	Plan							0.00	`			
MS KORO USARRAGA UNSAIN	Plan							0.00				
MR JORDI GUAL SOLE	Plan							0.00				
CAJA CANARIAS FOUNDATION	Plan							0.00				
MS MARÍA TERESA BASSONS BONCOMPTE	Plan							0.00				
MR ALEJANDRO GARCÍA-BRAGADO DALMAU	Plan							0.00				
MR IGNACIO GARRALDA RUIZ DE VELASCO	Plan							0.00				

iii) Long-term savings systems.

Name	Remuneration from consolidation of rights to savings systems
MR JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	
MR TOMÁS MUNIESA ARANTEGUI	
MR GONZALO GORTAZAR ROTAECHE	



Name	Remuneration from consolidation of rights to savings systems
MR JOHN S. REED	
MR JOAQUIN AYUSO GARCÍA	
MR FRANCISCO JAVIER CAMPO GARCÍA	
MS EVA CASTILLO SANZ	
MR FERNANDO MARÍA COSTA DUARTE ULRICH	
MS MARÍA VERÓNICA FISAS VERGÉS	
MS CRISTINA GARMENDIA MENDIZÁBAL	
MS MARÍA AMPARO MORALEDA MARTÍNEZ	
MR EDUARDO JAVIER SANCHIZ IRAZU	
MS MARÍA TERESA SANTERO QUINTILLÁ	
MR JOSÉ SERNA MASIÁ	
MS KORO USARRAGA UNSAIN	
MR JORDI GUAL SOLE	
CAJA CANARIAS FOUNDATION	
MS MARÍA TERESA BASSONS BONCOMPTE	
MR ALEJANDRO GARCÍA-BRAGADO DALMAU	
MR IGNACIO GARRALDA RUIZ DE VELASCO	



	Contr	ibution by the compar	ny in the year (thousands	of EUR)	Cumulative amount of funds (thousands of EUR)							
Name				with d economic	Savings systems consolidated rights		Savings systems with unconsolidated economic rights					
	Financial year 2021	Financial year 2020	Financial year 2021	Financial year 2020	Financial year 2021	Financial year 2020	Financial year 2021	Financial year 2020				
MR JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE												
MR TOMÁS MUNIESA ARANTEGUI					29	30						
MR GONZALO GORTAZAR ROTAECHE			505	511	2,768	2,502	2,690	2,176				
MR JOHN S. REED												
MR JOAQUIN AYUSO GARCÍA												
MR FRANCISCO JAVIER CAMPO GARCÍA												
MS EVA CASTILLO SANZ												
MR FERNANDO MARÍA COSTA DUARTE ULRICH												
MS MARÍA VERÓNICA FISAS VERGÉS												
MS CRISTINA GARMENDIA MENDIZÁBAL												
MS MARÍA AMPARO MORALEDA MARTÍNEZ												
MR EDUARDO JAVIER SANCHIZ IRAZU												



	Cont	ribution by the compar	ny in the year (thousands	of EUR)		Cumulative amount o	f funds (thousands of El	JR)	
Name	Savings systems with consolidated economic rights		Savings systems unconsolidate rights		Savings systems consolidated rights		Savings systems with unconsolidated economic rights		
	Financial year Financial year 2021 2020		Financial year 2021	Financial year 2020	Financial year Financial year 2021 2020		Financial year 2021	Financial year 2020	
MS MARÍA TERESA SANTERO QUINTILLÁ									
MR JOSÉ SERNA MASIÁ									
MS KORO USARRAGA UNSAIN									
MR JORDI GUAL SOLE									
CAJA CANARIAS FOUNDATION									
MS MARÍA TERESA BASSONS BONCOMPTE									
MR ALEJANDRO GARCÍA- BRAGADO DALMAU									
MR IGNACIO GARRALDA RUIZ DE VELASCO									

iv) Details of other items

Name	ltem	Remuneration amount
MR JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Health Insurance	2
MR JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Life insurance risk premium	71
MR TOMÁS MUNIESA ARANTEGUI	Item	
MR GONZALO GORTAZAR ROTAECHE	Health Insurance	5



Name	ltem	Remuneration amount
MR GONZALO GORTAZAR ROTAECHE	Life insurance risk premium	65
MR GONZALO GORTAZAR ROTAECHE	Remuneration in kind medical check-up	2
MR JOHN S. REED	Item	
MR JOAQUIN AYUSO GARCÍA	Item	
MR FRANCISCO JAVIER CAMPO GARCÍA	Item	
MS EVA CASTILLO SANZ	Item	
MR FERNANDO MARÍA COSTA DUARTE ULRICH	Item	
MS MARÍA VERÓNICA FISAS VERGÉS	Item	
MS CRISTINA GARMENDIA MENDIZÁBAL	Item	
MS MARÍA AMPARO MORALEDA MARTÍNEZ	Item	
MR EDUARDO JAVIER SANCHIZ IRAZU	Item	
MS MARÍA TERESA SANTERO QUINTILLÁ	Item	
MR JOSÉ SERNA MASIÁ	Item	
MS KORO USARRAGA UNSAIN	Item	
MR JORDI GUAL SOLE	Item	
CAJA CANARIAS FOUNDATION	Item	
MS MARÍA TERESA BASSONS BONCOMPTE	Item	
MR ALEJANDRO GARCÍA-BRAGADO DALMAU	Item	
MR IGNACIO GARRALDA RUIZ DE VELASCO	Item	



- b) Remuneration paid to directors of the listed company for their membership of the governing bodies of its subsidiaries
 - i) Remuneration in cash (in thousands of EUR)

Name	Fixed remuner ation	Attendanc e fees	Remuneration for membership on board committees	Salary	Short-term variable remunerati on	Long-term variable remunerati on	Compensation	Other items	Total for 2021 financial year	Total for 2020 financial year
MR JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE				•						
MR TOMÁS MUNIESA ARANTEGUI	435								435	435
MR GONZALO GORTAZAR ROTAECHE	204								204	560
MR JOHN S. REED										
MR JOAQUIN AYUSO GARCÍA										
MR FRANCISCO JAVIER CAMPO GARCÍA										
MS EVA CASTILLO SANZ										
MR FERNANDO MARÍA COSTA DUARTE ULRICH	750								750	
MS MARÍA VERÓNICA FISAS VERGÉS										
MS CRISTINA GARMENDIA MENDIZÁBAL										
MS MARÍA AMPARO MORALEDA MARTÍNEZ										
MR EDUARDO JAVIER SANCHIZ IRAZU										
MS MARÍA TERESA SANTERO QUINTILLÁ										
MR JOSÉ SERNA MASIÁ										
MS KORO USARRAGA UNSAIN										
MR JORDI GUAL SOLE										
CAJA CANARIAS FOUNDATION										



Name	Fixed remuner ation	Attendanc e fees	Remuneration for membership on board committees	Salary	Short-term variable remunerati on	Long-term variable remunerati on	Compensation	Other items	Total for 2021 financial year	Total for 2020 financial year
MS MARÍA TERESA BASSONS BONCOMPTE										
MR ALEJANDRO GARCÍA-BRAGADO DALMAU										
MR IGNACIO GARRALDA RUIZ DE VELASCO										

ii) Breakdown of movements of the share-based remuneration systems and gross profit of the consolidated shares or financial instruments.

		Financial inst the start of 20		granted	nstruments d during 2021	Consolidated financial instruments in the fiscal year				Instruments matured but not exercised	Financial instruments at the end of 2021	
Name	Plan name	No. instruments	No. of equivalent shares	No. instruments	No. of equivalent shares	No. instruments	No. equivalent/c onsolidated shares	Price of consolidated shares	Gross profit of consolidated shares or financial instruments (thousands of EUR)	No. instruments	No. instruments	No. of equivalent shares
MR JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Plan							0.00				
MR. TOMÁS MUNIESA ARANTEGUI	Plan							0.00				



		Financial instruments at the start of 2021		Financial instruments granted during 2021		Consolidated financial instruments in the fiscal year				Instruments matured but not exercised	Financial ins the end of 2	
Name	Plan name	No. instruments	No. of equivalent shares	No. instruments	No. of equivalent shares	No. instruments	No. equivalent/c onsolidated shares	Price of consolidated shares	Gross profit of consolidated shares or financial instruments (thousands of EUR)	No. instruments	No. instruments	No. of equivalent shares
MR GONZALO GORTAZAR ROTAECHE	Plan							0.00				
MR JOHN S. REED	Plan							0.00				
MR JOAQUIN AYUSO GARCÍA	Plan							0.00				
MR FRANCISCO JAVIER CAMPO GARCÍA	Plan							0.00				
MS EVA CASTILLO SANZ	Plan							0.00				
MR FERNANDO MARÍA COSTA DUARTE ULRICH	Plan							0.00				
MS MARÍA VERÓNICA FISAS VERGÉS	Plan							0.00				



		Financial instruments at the start of 2021		Financial instruments granted during in 2021		Consolidated financial instruments in the fiscal year				Instruments matured but not exercised	Financial instruments at the end of 2021	
Name	Plan name	No. instruments	No. of equivalent shares	No. instruments	No. of equivalent shares	No. instruments	No. equivalent/c onsolidated shares	Price of consolidated shares	Gross profit of consolidated shares or financial instruments (thousands of EUR)	No. instruments	No. instruments	No. of equivalent shares
MS CRISTINA GARMENDIA MENDIZÁBAL	Plan							0.00				
MS MARÍA AMPARO MORALEDA MARTÍNEZ	Plan							0.00				
MR EDUARDO JAVIER SANCHIZ IRAZU	Plan							0.00				
MS MARÍA TERESA SANTERO QUINTILLÁ	Plan							0.00				
MR JOSÉ SERNA MASIÁ	Plan							0.00				
MS KORO USARRAGA UNSAIN	Plan							0.00				
MR JORDI GUAL SOLE	Plan							0.00				



	Financial instruments at the start of 2021			Financial instruments granted during 2021		Consolidated financial instruments in the fiscal year				Instruments matured but not exercised	Financial instruments at the end of 2021	
Name	Plan name	No. instruments	No. of equivalent shares	No. instruments	No. of equivalent shares	No. instruments	No. equivalent/c onsolidated shares	Price of consolidated shares	Gross profit of consolidated shares or financial instruments (thousands of EUR)	No. instruments	No. instruments	No. of equivalent shares
CAJA CANARIAS FOUNDATION	Plan							0.00				
MS MARÍA TERESA BASSONS BONCOMPTE	Plan							0.00				
MR ALEJANDRO GARCÍA-BRAGADO DALMAU	Plan							0.00				
MR IGNACIO GARRALDA RUIZ DE VELASCO	Plan							0.00				

iii) Long-term savings systems.

Name	Remuneration from consolidation of rights to savings systems
MR JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	
MR TOMÁS MUNIESA ARANTEGUI	



Name	Remuneration from consolidation of rights to savings systems
MR GONZALO GORTAZAR ROTAECHE	
MR JOHN S. REED	
MR JOAQUIN AYUSO GARCÍA	
MR FRANCISCO JAVIER CAMPO GARCÍA	
MS EVA CASTILLO SANZ	
MR FERNANDO MARÍA COSTA DUARTE ULRICH	
MS MARÍA VERÓNICA FISAS VERGÉS	
MS CRISTINA GARMENDIA MENDIZÁBAL	
MS MARÍA AMPARO MORALEDA MARTÍNEZ	
MR EDUARDO JAVIER SANCHIZ IRAZU	
MS MARÍA TERESA SANTERO QUINTILLÁ	
MR JOSÉ SERNA MASIÁ	
MS KORO USARRAGA UNSAIN	
MR JORDI GUAL SOLE	
CAJA CANARIAS FOUNDATION	
MS MARÍA TERESA BASSONS BONCOMPTE	
MR ALEJANDRO GARCÍA-BRAGADO DALMAU	
MR IGNACIO GARRALDA RUIZ DE VELASCO	



	Contr	ribution by the compar	y in the year (thousands	s of EUR)	Cumulative amount of funds (thousands of EUR)					
Name	Savings systems with consolidated economic rights Financial year Financial year 2021 2020		Savings systems unconsolidate rights		Savings systems consolidated rights		Savings systems with unconsolidated economic rights			
			Financial year 2021	Financial year 2020	Financial year 2021	Financial year 2020	Financial year 2021	Financial year 2020		
MR JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE										
MR TOMÁS MUNIESA ARANTEGUI										
MR GONZALO GORTAZAR ROTAECHE										
MR JOHN S. REED										
MR JOAQUIN AYUSO GARCÍA										
MR FRANCISCO JAVIER CAMPO GARCÍA										
MS EVA CASTILLO SANZ										
MR FERNANDO MARÍA COSTA DUARTE ULRICH MS MARÍA VERÓNICA FISAS										
VERGÉS										
MS CRISTINA GARMENDIA MENDIZÁBAL										
MS MARÍA AMPARO MORALEDA MARTÍNEZ										
MR EDUARDO JAVIER SANCHIZ IRAZU										



	Cont	ribution by the compar	y in the year (thousands	of EUR)	Cumulative amount of funds (thousands of EUR)					
Name	Savings systems with consolidated economic rights		Savings systems unconsolidate rights		Savings systems consolidated rights		Savings systems with unconsolidated economic rights			
	Financial year 2021	Financial year 2020	Financial year Financial year 2021 2020		Financial year Financial year 2021 2020		Financial year 2021	Financial year 2020		
MS MARÍA TERESA SANTERO QUINTILLÁ										
MR JOSÉ SERNA MASIÁ										
MS KORO USARRAGA UNSAIN										
MR JORDI GUAL SOLE										
CAJA CANARIAS FOUNDATION										
MS MARÍA TERESA BASSONS BONCOMPTE										
MR ALEJANDRO GARCÍA- BRAGADO DALMAU										
MR IGNACIO GARRALDA RUIZ DE VELASCO										

iv) Details of other items

Name	ltem	Remuneration amount
MR JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	Item	
MR TOMÁS MUNIESA ARANTEGUI	Item	
MR GONZALO GORTAZAR ROTAECHE	Item	
MR JOHN S. REED	Item	



Name	ltem	Remuneration amount
MR JOAQUIN AYUSO GARCÍA	Item	
MR FRANCISCO JAVIER CAMPO GARCÍA	Item	
MS EVA CASTILLO SANZ	Item	
MR FERNANDO MARÍA COSTA DUARTE ULRICH	Item	
MS MARÍA VERÓNICA FISAS VERGÉS	Item	
MS CRISTINA GARMENDIA MENDIZÁBAL	Item	
MS MARÍA AMPARO MORALEDA MARTÍNEZ	Item	
MR EDUARDO JAVIER SANCHIZ IRAZU	Item	
MS MARÍA TERESA SANTERO QUINTILLÁ	Item	
MR JOSÉ SERNA MASIÁ	Item	
MS KORO USARRAGA UNSAIN	Item	
MR JORDI GUAL SOLE	Item	
CAJA CANARIAS FOUNDATION	Item	
MS MARÍA TERESA BASSONS BONCOMPTE	Item	
MR ALEJANDRO GARCÍA-BRAGADO DALMAU	Item	
MR IGNACIO GARRALDA RUIZ DE VELASCO	Item	



c) Summary of remuneration (in thousands of EUR):
The summary should include amounts for all remuneration components referred to in this report accrued by the Director, in thousands of euros.

		Remunera	tion accrued in t	he company		Remuneration accrued in group companies					
Name	Total cash remunerati on	Gross profit of consolidated financial instruments or shares	Remuneration under savings systems	Remuneration for other items	Company total 2021	Total cash remunerati on	Gross profit of consolidated financial instruments or shares	under savings	Remuneration for other items	Group total 2021	Company + group total 2021
MR JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	1,353	116		73	1,542						1,542
MR TOMÁS MUNIESA ARANTEGUI	190				190	435				435	625
MR GONZALO GORTAZAR ROTAECHE	2,470	412		72	2,954	204				204	3,158
MR JOHN S. REED	164				164						164
MR JOAQUIN AYUSO GARCÍA	129				129						129
MR FRANCISCO JAVIER CAMPO GARCÍA	129				129						129
MS EVA CASTILLO SANZ	129				129						129
MR FERNANDO MARÍA COSTA DUARTE ULRICH	129				129	750				750	879
MS MARÍA VERÓNICA FISAS VERGÉS	190				190						190



		Remunera	tion accrued in t	he company			Remuneration a	accrued in group	companies		
Name	Total cash remunerati on	Gross profit of consolidated financial instruments or shares	Remuneration under savings systems	Remuneration for other items	Company total 2021	Total cash remunerati on	Gross profit of consolidated financial instruments or shares	Remuneration under savings systems	Remuneration for other items	Group total 2021	Company + group total 2021
MS CRISTINA GARMENDIA MENDIZÁBAL	200				200						200
MS MARÍA AMPARO MORALEDA MARTÍNEZ	206				206						206
MR EDUARDO JAVIER SANCHIZ IRAZU	230				230						230
MS MARÍA TERESA SANTERO QUINTILLÁ	107				107						107
MR JOSÉ SERNA MASIÁ	163				163						163
MS KORO USARRAGA UNSAIN	250				250						250
MR JORDI GUAL SOLE	272				272						272
CAJA CANARIAS FOUNDATION	33				33						33
MS MARÍA TERESA BASSONS BONCOMPTE	28				28						28
MR ALEJANDRO GARCÍA- BRAGADO DALMAU	28				28						28



		Remunera	tion accrued in t	he company		Remuneration accrued in group companies					
Name	Total cash remunerati on	Gross profit of consolidated financial instruments or shares	Remuneration under savings	Remuneration for other items	Company total 2021	Total cash remunerati on	Gross profit of consolidated financial instruments or shares	Remuneration under savings		Group total 2021	Company + group total 2021
MR IGNACIO GARRALDA RUIZ DE VELASCO	21				21						21
TOTAL	6,421	528		145	7,094	1,389				1,389	8,483

C.2. Indicate the changes over the last five years in the amount and percentage of the remuneration earned by each of the listed company's directors during the year, in the consolidated results of the company, and in the average remuneration on a full-time equivalent basis of the employees of the company and its subsidiaries who are not directors of the listed company.

		Total amounts accrued and % annual variation							
	Financial year 2021	% Variation 2021/2020	Financial year 2020	% Variation 2020/2019	Financial year 2019	% Variation 2019/2018	Financial year 2018	% Variation 2018/2017	Financial year 2017
Executive Directors									
MR JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	1,542	-	0	-	0	-	0	-	0
MR GONZALO GORTAZAR ROTAECHE	3,158	35.83	2,325	-24.56	3,082	4.05	2,962	6.13	2,791
External Directors									
MR JOAQUIN AYUSO GARCÍA	129	-	0	-	0	-	0	-	0
MS MARÍA TERESA BASSONS BONCOMPTE	28	-76.67	120	0.00	120	-2.44	123	-13.99	143



				Total amounts	accrued and % a	nnual variation			
	Financial year 2021	% Variation 2021/2020	Financial year 2020	% Variation 2020/2019	Financial year 2019	% Variation 2019/2018	Financial year 2018	% Variation 2018/2017	Financial year 2017
MR FRANCISCO JAVIER CAMPO GARCÍA	129	-	0	-	0	-	0	-	0
MS EVA CASTILLO SANZ	129	-	0	-	0	-	0	-	0
MS MARÍA VERÓNICA FISAS VERGÉS	190	3.83	183	12.96	162	15.71	140	26.13	111
MR ALEJANDRO GARCÍA- BRAGADO DALMAU	28	-76.67	120	0.00	120	1.69	118	31.11	90
MS CRISTINA GARMENDIA MENDIZÁBAL	200	18.34	169	177.05	61	-	0	-	0
MR IGNACIO GARRALDA RUIZ DE VELASCO	21	-76.67	90	-12.62	103	-24.26	136	147.27	55
MR JORDI GUAL SOLE	272	-76.35	1,150	0.00	1,150	0.00	1,150	0.00	1,150
MS MARÍA AMPARO MORALEDA MARTÍNEZ	206	0.00	206	6.19	194	6.01	183	-28.52	256
MR TOMÁS MUNIESA ARANTEGUI	625	3.14	606	5.39	575	-43.68	1.021	-	0
MR JOHN S. REED	164	10.07	149	18.25	126	2.44	123	36.67	90
MR EDUARDO JAVIER SANCHIZ IRAZU	230	5.50	218	10.66	197	8.24	182	628.00	25
MS MARÍA TERESA SANTERO QUINTILLÁ	107	-	0	-	0	-	0	-	0
MR JOSÉ SERNA MASIÁ	163	16.43	140	0.00	140	0.00	140	8.53	129
MS KORO USARRAGA UNSAIN	250	8.23	231	17.26	197	5.91	186	32.86	140



		Total amounts accrued and % annual variation							
	Financial year 2021	% Variation 2021/2020	Financial year 2020	% Variation 2020/2019	Financial year 2019	% Variation 2019/2018	Financial year 2018	% Variation 2018/2017	Financial year 2017
CAJA CANARIAS FOUNDATION	33	-76.43	140	0.00	140	2.94	136	83.78	74
MR FERNANDO MARÍA COSTA DUARTE ULRICH	879	-	0	-	0	-	0	-	0



D. OTHER INFORMATION OF INTEREST

This annual remuneration report has been approved by the company's Board of Directors, in its meeting on:
17/02/2022
State whether any Directors voted against or abstained from voting on the approval of this Report.
[] Yes [√] No

DECLARACIÓN DE RESPONSABILIDAD SOBRE EL CONTENIDO DEL INFORME FINANCIERO ANUAL INDIVIDUAL DE CAIXABANK, S.A. CORRESPONDIENTE AL EJERCICIO 2021

Los miembros del Consejo de Administración de CaixaBank, S.A. declaran que, hasta donde alcanza su conocimiento, las cuentas anuales elaboradas con arreglo a los principios de contabilidad aplicables ofrecen la imagen fiel del patrimonio, de la situación financiera y de los resultados de CaixaBank, S.A. y que el informe de gestión incluye un análisis fiel de la evolución y los resultados empresariales y de la posición de CaixaBank, S.A., junto con la descripción de los principales riesgos e incertidumbres a que se enfrenta.

Las Cuentas Anuales e Informe de Gestión individual correspondientes al ejercicio anual cerrado el 31 de diciembre de 2021 han sido formulados en formato electrónico por el Consejo de Administración de CaixaBank, S.A., en su reunión de 17 de febrero de 2022, siguiendo los requerimientos establecidos en el Reglamento Delegado UE 2019/815.

	Valencia, a 17 de febrero de 2022
Don José Ignacio Goirigolzarri Tellaeche Presidente	Don Tomás Muniesa Arantegui Vicepresidente Diligencia del Secretario para hacer constar la no firma del Sr. Vicepresidente por no haber asistido físicamente a la sesión del Consejo, sino por medios telemáticos. El Secretario,
Don Gonzalo Gortázar Rotaeche Consejero Delegado	Don John Shepard Reed Consejero Coordinador Diligencia del Secretario para hacer constar la no firma del Sr. Consejero Coordinador por no haber asistido físicamente a la sesión del Consejo, sino por medios telemáticos.

El Secretario,

Don Joaquín Ayuso García	Don Francisco Javier Campo García
Consejero	Consejero
Doña Eva Castillo Sanz	Doña María Verónica Fisas Vergés
Consejera	Consejera
Doña Cristina Garmendia Mendizábal	Doña María Amparo Moraleda Martínez
Consejera	Consejera
Don Eduardo Javier Sanchiz Irazu	Doña Teresa Santero Quintillá
Consejero	Consejera
Don José Serna Masiá	Don Fernando Maria Costa Duarte Ulrich
Consejero	Consejero
Doña Koro Usarraga Unsain Consejera	